Case Citation: (2026) taxcode.in 1678 HC

HC-KAR

NC: 2026:KHC:48587
WP No. 28125 of 2026

CNR: KAHC010615552026

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. 28125 OF 2026 (T-RES)

BETWEEN:

1. M/S SOUHARDHA INFRA TECH PVT LTD
A PRIVATE LIMITED COMPANY
REGISTERED UNDER THE COMPANIES ACT, 2013
HAVING OFFICE AT NO. 2729,
2ND FLOOR, 14TH CROSS,
E-BLOCK, KODIGEHALLI GATE, SAHAKARNAGAR,
BANGALORE-560092
REP. BY ITS AUTHORISED REPRESENTATIVE SHRI.
B H KRISHNA REDDY

...PETITIONER

(BY SMT. LOCHANA S BABU., ADVOCATE)

AND:

1. THE JOINT COMMISSIONER
OF COMMERCIAL TAXES
(APPEALS-06)
TTMC COMPLEX,
SHANTINAGAR,
BANGALORE -560027.

2. THE ASSISTANT COMMISSIONER OF COMMERCIAL
TAXES (AUDIT)-6.11
AUDIT WING, DGSTO-6,
2ND FLOOR, KIADB BUILDING,
14TH CROSS, 2ND STAGE,

www.taxcode.in

PEENYA INDUSTRIAL AREA
BANGALORE- 560058.

3. THE COMMERCIAL TAX OFFICER, (VIG) VIGILANCE WING
6TH FLOOR, VANIJYA THERIGE
KARYALAYA, KALIDASA ROAD,
GANDHINAGAR,
BANGALORE -560009.

...RESPONDENTS

(BY SRI.K.HEMAKUMAR, AGA A/W
SMT. MALAVIKA PRASAD, HCGP)

THIS WP IS FILED UNDER ARTILCE 226 AND 227 OF THE CONSTITUTION OF INIDA PRAYING TO ISSUE A WRIT OF CERTIORARI QUASHING THE IMPUGNED ORDER-IN-APPEAL DATED 15.05.2025 BEARING APPEAL NO. 689/2024-25 ALONG WITH FORM GST APL-04 DATED 23.06.2025 BEARING REFERENCE NO.ZD290625081891V PASSED BY THE RESPONDENT NO.1. (ANNEXURE A) AND (II) TO ISSUE A WRIT OF CERTIORARI QUASHING THE IMPUGNED ORDER-IN-ORIGINAL DATED 08.08.2024 BEARING NO.DGSTO-06/ACCT(A)-6.11/ADJ-73/26/2024-25 ALONG WITH FORM GST DRC-07 DATED 08.08.2024 BEARING REFERENCE NO. ZD290824036105D PASSED BY THE RESPONDENT NO.2. (ANNEXURE-B) AND ETC.,

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 has availed the statutory remedy under Section 107 of the Central Goods and Services Tax Act, 2017/Karnataka Goods and Services Tax Act, 2017/ [for short, *'the CGST /KGST Act'*], and the petitioner calls in question the Appellate Authority's order and the Adjudication order [the Order-in-Original] as also the impugned Show Cause Notice on the ground of jurisdiction. The details of impugned Show Cause Notice and Orders are as follows:

Sl. No.	***Notices/ Orders***	***Date***	***Provisions of KGST/CGST Act, 2017***	***Annexures***
1	Order-in-Appeal	15.05.2025	107 (11)	A
2	Order-in-Original	08.08.2024	73 (9)	B
3	Show Cause Notice	29.05.2024	73 (1)	C

2. Ms. Lochana S. Babu, the learned counsel for the petitioner, submits that this Court must intervene with the very Show Cause Notice on the ground of jurisdiction ***[a]*** because an Audit Officer,

without even an audit, has commenced proceedings with the issuance of Show Cause Notice dated 29.05.2024; ***[b]*** this is despite the fact that the Vigilance Wing has looked into the question of mismatch between Form GSTR-3B and Form GSTR-2A for the relevant financial year 2019-20 resulting in an Inspection Report; ***[c]*** the petitioner is not even made known of the inspection outcome; and ***[d]*** the second respondent has commended these proceedings even before the conclusion of the inspection proceedings .

