Case Citation: (2026) taxcode.in 1514 HC

HC-KAR

NC: 2026:KHC:39056
WP No. 22103 of 2026

CNR: KAHC010486982026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 22103 OF 2026 (T-RES)

BETWEEN:

SALVAGE ENERGY SOLUTIONS PRIVATE LIMITED
(A PRIVATE LIMITED COMPANY REPRESENTED BY
ITS DIRECTOR SRI. RAGHAV THAKRAL)
HD 304, WEWORK EMBASSY TECH VILLAGE,
BLOCK-L DEVARABISANAHALLI,
OUTER RING ROAD,
BELLANDUR BENGALURU,
KARNATAKA- 560103

...PETITIONER

(BY SRI. SANTOSH SAGAR KAPILAVAI., ADVOCATE)

AND:

1. ASSISTANT COMMISSIONER OF
COMMERCIAL TAXES
LGSTO-015 ROOM NO. 615, 6TH FLOOR
BMTC COMPLEX,
6TH BLOCK KORAMANGALA,
BENGALURU,

www.taxcode.in

KARNATAKA -560095

2. JOINT COMMISSIONER OF COMMERCIAL TAXES
(ADMINISTRATION)
DGSTO-4, 4TH FLOOR, 'A' BLOCK VTK-2,
RAJENDRANAGAR KORAMANGALA
BENGALURU,
KARNATAKA - 560047

3. STATE OF KARNATAKA
THROUGH ITS SECRETARY
DEPARTMENT OF COMMERCIAL TAXES
VIKASA SOUDHA,
AMBEDKAR VEEDHI
BENGALURU,
KARNATAKA - 560001

4. ICICI BANK LIMITED,
MADHAPUR BRANCH
REPRESENTED BY ITS BRANCH MANAGER
101-102, SMR VINAY TECHNOPOLIS
BESIDES JAYABHERI SILICON COUNTRY,
MADHAPUR HYDERABAD,
TELANGANA 500081

...RESPONDENTS

(BY SRI. K. HEMA KUMAR, AGA A/W

SMT. MALAVIKA PRASAD, HCGP FOR R1 TO R4)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH BY AN ORDER, WRIT, OR DIRECTION IN THE NATURE OF CERTIORARI, THE DIGITALLY SIGNED IMPUGNED ASSESSMENT ORDER U/S 64 OF THE CENTRAL GOODS AND SERVICES TAX ACT,

2017 AND THE KARNATAKA GOODS AND SERVICES TAX ACT, 2017 BEARING NO. ACCT (LGSTO-015)/ASMT-16/8715/2025-26 DATED 07.03.2026 BY PASSED RESPONDENT NO. 1 IN ANNEXURE B , AS UNLAWFUL, ILLEGAL, ARBITRARY, WITHOUT JURISDICTION, AND ULTRA VIRES THE PROVISIONS OF THE SAID ACTS, ALONG WITH ALL ATTENDANT AND CONSEQUENTIAL ACTIONS; QUASH BY AN ORDER, WRIT, OR DIRECTION IN THE NATURE OF CERTIORARI, THE DIGITALLY SIGNED FORM GST ASMT-16 AND GST DRC-07 BEARING REFERENCE NO. ZD2903260334200 DATED 07.03.2026 ISSUED BY RESPONDENT NO. 1 IN ANNEXURE C , AS UNLAWFUL, ILLEGAL, ARBITRARY, WITHOUT JURISDICTION, AND ULTRA VIRES THE PROVISIONS OF THE SAID ACTS, ALONG WITH ALL ATTENDANT AND CONSEQUENTIAL ACTIONS; QUASH BY AN ORDER, WRIT, OR DIRECTION IN THE NATURE OF CERTIORARI, THE NOTICE ISSUED BY RESPONDENT NO. 1 IN DRC- 13 BEARING NO. ACCT/LGSTO-15/DRC-13/3327/2025-26 DATED NIL IN ANNEXURE E , AS UNLAWFUL, ILLEGAL, ARBITRARY, WITHOUT JURISDICTION, AND ULTRA VIRES THE PROVISIONS OF THE SAID ACTS, ALONG WITH ALL ATTENDANT AND CONSEQUENTIAL ACTIONS; DIRECTING THE R4 TO FORTHWTIH RELEASE THE LIEN PLACED ON THE BANK ACCOUNT OF THE PETITIONER PURSUANT TO THE NOTICE ISSUED BY R1 IN DRC-13 BEARING NO. ACCT/LGSTO-15/DRC-13/3327/2025-26 DATED NIL IN ANNX-E AND PERMIT THE PETITIONER TO TRANSACT ITS BANK ACCOUNT, ALONG WITH ALL ATTENDANT AND CONSQEUENTIAL ACTIONS.

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, a private limited company, which asserts that it has business operations across States [*including the State of Karnataka*], has called in question the Order/Summary of this Order, both dated 07.03.2026 [*Annexure – B & C*] under Section 64 of the Karnataka Goods and Services Tax Act, 2017/Central Goods and Services Tax Act, 2017 [for short, the '*KGST Act/CGST Act*'] while calling in question the Recovery Notice in Form GST DRC-13 [*Annexure - E*] addressed to its Banker [*M/s. ICICI Bank Limited*].

