HC-KAR

CNR: KAHC010556432026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 19TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 25186 OF 2026 (T-RES)

BETWEEN:

M/S KUM KUM FASHIONS
REPRESENTED BY ITS PROPRITOR
SHRI. ASHOK KUMAR
AGED ABOUT 36 YEARS
SON OF SHRI. HANSARAM
GROUND FLOOR, 23/1,
C-1, DIYAN COMPLEX
OPP KBH COMPLEX
KUVEMPURNAGARA MYSORE
KARNATAKA – 570023

...PETITIONER

(BY SRI. PRANAY SHARMA Y., ADVOCATE)

AND:

1. THE ASSISTANT COMMISSIONER
OF COMMERICAL TAXES
LOCAL GOODS AND
SERVICE TAX OFFICE - 260
SHESHADRI BHAVAN,
DEWAN'S ROAD, MYSORE - 570004

2. THE COMMERCIAL TAX
OFFICER LOCAL GOODS
AND SERVICE TAX OFFICE 260
SHESHADRI BHAVAN,
DEWAN'S ROAD
MYSORE - 570004

3. THE JOINT COMMISSIONER
OF COMMERCIAL TAXE
LOCAL GOODS AND
SERVICE TAX OFFICE - 260
SHESHADRI BHAVAN,
DEWAN'S ROAD,
MYSORE - 570004

4. THE RELIANCE RETAIL LIMITED
RELIANCE CORPORATE PARK
GHANSOLI
THANE BELAPUR ROAD
NAVI MUMBAI
MAHARASHTRA 400701

...RESPONDENTS

(BY SRI. HEMA KUMAR, AGA FOR R1 TO R3)

THIS WP IS FILED UNDER ARTICLES 226 & 227 OF THE CONSTITTUTION OF INDIA PRAYING TO QUASHING THE ORDER IN ORIGINAL PASSED UNDER SECTION 73 OF THE ACT 18.12.2025 VIDE OFFICE FILE NO. FILE NO. ACCT/LGSTO-206/MYS/2A-3B/DGRAM /2025-26 PASSED BY R1 FOR THE PERIOD 2021-22. COPY OF THE ORDER IN ORIGINAL DATED 18.12.2025 IS ENCLOSED AND MARKED AS ANNEXURE -A1. A) QUASHING THE GST FORM DRC-07 BEARING REFERENCE NO. ZD2912251412405 DATED 18.12.2025 ISSUED BY R1. COPY OF THE DRC-07 DTD: 18.12.2025 IS ENCLOSED AND MARKED AS ANNEXURE -A2. B) QUASHING THE SHOW CAUSE NOTICE ISSUED UNDER SECTION 73 OF THE ACT DATED 29.09.2025 VIDE OFFICE NO. ACCT/LGSTO-206/MYS/2021-22/DGRAM/3B-2A/DRC-01-NO.97/2025-26 ISSUED BY

THE RESPONDENT NO.1. COPY OF THE SHOW CAUSE NOTICE DATED 29.09.2025 IS ENCLOSED AND MARKED AS ANNEXURE - A3. IV) ISSUE A WRIT OF CERTIORARI OR DIRECTION IN THE NATURE OF A WRIT OF CERTIORARI QUASHING THE SUMMARY OF SCN ISSUED UNDER SECTION 73 IN FORM GST DRC-01 DATED 29.09.2025 BEARING REFERENCE NO ZD2909252100299 ISSUED BY THE RESPONDENT NO.1. COPY OF THE FORM GST DRC-01 DATED 29.09.2025 IS ENCLOSED AND MARKED AS ANNEXURE -A4. V) ISSUE A WRIT OF CERTIORARI OR DIRECTION IN THE NATURE OF A WRIT OF CERTIORARI QUASHING THE ORDER IN ORIGINAL PASSED UNDER SECTION 73 OF THE ACT DATED 24.12.2025 VIDE OFFICE FILE NO. CTO/LGSTO-206.MYS/2021-22/3B-2A/SEC.73/DRC-07. NO.132/2025-26 PASSED BY THE RESPONDENT NO.2 FOR THE PERIOD 2021-22. COPY OF THE ORDER IN ORIGINAL DATED 24.12.2025 IS ENCLOSED AND MARKED AS ANNEXURE -B1. VI) QUASHING THE GST FORM DRC-07 BEARING REFERENCE NO. ZD291225191627Y DATED 24.12.2025 ISSUED BY R2. COPY OF THE DRC-07 DTD: 24.12.2025 IS ENCLOSED AND MARKED AS ANNEXURE -B2. VII) QUASHING THE SHOW CAUSE NOTICE ISSUED UNDER SECTION 73 OF THE ACT DATED 12.09.2025 VIDE OFFICE NO. CTO/LGSTO-206/MYS/2021-22/3B-2A/DRC-01-NO.05 /2025-26 ISSUED BY THE RESPONDENT NO.2. COPY OF THE SHOW CAUSE NOTICE DATED 12.09.2025 IS

