HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF JULY 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 18320 OF 2026 (T-RES)

BETWEEN:

RICHPEACE UNLIMITED
A PROPRIETARY CONCERN
GSTIN 29AHLPR2881G1ZS
O/AT: PLOT NUMBER 40,
SAI GARDEN LAYOUT
NEXT TO KANAKASHREE LAYOUT PHASE 1,
KYALASANAHALLI BYRATHI CROSS,
BENGALURU,
BENGALURU (BANGALORE)
URBAN, KARNATAKA - 560 007.

REPRESENTED BY
ITS PROPRIETOR
RAJESH KUMAR SRINIVAS

...PETITIONER

(BY SRI. HEMANTH N.P., ADVOCATE AND
SRI. VIJAY KUMAR A., ADVOCATE)

AND:

1. THE COMMISSIONER
OF COMMERCIAL TAXES.
VTK-1, GANDHINAGAR,
BANGALORE-560 009.

2. ASSISTANT COMMISSIONER
OF COMMERCIAL TAXES,
LOCAL GST OFFICE-057,

BANGALORE.
NO. 669/L, 3RD FLOOR,
1ST STAGE, 2ND BLOCK,
HBR LAYOUT,
BENGALURU - 560 043.

...RESPONDENTS

(BY SRI. K HEMA KUMAR, AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO I. ISSUE A WRIT OF CERTIORARI OR OTHER APPROPRIATE WRIT OR ORDER, QUASHING THE IMPUGNED ADJUDICATION ORDER DATED 24-11-2025 BEARING NO. ACCT/LGSTO-57/2021-22/DGRAM/DRC-7/2025-26 PASSED BY RESPONDENT NO. 2 VIDE ANNEXURE-F II. 07 ISSUE A WRIT OF CERTIORARI OR OTHER APPROPRIATE WRIT OR ORDER, QUASHING THE IMPUGNED SUMMARY ORDER IN FORM GST DRC DATED 25.11.2025 BEARING REFERENCE NO. ZD291125201991G PASSED BY RESPONDENT NO. 2 VIDE ANNEXURE-F1. III. ISSUE A WRIT OF CERTIORARI OR OTHER APPROPRIATE WRIT OR ORDER, QUASHING THE IMPUGNED ORDER OF BANK ATTACHMENT IN FORM GST DRC 07 DATED 29.04.2026 BEARING REFERENCE NO. ACCT/LGSTO-057/T.NO. 104/26-27 PASSED BY R2 VIDE ANNX-G.

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's grievance is with the Adjudication Order dated 24.11.2025 under Section 73 of the Central Goods and Services Tax Act, 2017/Karnataka Goods and Services Tax Act, 2017 [for short, '*CGST Act*']/*KGST Act*']. The impugned Adjudication Order reads that the petitioner has not availed opportunities extended with the issuance of a Show Cause Notice and the Communication on personal hearings. The adjudication is completed essentially on the reasoning that reads as under.

> "*Therefore, As the per the self-declaration of taxes in GSTR9. As the tax payable has neither been discharged nor filed reply for the non-payment such self-declared taxes, the Tax/Penalty/Interest which are quantified in the show cause notice as detailed below are confirmed and the Taxable person is hereby directed to make the payment within 30 days from the date of receipt of this order, failing which recovery action will be initiated as per Section 79 of the Central/State Goods and Services Tax Act 2017 for recovery of the outstanding dues.*

2. Mr. Hemanth N. P, the learned counsel for the petitioner, submits that the petitioner has received neither the Show Cause Notice nor the

Communication for personal hearing as these are uploaded only on the GST *Portal* and not served otherwise on the petitioner. On merits, the learned counsel, relying upon remittances in Form GST DRC-03 [*as per Annexure - C*], submits that the petitioner has voluntarily offered tax in demand after the returns in GSTR-9, but that has not been considered. The learned counsel emphasizes that if the remittance as per *Annexure – C* is considered and there is appropriate reconciliation, there will be no basis for the Adjudication Order, and the learned counsel argues for a remand based on these assertions.