3. However, what remains undisputed is that the petitioner has not raised this ground in response to the Form GST DRC-01A or in the appeal. Crucially, the petitioner's grievance with the Appellate Authority's order is that it is in the premise that it has not responded to the opportunity/ies. The petitioner's assertion is that, on 25.05.2024, it has filed a detailed reply to the Intimation under

acknowledgment furnishing a reconciliation of the supplies during this financial year. Therefore, the question for consideration is:

> *Should this Court interfere with the very initiation of the proceedings on the ground of jurisdiction, or should this Court interfere with the Appellate Authority's order dated 15.05.2025 [Annexure-A*].

4. Mr. K Hema Kumar, the learned Additional Government Advocate who is assisted by Ms. Malavika Prasad, a learned High Court Government Pleader, is heard for disposal of the petition on this question. The learned Additional Government Advocate submits that the question of jurisdiction may not be available to the petitioner because the Form GST DRC-01A is based on an Inspection Report and that confers jurisdiction for issuance of show cause notice. On the Appellate Authority's observation that petitioner has not filed

any response to the intimation in Form GST DRC-01A, the learned Additional Government Advocate submits that the petitioner has filed response to the GST DRC-01A but has not filed any response to the Show Cause Notice in Form GST DRC-01 dated 29.05.2024 emphasizing that though the petitioner claims reconciliation to explain the mismatch between Form GSTR 3B and Form GSTR -2A, it has filed the documents as contemplated under the Circular No.183/15/2022 only along with an application for rectification that is filed after the Appellate Authority's order.

5. The question of jurisdiction, if such question goes to the root of the cause and is raised as pure question of law, can be raised even after the first appeal. This Court, in the circumstances where the petitioner has admittedly filed a detailed response dated 25.05.2024 [*as per Annexure-F*] to the Intimation in GST DRC-01A and has now produced

documents to offer reconciliation for the alleged mismatch with the supporting documents, is of the view that the interference with the very initiation of the proceedings on the ground of jurisdiction could be deferred.

6. On the question of interference otherwise, this Court must observe the following. Notwithstanding the petitioner's detailed reply on 25.05.2024 [*as per Annexure-F*], the Adjudicating Authority has only observed that the petitioner has not furnished sufficient documents to substantiate the reconciliation. The Adjudicating Officer has next observed that petitioner has not filed any response to the Show Cause Notice issued subsequently. The Appellate Authority has dismissed the appeal on the ground that the petitioner has not responded to the intimation in Form GSTR DRC-01A and has not availed the opportunity when the Show Cause Notice is issued and the opportunity of personal hearing is

extended. The reconciliation, as offered by the petitioner on 25.05.2024, has not been considered.

7. The petitioner has now filed an application for rectification. On instructions, it is stated that this application is rejected though substantial documents have been filed. If the petitioner has not been diligent, the Authorities somehow also have not comprehensively examined all the circumstances. As such, this Court finds the reason to interfere with the Appellate Authority's order and restore the appeal for reconsideration observing that the Appellate Authority must also consider the question of jurisdiction for a complete adjudication of all aspects without any right in the petitioner to first insist upon a finding of the jurisdiction. In the light of the afore, following;

ORDER

A. The petition is allowed in-part.

B. The Appellate Authority's order dated 15.05.2025 [*Annexure-A*] is quashed restoring the proceedings in the light of this Court's observation.

C. The petitioner shall within three [3] weeks from the date of receipt of certified copy of this order place it before the Appellate Authority who shall cause appropriate notice for hearing.

Sd/-
(B M SHYAM PRASAD)
JUDGE

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List No.: 2 Sl No.: 11