ENCLOSED AND MARKED AS ANNEXURE - B3. VIII) QUASHING THE SUMMARY OF SCN ISSUED UNDER SECTION 73 IN FORM GST DRC-01 DATED 12.09.2025 BEARING REFERENCE NO ZD290925069841Q ISSUED BY THE RESPONDENT NO.2. COPY OF THE FORM GST DRC-01 DATED 12.09.2025 IS ENCLOSED AND MARKED AS ANNEXURE -B4. IX) QUASHING THE DRC-01A INTIMATION ISSUED UNDER SECTION 73 OF THE ACT DATED 29.08.2025 VIDE OFFICE FILE NO. CTO/LGSTO-206/MYS/2021-22/3B-2A/DRC-01A-NO.05/2025-26 ISSUED BY THE RESPONDENT NO.2. COPY OF THE INTIMATION UNDER DRC-01A DATED 29.08.2025 IS ENCLOSED AND MARKED AS ANNEXURE - B5. XIII) QUASHING THE NOTICE OF INTIMATION FOR AMOUNT RECOVERABLE UNDER SECTION 79 OF THE ACT BY THE RESPONDENT NO.2 DATED 15.04.2026 BEARING FILE NO. CTO/ LGSTO.206/MYS/2021-22/PRE RECOVERY NOTICE /NO.65/2026-27. COPY OF THE NOTICE OF RECOVERY UNDER SECTION 79 OF THE ACT DATED 15.04.2026 IS ENCLOSED AND MARKED AS ANNEXURE - C.

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 Orders dated 18.12.2025 and 24.12.2025. These Adjudication Orders are produced as *Annexures-A1 and B1*. These impugned orders are also accompanied by the Summary in Form DRC-07, which are produced as *Annexures - A2 and B2*. The first Adjudication Order dated 18.12.2025 is by the first respondent, and the next Adjudication Order dated 24.12.2025 is by the second respondent.

2 These proceedings are commenced with the Show Cause Notices dated 29.09.2025 and 12.09.2025 respectively, and these Show Cause Notices are produced as *Annexures-A3 and B3.* The question for consideration is whether this Court must interfere with just the two Adjudication Orders saving the Show Cause Notices with an opportunity to the petitioner to file further response if any and calling upon either the first or second respondents to decide

on the outcome that should be in law based on these two Show Cause Notices.

3 Sri Y. Pranay Sharma, the learned counsel for the petitioner, submits that the proceedings are commenced because of an alleged mismatch in the declarations between Form GSTR-2A and Form GSTR-3B and that this difference is because the petitioner's supplier, M/s Reliance Retail Limited, has filed its declarations showing the transaction to be B2C transactions rather than B2B transactions. The learned counsel also submits that two simultaneous proceedings cannot be sustained for the same turnover and on the same proposition.

4 Sri K. Hema Kumar, the learned Additional Government Advocate, who accepts notice for the respondents, is heard for the disposal of the petition in the light of the question framed at the first instance. The learned Additional Government

Advocate endeavors to canvass that the Order dated 18.12.2025 relates to the excess Input Tax Credit [ITC] claims based on the declaration of CGST/SGST and the subsequent Adjudication Order dated 24.12.2025 is because of the difference in the IGST claimed and the ITC claimed based on such declaration.

5 At this stage, this Court is persuaded to opine that the Adjudication Order dated 18.12.2025 could relate to the declaration of CGST/SGST and the ITC claimed relevant thereto and the Adjudication Order dated 24.12.2025 relates to the IGST declared and the ITC claimed in relation thereto. These would be two separate propositions, but this Court is of the view that there must be reconsideration because of the obvious difficulty in reconciling the figures that are mentioned in the two Adjudication Orders. The Adjudication Order dated 18.12.2025 records that the ITC claimed in GSTR-3B is Rs.6,18,556/- and the

ITC available in GSTR-2A is Rs.3,18,614/- and therefore the excess ITC claim of Rs.2,99,942/- must be reversed.

6 As against these, in the Adjudication Order dated 24.12.2025, for the same tax period [Financial Year 2021-2022], the following is recorded.

(Amount in Rs.)

F.Y	Act	ITC Claimed in GSTR-3B	ITC available in GSTR-2A/2B (auto – populated)	Excess ITC Claimed
2021- 22	**IGST**	296664	230002	66662
	CGST	145038	61747	83291
	SGST	145038	61747	83291
TOTAL		**586740**	**353496**	**233244**

This obvious difference in the figures persuades this Court not just to opine that there must not only be a re-examination of the details but also on the petitioner's case that the difference in the ITC claimed in GSTR-3B and available in GSTR-2A/2B is because of an error in the supplier reporting a B2B transaction as B2C transaction.

7 There is some debate on whether it should be the first respondent or the second respondent who should decide on the petitioner's response and conclude the adjudication. Sri Pranay Sharma submits that because the second respondent has issued the first Show Cause Notice, the second respondent must hear both the proceedings and Sri K. Hema Kumar states that because the first respondent is a superior officer who has examined the excess ITC claimed based on the IGST returns, the first respondent should consider the same.

8 On a careful consideration, this Court is of the view that the proceedings must be restored to the first respondent who is the Senior Officer to examine comprehensively whether there must be an adjudication on both the difference in ITC claimed under the IGST and CGST/SGST Acts. Hence, the following.

Case Citation: (2026) taxcode.in 1564 HC

ORDER

[A] The petition is allowed in-part. The impugned Adjudication Orders dated 18.12.2025 and 24.12.2025 are quashed.

[B] The petitioner is reserved with liberty to file reply to the Show Cause Notices dated 29.09.2025 and 12.09.2025 with the first respondent by ***06.10.2026.***

[C] The first respondent is called upon to examine the response and pass just orders in accordance with law.

Sd/-
(B M SHYAM PRASAD)
JUDGE

NV
List No.: 2 Sl No.: 36

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