



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 15TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO.7795 OF 2026 (T-RES)

BETWEEN:

M/S. SOUTH INDIA COMPANY,
NO.14/A, BANNMANTAP, A. LAYOUT,
MANDI MOHALLA,
MYSURU, KARNATAKA - 570 015,
REPRESENTED BY ITS PROPRIETOR
SHRI. SALMAN KHAN,
PROPRIETORSHIP CONCERNED.

...PETITIONER

(BY SRI. E.I. SANMATHI, ADVOCATE FOR
SRI. NADEEM AHMED, ADVOCATE)

AND:

1. THE COMMISSIONER OF COMMERCIAL TAXES
VANIJA THERIGE BHAVAN,
GANDHINAGAR,
BENGALURU - 560 009.
2. THE ASSISTANT COMMISSIONER OF
COMMERCIAL TAXES,
LOCAL GOODS AND SERVICES TAXES OFFICE-190,
SHESHADRIBHAVAN, DEWANS ROAD,
MYSORE, KARNATAKA - 570 024.
3. JOINT COMMISSIONER OF COMMERCIAL TAXES
(ADMINISTRATION),
MYSORE.

...RESPONDENTS

(BY SRI. K. HEMA KUMAR, AGA)



THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ADJUDICATION ORDER FOR THE PERIOD 2025-26 VIDE ORDER DATED 24.02.2026, PASSED BY 2ND RESPONDENT AT ANNEXURE-E AND ETC.,

THIS PETITION COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

ORAL ORDER

Petitioner is permitted to implead an additional respondent. Sri. K. Hemakumar, learned Additional Government Advocate accepts notice for the newly added respondent No.3.

2. The petitioner has assailed the order passed under Section 64(2) of the KGST/CGST Act, 2017 whereby application was filed seeking withdrawal of the summary assessment order passed under Section 64(1). Such order rejecting the application of the petitioner was passed on 24.02.2026. In terms of the order at Annexure-E, the



authority has noticed that there has been bogus suppliers of the petitioner.

3. It is further submitted that such of the suppliers i.e., M/s. MRK Enterprises has suffered an order of cancellation of GST registration and was a shell entity. Observation is made regarding physical verification of the registered premises of M/s. MRK Enterprises and it is stated that the registered premises of M/s. MRK Enterprises was locked and that there was no infrastructure commensurate with the scale of operations as claimed in the GST returns. It was further observed that the proprietor had replied when contacted over telephone that no transactions and business activities were being carried on for the past two years. On the basis of such observation and material, show-cause notice was issued regarding cancellation of registration and the GST registration of M/s. MRK Enterprises was also cancelled.



4. Sri. K. Hemakumar, learned Additional Government Advocate would assert that the adjudicating authority after taking note of all material including the modus operandi of fraud as asserted by the authority, the assessing officer has rejected the withdrawal of summary assessment order.

5. Learned counsel for the petitioner has filed memo of additional documents dated 01.04.2026 and points out that the suppliers of the petitioner were indeed genuine. It is submitted that the additional documents would indicate that the supplies of the petitioner were in fact genuine and the details regarding e-way bill, value, vehicle number and quantity had been produced relating to the relevant year. It is submitted that if the authority were to re-look into the matter and re-appreciate the evidence on record, case would be made out to drop the proceedings.



6. Learned Additional Government Advocate would point out to the detailed finding of the authority including the modus operandi of fraud as detailed in para-5 and submits that no case is made out by the petitioner for exercise of discretionary power under the present jurisdiction.

7. Perused the order at Annexure-E, whereby the authority has rejected the application to withdraw the summary assessment order passed. No doubt serious allegations have been made against the petitioner and observation regarding examination and rejection of the contention has been made. However, noticing the additional documents produced along with the memo dated 01.04.2026, as well as another memo, it would be appropriate that the assertion of the petitioner by relying on such documents could be the subject matter of reconsideration by the authority. Such order is passed by putting the petitioner on terms, noticing if the order is allowed to stand, serious prejudice would be caused to the



petitioner. The question of the genuineness of the documents produced is a matter for enquiry by the authority.

8. Accordingly, the order at Annexure-E is set aside and matter is remitted for reconsideration of the application for withdrawal of summary assessment order. Petitioner to appear before respondent No.3 without further notice on 18.05.2026.

9. The authority may take note of the additional documents produced by the petitioner herein. Petitioner upon appearance is at liberty to produce other materials to substantiate his claim that the suppliers are genuine and demonstrate that ITC availed of, is in order.

10. Petitioner to pay cost of Rs.25,000/- to the Karnataka Advocates Clerks Benevolent Trust, High Court Building, Bengaluru.

11. Liberty is reserved to the authority upon considering additional materials placed by the petitioner to



pass orders under Section 73 and Section 74, as is permissible in law. All legal contentions are kept open.

Accordingly, petition is ***disposed of***.

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MCR