HC-KAR
NC: 2026:KHC:38708
WP No. 21397 of 2026
CNR: KAHC010470112026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 21397 OF 2026 (T-RES)

BETWEEN:

SRI. RAJESHWARI LORRY SERVICE
A SOLE PROPRIETORSHIP
HAVING OFFICE AT
NO. 301, NO. 16/2,
4TH A CROSS, 30TH MAIN ROAD
2ND STAGE, BTM LAYOUT,
BENGALURU SOUTH
BENGALURU-560076
REPRESENTED BY ITS
SOLE PROPRIETOR
SRI. RAMAMURTHY JAYAVELU
S/O SRI. RAMAMURTHY RD
AGED ABOUT 73 YEARS,
NO. 301, NO. 16/2,
4TH A CROSS, 30TH MAIN ROAD,
2ND STAGE, BTM LAYOUT,
BENGALURU SOUTH,
BENGALURU-560 076.

...PETITIONER

(BY SRI. JOSEPH VARGHESE, ADVOCATE FOR
SMT. LAKSHMI MENON., ADVOCATE)

AND:

1. COMMERCIAL TAX OFFICER
LGSTO -25, BENGALURU
OFFICE OF THE ASSISTANT
COMMISSIONER OF
COMMERCIAL TAXES,

LGSTO-25, DGSTO-04,
TTMC BUILDING, BMTC,
6TH FLOOR, 80 FEET ROAD,
KORAMANGALA
BENGALURU - 560 095.

2. THE BRANCH MANAGER
UNION BANK OF INDIA
NO 138/139/1, ARIKERE MICO GATE,
ICE QUEENS BLDG,
NEAR RELIANCE MART,
BANNERGHATTA ROAD,
BENGALURU - 560076

3. PRESTIGE NOTTINGHILL INVESTMENTS
A PARTNERSHIP FIRM
REPRESENTED BY ITS
MANAGING PARTNER
SRI. IRFAN RAZAK
THE FALCON HOUSE,
NO.1, MAIN GUARD CROSS ROAD,
BANGALORE-560 001

...RESPONDENTS

(BY SRI. K. HEMA KUMAR, AGA A/W
SMT. MALAVIKA PRASAD, HCGP FOR R1)

THIS WP IS FILED UNDER ARTICLES 226 & 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI QUASHING THE SHOW CAUSE NOTICE SCN NO. CTO/LGSTO-25/DRC-01/2AVS3B/ 2024-25 UNDER SECTION 73 OF THE KGST/CGST ACT 2017 (HEREINAFTER REFERRED TO AS THE 'ACT') DATED 28.06.2024 ISSUED BY RESPONDENT NO.1 FOR

THE PERIOD APRIL 2020 TO MARCH 2021 AND REFERRED AS ANNEXURE-A. II) QUASHING THE SUMMARY OF SHOW CAUSE NOTICE IN FORM GST DRC-01 DATED 29.06.2024 VIDE REFERENCE NO.ZD290624140146E ISSUED BY THE RESPONDENT NO.1 FOR THE PERIOD APRIL 2020 TO MARCH 2021 AND REFERRED AS ANNEXURE-A1. III) QUASHING THE ORDER NO. CTO/LGSTO-025/DRC-07/2A VS 3B/2024-25 DATED 10.09.2024 PASSED UNDER SECTION 73 OF KGST/CGST ACT 2017 DATED 10.09.2024 BY THE RESPONDENT NO.1 AND REFERRED AS ANNEXURE-A2. IV) QUASHING THE SUMMARY OF THE ORDER DATED 11.09.2024 BEARING REFERENCE NO. ZD2909240268132 PASSED BY THE RESPONDENT NO.1 AND REFERRED AS ANNEXURE-A3. V) QUASHING THE NOTICE ISSUED UNDER SECTION 79(1)(C) OF THE ACT DATED 11.08.2025 ISSUE BY THE RESPONDENT NO.1 TO THE RESPONDENT NO.2 I.E., THE BANK MANAGER UNION BANK OF INDIA AND REFERED TO AS BEARING NO. CTO/LGSTO-25/NO.32/2025-26 ANNEXURE-A4.