2. The first respondent has assumed jurisdiction to pass Summary Assessment under Section 64 of the KGST Act/CGST Act essentially in the premise that the petitioner has transacted with three suppliers who, as ascertained after an inspection, are not operative from their registered

places of business. The petitioner has filed an application dated 06.04.2026, as contemplated under Section 64(2) of the KGST Act/CGST Act, to withdraw this Order under Section 64(1). This application is pending consideration.

3. Mr. Santosh Sagar Kapilavai, the learned counsel for the petitioner, submits that this Court must interfere with the Order dated 07.03.2026 under Section 64(1) of the KGST Act/CGST Act because such order is obviously erroneous and without due opportunity. The learned counsel also submits that:

- the first respondent has assumed jurisdiction without recording that there is sufficient ground for Summary Assessment as a special case because the delay would adversely affect the interest of the Revenue, and
- this Court must interfere with the Order dated 07.03.2026 [Annexure – B] under Section 64 of

the KGST Act/CGST Act and restore the proceedings for reconsideration in view of the decision of this Court in ***W.P.No.7795/2026***, which is decided on ***15.04.2026***.

Mr. Santosh Sagar Kapilavai also submits that, alternatively, this Court could dispose of the petition calling upon the second respondent to decide on the pending application and that the second respondent could consider the pending application dated 06.04.2026 in the light of the fact that no action has been taken in all these months.

4. Mr. K. Hema Kumar, the learned Additional Government Advocate who is assisted by Ms. Malavika Prasad, the learned High Court Government Pleader, submits that the petitioner cannot rely upon the decision of this Court in W.P.No.7795/2026 because in the case of hand, the application under Section 64(2) of the KGST

Act/CGST Act for withdrawal of the Summary Assessment was passed and this application is restored for reconsideration in the peculiarities of that particular case. On the merits of the Assessment Order dated 07.03.2026, the learned Additional Government Advocate submits that it is a well-reasoned order in the light of the fact that the first respondent has ascertained that the petitioner's transactions are with suppliers who are not operating from the registered place of business.

5. However, Mr. K. Hema Kumar cannot dispute that the petitioner's request for an early decision on the pending application under Section 64(2) of the KGST Act/CGST Act would be just and reasonable. This Court is not persuaded to interfere with the Assessment Order dated 07.03.2026 when the merits of this petitioner's grievance are yet to be examined under Section 64 of the KGST Act/CGST Act which reads as under.

*"**64. Summary assessment in certain special cases**.-*

(1) The proper officer may, on any evidence showing a tax liability of a person coming to his notice, with the previous permission of Additional Commissioner or Joint Commissioner, proceed to assess the tax liability of such person to protect the interest of revenue and issue an assessment order, if he has sufficient grounds to believe that any delay in doing so may adversely affect the interest of revenue:

***Provided that** where the taxable person to whom the liability pertains is not ascertainable and such liability pertains to supply of goods, the person in charge of such goods shall be deemed to be the taxable person liable to be assessed and liable to pay tax and any other amount due under this section.*

(2) On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he may withdraw

such order and follow the procedure laid down in section 73 or section 74."

6. The proper officer, subject to evidence and recording sufficient reasons to opine that the delay in conclusion of the proceedings would adversely affect interests of Revenue, can proceed to summarily assess the tax liability. Further, there is a remedy to a taxable person under Section 64 of the KGST Act/CGST Act. The concerned taxable person, within thirty [30] days from the date of receipt of the order under Section 64(1) of the KGST Act/CGST Act, or either the Additional Commissioner or the Joint Commissioner on their own motion, could examine whether the Order under Section 64(1) of the KGST Act/CGST Act is erroneous and if such order is found erroneous withdraw the same with liberty to follow the procedure laid down under Sections 73 and 74 of the KGST Act/CGST Act.

7. The affected taxable person thus has been given immediate remedy but for this remedy to be meaningful, the application under Section 64(2) of the KGST Act/CGST Act must be decided within a reasonable period of time and after extending an opportunity to show cause both against the reason to allege tax liability and to believe that delay would adversely affect the interest of the Revenue. In the present case, the petitioner's application is pending from 06.04.2026, but without any outcome. Therefore, this Court is persuaded to accept the alternative canvass on behalf of the petitioner and dispose of the petition directing the second respondent to consider the petitioner's application in a time bound manner. Hence, the following.

ORDER

[A] The petition is allowed in part directing the Joint Commissioner of Commercial Taxes (Administration)

[*the second respondent*] to decide on the petitioner's application dated 06.04.2026 under Section 64(2) of the KGST Act/CGST Act within four [4] weeks from the date of the petitioner's first appearance after this order.

[B] The petitioner shall, without further notice, appear before the second respondent on ***30.09.2026*** and be at liberty to produce documents in support of the application.

SD/-
(B M SHYAM PRASAD)
JUDGE

RB