Case Citation: (2026) taxcode.in 1588 HC

HC-KAR

NC: 2026:KHC:48763
WP No. 8586 of 2026

CNR: KAHC010188262026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 8TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 8586 OF 2026 (T-RES)

BETWEEN:

MUKTHISHWARA CONSTRUCTIONS
NO 62, BEHIND WIDIA FACTORY,
NAGASANDRA POST, ASHOK NAGAR,
BENGALURU URBAN,
BENGALURU - 560 073.
(REPRESENTED BY
PROPRIETOR RAMA D. REDDY)

...PETITIONER

(BY MS. NEHA ALUR., ADVOCATE FOR
SRI. ATUL KRISHNA RAO ALUR., ADVOCATE)

AND:

1. STATE OF KARNATAKA
REPRESENTED BY ITS SECRETARY,
DEPARTMENT OF FINANCE
GOVERNMENT OF KARNATAKA,
AMBEDKAR VEEDHI,
BENGALURU 560 001.

2. THE DEPUTY COMMISSIONER OF
COMMERCIAL TAXES (AUDIT)-6.4
DGSTO- 6, 3RD FLOOR
KIADB BUILDING, 14TH CROSS
PEENYA INDUSTRIAL AREA
BENGALURU - 560 058.

www.taxcode.in

3. ASSISTANT COMMISSIONER OF
COMMERCIAL TAXES
(AUDIT-6.11), DGSTO-3, 2ND FLOOR,
KIADB BUILDING, 14TH CROSS,
2ND STAGE, PEENYA INDUSTRIAL AREA,
BENGALURU- 560 058.

...RESPONDENTS

(BY SMT.MALAVIKA PRASAD., HCGP)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASHING THE ADJUDICATION ORDER BEARING DGSTO-06/ACCT(A)-6.11 /ADJ-73/ 10/2024-25 DATED 24/4/24, PASSED U/S 73(9) OF THE CGST /KGST ACT, AT ANNEXURE- B, ISSUED BY RESPONDENT-3 FOR THE PERIOD 2018- 19 IN SO FOR IS THE PETITIONER IS CONCERNED; (B) QUASHING THE DEMAND ISSUE BY RESP-3 FOR THE PERIOD 2018-19, IN FORM GST DRC 07 DATED 24/04/2024, BEARING REFERENCE NO ZD290424061316D, AT ANENXURE- C, IN SO FOR IS THE PETITIONER IS CONCERNED; (C) QUASHING THE ADJUDICATION ORDER BEARING DGSTO-06/ACCT(A)-6.11/ADJ- 73/26/2024-25 DATED 06/08/24, PASSED U/S 73(9) OF THE CGST / KGST ACT, AT ANENXURE-D, ISSUED BY RESPONDENT-2 FOR THE PERIOD 2019- 20 IN SO FOR IS THE PETITIONER IS CONCERNED;(D) QUASHING THE DEMAND ISSUE BY RESP-2 FOR THE PERIOD 2019-20, IN FORM GST DRC 07 DATED 06/08/2024, BEARING REFERENCE NO ZD2908240265544, AT ANENXURE- E, IN SO FOR IS THE PETITIONER IS CONCERNED; (E) QUASHING THE ADJUDICATION ORDER BEARING DCCT(A)6.4/DGSTO-06/73/2024-25 DATED 24/02/25,PASSED U/S 73(9) OF THE CGST / KGST ACT AT ANENXURE-F, ISSUED BY RESPONDENT-2 FOR THE PERIOD 2020-21 IN SO FOR IS THE PETITIONER IS CONCERNED; (F)

QUASHING THE DEMAND ISSUE BY RESP-2 FOR THE PERIOD 2020-21, IN FORM GST DRC 07 DATED 24/02/2025, BEARING REFERENCE NO ZD290225097824W, AT ANENXURE- G, IN SO FOR IS THE PETITIONER IS CONCERNED; (G) DIRECTING THE RESP-2 AND RESP 3 TO ALLOW THE ITC CLAIMED BY THE PETITIONER FOR THE PERIODS 2018-19, 2019-20 AND 2020-21, IN SO FOR AS THE PETITIONER IS CONCERNED; (H) DIRECTING THE RESP-2 TO VERIFY THE BOOKS OF ACCOUNTS, FOR THE PERIODS, 2018-19, 2019-20 AND 2020-21, IN SO FOR AS THE PETITIONER IS CONCERNED.