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

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

ORAL ORDER

The petitioner is aggrieved by the initiation of the proceedings under Section 73 of the Central Goods and Services Tax Act/Karnataka Goods and Services Tax Act, 2017 [for short, *'the Act'*] as also the subsequent Adjudication Order and the Garnishee Notice issued. The details of the Show Cause Notice, the impugned Adjudication Order and the Garnishee Notice are as follows.

Sl. No.	***Notices/ Orders***	***Date***	***Provisions of the Karnataka Goods and Services Tax Act, 2017***	***Annexures***
1	Show Cause Notice	28.06.2024	Rule 142[1A]	A
2	Summary Order	29.06.2024	73	A1

3	Summary Order	10.09.2024	73 r/w. Sections 6 and 20 of IGST Act	A2
4	Order	11.09.2024	73	A3
5	Notice to third person	11.09.2024	Section 79[1][c] Rule 145[1]	A4

2. Sri. Joseph Varghese, the learned counsel for the petitioner, submits that the petitioner's GST registration was cancelled to be revoked only in February 2021, that the proceedings are initiated because of mismatch in the details between Forms GSTR-2A and GSTR-3B for the tax period between April 2020 and March 2021, that mismatch is allegedly because of the excessive *Input Tax Credit* [ITC] claimed by the petitioner on two counts:

[a] M/s Prestige Nottinghill Investments has uploaded the details as a B2C transaction instead of B2B transaction and this is supported by a Certificate issued by this Entity on 18.06.2026.

[b] though the petitioner had claimed ITC in excess otherwise, has reversed such excess claim and filed Returns in Form GSTR-9 but this is not being noticed.

On the petitioner's failure to participate in the proceedings and the delay in approaching this Court, Sri. Joseph Varghese submits that the petitioner had engaged the services of a professional who is not acquainted with all the details that had to be uploaded and after the petitioner was served with the Show Cause Notice, the petitioner has pursued with M/s. Prestige Nottinghill Investments.

3. Sri. K Hema Kumar, a learned Additional Government Advocate who accepts notice for the first respondent, submits that the petitioner, having not availed the appellate remedy, cannot sustain a grievance before this Court and that the cause shown by the petitioner could also be tenuous. However, this

Court is persuaded to examine the two circumstances relied upon by the petitioner to answer whether there must be interference for restoration of the proceedings with another opportunity to the petitioner because inarguably the adjudication proceedings are *ex parte* proceedings.

4. The Adjudication Order is in the premise that it is required to safeguard the interest of the Revenue and because the petitioner has not responded to the Show Cause Notices. The petitioner asserts that the excess ITC claimed [excluding the declaration made as B2C transaction by M/s. Prestige Nottinghill Investments] is reversed and annual return filed indicating this reversal and that M/s. Prestige Nottinghill Investments has issued the Certificate dated 18.06.2026 stating that for April 2020, because the petitioner's GST registration was not active, it has declared the taxable value under B2C and discharged taxes correspondingly. If the

petitioner can demonstrate these two circumstances against the alleged mismatch, there may not be any responsibility. As such, this Court interferes only with the Adjudication Order and the Garnishee Notice restoring the proceedings to the first respondent with liberty to the petitioner to file a response, but on terms. Hence the following:

ORDER

The petition is allowed and the Adjudication Order dated 10.09.2024 *[Annexure-A2]* is quashed subject to the following terms.

[i] The proceedings are restored to the respondent for due consideration subject to the petitioner depositing 10% of the tax in demand by ***25.09.2026*** subject to the outcome in the restored proceedings.

[ii] The petitioner is permitted to file, along with the certified copy of this Order, the copies of the documents to show the genuineness of the transactions.

[iii] The petitioner shall produce these documents by ***25.09.2026*** and the respondent shall consider these documents and then conclude the proceedings by a reasoned order.

Sd/-
(B M SHYAM PRASAD)
JUDGE

AN/-