IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 14TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 20702 OF 2026 (T-RES)

BETWEEN:

DURGA STEEL CORPOR1ATION,
A PROPRIETORSHIP CONCERN
HAVING ITS OFFICE AT
NO.2, 10TH CROSS,
BEGUR MAIN ROAD,
HONGASANDRA,
BENGALURU - 560 069.
REPRESENTED BY ITS PROPRIETRIX,
SMT.CHANDRAMMA.

...PETITIONER

(BY SRI. PRADYUMNA HEJIB., ADVOCATE)

AND:

1. THE SUPERINTENDENT OF
CENTRAL TAX, RAN1GE ASD-7,
SOUTH DIVISION-7,
BENGALURU SOUTH COMMISSIONERATE,
'D' WING, 7TH FLOOR,
KENDRIYA SADAN,
KORAMANGALA,
BENGALURU - 560 034.

2. THE ADDITIONAL COMMISSIONER OF
CENTRAL TAX (APPEALS-I),
5TH FLOOR, TTMC-BMTC COMPLEX,
HAL AIRPORT ROAD,
DOMMALURU,
BENGALURU - 560 071.

...RESPONDENTS

(BY SRI.ARAVIND V CHAVAN, ADVOCATE)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A) ISSUE A WRIT IN THE NATURE OF CERTIORARI OR ANY OTHER WRIT TO QUASH ADJUDICATION ORDER BEARING NO.426 OF 2024-25 SD 7 GST SUPDT DATED 27.02.2025 PASSED BY THE FIRST RESPONDENT ANNEXURE - A AND ETC.,

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 has called in question the Adjudication Order dated 27.02.2025 [*Annexure-A*] under Section 73(1) of the Central Goods and Services Tax Act/Karnataka Goods and Services Tax Act, 2017 [for short, '*the Act*'], and in fact, the petitioner has filed an appeal against this Adjudication Order with the Appellate Authority under 107 of the Act. The petitioner's appeal is dismissed by the next impugned order dated 24.03.2026 [*Annexure-B*]. The Appellate Authority has observed thus on why there should not be interference with the Adjudication Order:

> *"5.1 After careful examination of the case records, the impugned order, the impugned order, the grounds of appeal, the written submissions, and the submissions made by the appellant during the Personal Hearing, the following findings emerge.*
>
> *5.2 The issue for consideration is whether the respondent's confirmation of the alleged tax short-payment of Rs.16,75,173/- (IGST Rs.4,812/-, CGST Rs.8,35,181/-, and SGST Rs.8,35,181/-), along with the corresponding interest and penalty, is correct and legally sustainable under the provisions of law.*
>
> *5.3 It is noted that the appellant does not dispute that the outward tax liability was correctly reported in GSTR-1 but not discharged in GSTR-3B for the month in question. Under Section 39 read with Section 49 of the CGST, 2017, a liability reported in GSTR-1 must be paid through GSTR-3B. In this case, the appellant did not pay the tax in GSTR-3B, leading to a short-payment. The appellant claims this was due to a GSTN technical glitch, but no evidence such as GSTN tickets, error reports, or contemporaneous communications has been produced to substantiate this claim.*

5.4 It is further observed that CBIC Circular No.26/26/2017-GST dated 29.12.2017 prescribes the procedure to rectify any under-reporting or misreporting in GSTR-3B. The appellant had the opportunity to correct the error in the subsequent month's return but did not take any coercive action."

2. Sri. Pradyumna Hejib, the learned counsel for the petitioner, and Sri. Aravind V. Chavan, the learned standing counsel who accepts notice for the respondents, are heard on:

Whether there must be interference, and if there is to be interference, the terms of such interference.

The petitioner's case is that all the outward supplies have rightly been declared in the prescribed form GSTR1 for July 2020, but, because of a technical glitch, notwithstanding ITC in excess of Rs.20 lakhs, the petitioner could not upload all the details in the Form GSTR 3B.

3. Sri. Pradyumna Hejib submits that even the ITC available as on that date in Form GSTR-3 were shown as *Nil*. The learned counsel submits that if this aspect is considered either by the Adjudicating Authority or by the Appellate Authority, instead of the petitioner being delegated to further appeal under Section 108 of the Act, the petitioner's grievance would be expeditiously addressed because the petitioner is on the verge of closing down the business. Sri. Aravind V. Chavan submits that it was open to the petitioner in terms of CBIC Circular dated 29.12.2017 to rectify the misreporting in Form GSTR 3B, but not having done that, the Appellate Authority has rightly confirmed the Adjudication Order.

4. This Court must observe that the crucial aspects such as whether the petitioner had an ITC credit of about Rs.20 lakhs as of the relevant date and whether there could have been a technical glitch restricting the petitioner from filing all the details must be considered

and the petitioner cannot be non-suited on the ground that a rectification application has been filed or that the petitioner has not availed a particular opportunity envisaged in the circular dated 29.12.2017. The Appellate Authority should have examined all the factual aspects for a complete adjudication without denying the petitioner [*a Registered Tax Person*] an opportunity enabling a complete adjudication on merits.

5. The Appellate Authority must consider all circumstances for a decision so that if there are further proceedings, the Authority thereafter can have the benefit of the consideration of all circumstances. If the Appellate Authority decides on technicalities without examining all material aspects for a complete adjudication, there can only be protraction as against a complete adjudication at the earliest. As such, this Court is of the view that this Court must intervene with the Appellate Authority's order dated 24.03.2026 restoring the appeal for reconsideration. Hence, the following.

ORDER

[a] The petition is *allowed-in-part*, and the Order-in-Appeal dated 24.03.2026 [*Annexure-B*] is recalled restoring the appeal to the appellate authority.

[b] The petitioner shall, without further notice, appear before the Appellate Court on ***23.09.2026***.

Sd/-
(B M SHYAM PRASAD)
JUDGE

BSV
List No.: 2 Sl No.: 18