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 short question for consideration is whether this Court must interfere with the impugned Show Cause Notices and the Adjudication Orders or just the Adjudication Orders under the Central Goods and Services Tax Act, 2017/Karnataka Goods and Services Tax Act, 2017 with opportunity to the petitioner to file Response to the corresponding Show Cause Notices. The impugned Adjudication Orders are for the financial years 2018-19 to 2020-21. The

details of the impugned Adjudication Orders and the consequential Demands are as follows.

Notices/ Orders	***Period***	***Date***	***Provisions of KGST Act, 2017***	***Annexures***
Adjudication Order	*2018-19*	*24.04.2024*	*73[9]*	*B*
Demand	*2018-19*	*24.04.2024*	*73*	*C*
Adjudication Order	*2019-20*	*06.08.2024*	*73[9]*	*D*
Demand	*2019-20*	*06.08.2024*	*73*	*E*
Adjudication Order	*2020-21*	*24.02.2025*	*73[9]*	*F*
Demand	*2020-21*	*24.02.2025*	*73*	*G*

It is not in dispute that these proceedings are commenced because of the difference/mismatch between Forms GSTR-7 and GSTR-3B, disallowance of Input Tax Credit [*ITC*] and the liability to pay penalty for not producing the Books of Accounts. The Adjudication Orders are in the premise that though the petitioner has been extended opportunities with service of Intimation and the Show Cause Notices as well as personal hearing, but the petitioner has neither filed a Response nor availed the opportunity.

The petitioner contends that its proprietor is 65-year-old, that he was bogged down by health conditions during the relevant time and that the petitioner has stated about his different ailments and his hospitalization in paragraph-7 of the memorandum of writ petition. The petitioner also contends that he can produce documents to justify the declaration in Forms GSTR-7 as also the transactions relied upon to claim ITC. Ms. Malavika Prasad, a learned High Court Government Pleader, is heard in the circumstances.

The petitioner's case hinges on its inability to avail the opportunity that is extended and the petitioner justifies the same by relying upon health conditions and hospitalization of its proprietor. These circumstances persuade this Court to intervene to restore the proceedings for consideration on terms. Hence, the following.

ORDER

[A] The petition is allowed.

[B] The following Adjudication Orders/Demand are quashed restoring the proceedings to the stage of the Show Cause Notices.

Notices/ Orders	***Date/ Period***	***Provisions of KGST Act, 2017***	***Annexures***
Adjudication Order	*24.04.2024 2018-19*	*73[9]*	*B*
Demand	*24.04.2024 2018-19*	*73*	*C*
Adjudication Order	*06.08.2024 2019-20*	*73[9]*	*D*
Demand	*06.08.2024 2019-20*	*73*	*E*
Adjudication Order	*24.02.2025 2020-21*	*73[9]*	*F*
Demand	*24.02.2025 2020-21*	*73*	*G*

[C] The petitioner shall by ***15.10.2026*** file Response with supporting documents in response to the Show Cause Notices dated 30.01.2024, 27.05.2024 and 29.07.2026 relevant

to the financial years 2018-19, 2019-20, and 2020-21.

[D] The petitioner shall deposit 10% of the Demand proposed under each Show Cause Notice by ***15.10.2026*** subject to the outcome in the restored proceedings and the authority/ies are directed to consider the same and pass just Orders.

Sd/-
(B M SHYAM PRASAD)
JUDGE

AN/-