HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 10TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 16271 OF 2026 (T-RES)

BETWEEN:

LAKSHITHA INTERIOR
PROPRIETORSHIP CONCERN,
NO.216,0,11TH MAIN ROAD,
SAMUNDESHWARI TEMPLE STREET,
HONGASANDRA, BENGALURU-560068
REGISTERED UNDER THE CGST ACT
(REPRESENTED BY ITS PROP
S. PRATAP AGED 46 YEARS)

...PETITIONER

(BY SRI. K M SHIVAYOGISWAMY, ADVOCATE)

AND:

1. THE STATE OF KARNATAKA
REPRESENTED BY ITS
PRINCIPAL SECRETARY
FINANCE DEPARTMENT
VIDHANA SOUDHA, BENGALURU-560 001.

2. THE ASSISTANT COMMISSIONER
OF COMMERCIAL TAXES,
LGSTO-11, 6TH FLOOR,
M.M. TRUST BUILDING,
A.V. ROAD, CHAMARAJPET,
BENGALURU- 560 018.

...RESPONDENTS

(BY SRI.K. HEMA KUMAR., AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A) ISSUE A WRIT OF DECLARATION OR ANY OTHER APPROPRIATE WRIT OR DIRECTION DECLARING THE PROVISIONS OF SECTION 16(2) (C) CGST ACT/SGST ACT, 2017 AS BEING ILLEGAL, UNREASONABLE, ARBITRARY AND DISCRIMINATORY AND THEREFORE TO BE STRUCK, OF DOWN AS VIOLATIVE OF ARTICLE 14, 19 AND 300A; B) ISSUE WRIT OF CERTIORARI OR WRIT IN THE NATURE OF CERTIORARI QUASHING THE EXPARTE ORDER IN ORIGINAL BEARING NO. CTO/LGSTO-16/DRC-07/2024-25 DATED 14.02.2025 PASSED U/S 73(9) OF THE CGST/KGST ACT, BY THE 2ND RESPONDENT VIDE ANENXURE- C. IN RELATION TO THE ASSESSMENT PERIOD APRIL 2020 TO MARCH 2021. IN SO FOR AS THE PETITIONER IS CONCERNED, AS THE SAME IS ILLEGAL, WITHOUT AUTHORITY OF LAW, AND LACK OF JURISDICTION; C) ISSUE WRIT OF MANDAMUS OR WRIT IN THE NATURE OF MANDAMUS, DIRECTING THE 2ND RESPONDENT TO ALLOW THE ITC TO THE EXTENT OF THE TAXES COLLECTED FROM THE REGISTERED SUPPLIERS IN SO FOR IS THE PETITIONER IS CONCERNED.

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

The petitioner has not only called in question the *vires* of Section 16[2][c] of the Central Goods and Services Tax Act/Karnataka Goods and Services Tax Act, 2017 [for short, *'the Act'*] but also the Adjudication Order dated 14.02.2025 *[Annexure-C]*. This Adjudication Order is premised in the assertion that the Show Cause Notice is issued to the petitioner, but it has filed no response. Sri K M Shivayogiswamy, the learned counsel for the petitioner, is categorical in stating that the petitioner does not propose to continue with the challenge to Section 16[2][c] of the Act because the petitioner has a good case on lack of reasonable opportunity, and the learned counsel submits that the proceedings are concluded because of a mismatch between the *Input Tax Credit* paid and claimed in Forms GSTR-3B and GSTR-2A.

Sri K Hemakumar, a learned Additional Government Advocate, is heard for the disposal of the petition, examining whether the petitioner is entitled to another reasonable opportunity. The second respondent has referred to the Show Cause Notice in GST DRC-01 dated 27.11.2024 being uploaded on the common portal according to the Act without mentioning the other modes of communication of the Show Cause Notice. The second respondent has also referred to an opportunity of personal hearing being extended to the petitioner on 30.01.2025 observing that the petitioner has not availed this opportunity, but without further details of the opportunity so extended.

The petitioner contends that the mismatch between Forms GSTR-3B and GSTR-2A is only because the supplier has uploaded his Returns belatedly and remitted taxes thereafter. The petitioner relies on the reconciliation which is produced as

Annexure-B. When these circumstances are considered, this Court is of the view that the petitioner must have another opportunity, and hence, the following.

ORDER

The petition insofar as the challenge to Section 16[2][c] of the Act is dismissed, and the petition insofar as the challenge to the Adjudication Order dated 14.02.2025 *[Annexure-C]* is allowed quashing the same subject to the following terms.

[a] The proceedings are restored to the second respondent for due consideration.

[b] The petitioner is permitted to file, along with the certified copy of this order, the details of the Returns filed by the Supplier and the taxes remitted along with the reconciliation as is filed before this Court.

[c] The petitioner shall produce these documents by ***13.07.2026*** and the second respondent shall consider these documents and then conclude the proceedings by a reasoned order.

Sd/-
(B M SHYAM PRASAD)
JUDGE

AN/-