3. Mr. K. Hema Kumar, a learned Additional Government Advocate who accepts notice for the respondents, submits that if the petitioner could call in question the Adjudication Order under Section 107 of the CGST Act, the petitioner could also avail the remedy of rectification under Section 161 of the

CGST Act. The learned Additional Government Advocate submits that if indeed the petitioner has voluntarily offered taxes which demonstrates that the petitioner has not short-offered taxes, that would be in the nature of a rectification of a clerical or an accidental slip or omission as contemplated under the second proviso to Section 161 of the CGST Act.

4. Mr. K. Hema Kumar also submits that this Court could consider disposing of the petition without disturbing the Adjudication Order reserving liberty to the petitioner to file an application for rectification along with all the documents, and the learned Additional Government Advocate submits that if the petitioner can show that it has voluntarily offered tax in demand after the returns in GSTR-9 in the prescribed form, the impugned Adjudication Order can be rectified even after the six months [*as prohibited under the first proviso to Section 161 of the*

CGST Act] in view of the second proviso to this Section.

5. These submissions are considered in the light of Section 161 of the CGST/KGST Act which reads as under:

> *Section 161: Rectification of errors apparent on the face of record.-*
>
> *Without prejudice to the provisions of section 160, and notwithstanding anything contained in any other provisions of this Act, any authority, who has passed or issued any decision or order or notice or certificate or any other document, may rectify any error which is apparent on the face of record in such decision or order or notice or certificate or any other document, either on its own motion or where such error is brought to its notice by any officer appointed under this Act or an officer appointed under the State Goods and Services Act or an office appointed under the Union Territory Goods and Services Tax Act or by the affected person within a period of three months from the date of issue of such decision or order or notice or certificate or any other document, as the case may be:*

> ***Provided*** *that no such rectification shall be done after a period of six months from the date of issue of such decision or order or notice or certificate or any other document:*
>
> ***Provided*** *further that the said period of six months shall not apply in such cases where the rectification is purely in the nature of correction of a clerical or arithmetical error, arising from any accidental slip or omission:*
>
> ***Provided*** *also that where such rectification adversely affects any person, the principles of natural justice shall be followed by the authority carrying out such rectification.*

Further, both Mr. Hemanth N. P. and Mr. K. Hema Kumar are heard on the precipitation that could be if indeed the petition is to be disposed of with liberty to the petitioner to file an application for rectification under Section 161 of the CGST Act.

6. This Court must observe that if the petitioner has voluntarily offered tax along with interest in terms of *Annexure - C* after filing GST DRC - 03, and that is not considered in concluding the adjudication proceedings, it would be a case of an

accidental slip or omission. In the light of this alternative remedy that is available to the petitioner, this Court is persuaded to dispose of the petition reserving liberty to the petitioner to apply for rectification observing that such application must be considered in the light of this Court's observation that the failure to consider the tax offered with interest in GST DRC - 03 would also be an accidental slip or omission. However, the petitioner must file such an application within a reasonable time if further proceedings under the impugned Adjudication Order are to be averted. In the light of the afore, the following.

ORDER

[A] The petition stands disposed of with liberty to the petitioner to file an application for rectification under Section 161 of the CGST Act.

[B] The petitioner must file such application by ***15.09.2026,*** and if the petitioner files such application, the second respondent shall consider the same in the light of this Court's observation on an accidental slip or omission.

[C] The respondents are called upon to defer all proceedings pursuant to the impugned Adjudication Order until ***15.09.2026.***

[D] Consequentially, the notice in Form GST DRC - 13 to the petitioner's bank [*as per Annexure - G*] is made subject to the petitioner maintaining a minimum balance of 50% of the amount as mentioned in this annexure subject to the final decision on the application for rectification, if filed in terms of the afore order.

Sd/-
(B M SHYAM PRASAD)
JUDGE

RB