



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 1ST DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 19671 OF 2026 (T-RES)

BETWEEN:

M/S AJAGONDANAHALLI HOMES LLP
BHUVANA NIVAATH APARTMENTS,
TOWER-B, FLAT NO. 019,
SY. NO. 50/3, HAROHALLI MAIN ROAD,
AJJAGONDANAHALLI VILLAGE,
MUTHSANDRA POST,
ANUGONDANAHALLI HOBLI,
HOSKOTE TALUK,
BENGALURU 560 087.
REPRESENTED BY ITS
PARTNER, SRI. DEVAKI.

...PETITIONER

(BY SMT. AISHWARYA S HANCHATE.,ADVOCATE)

Digitally
signed by
VANAMALA
N

Location:
HIGH
COURT OF
KARNATAKA

AND:

1. THE STATE OF KARNATAKA
THROUGH THE PRINCIPAL SECRETARY,
DEPARTMENT OF FINANCE,
VIDHANA SOUDHA,
BENGALURU 560 001.
2. THE JOINT COMMISSIONER OF
COMMERCIAL TAXES (APPEALS)-4,
NO. 640, 6TH FLOOR,



BMTC BUILDING, 80 FEET ROAD,
6TH BLOCK, KORAMANGALA,
BENGALURU 560 095.

3. THE ASSISTANT COMMISSIONER OF
COMMERCIAL TAXES (AUDIT)-4.1,
DGSTO-4, 5TH FLOOR,
BMTC BUILDING, TTMC,
RAJENDRANAGARA,
KORAMANGALA,
BENGALURU 560 095.

...RESPONDENTS

(BY SRI.K. HEMA KUMAR., AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO-
(A) QUASHING AND SETTING ASIDE THE IMPUGNED ORDER OF APPEAL DATED 12.05.2026 PASSED BY RESPONDENT NO. 2 IN APPEAL NO. GST.AP.61/26-27 BEARING ORDER NO. ZD2905260562158 (ANNEXURE-A); (B) DIRECTING RESPONDENT NO.2 TO RESTORE THE SAID APPEAL TO ITS ORIGINAL FILE AND TO CONSEQUENTIALLY CONDONE THE DELAY IN FILING THE SAID APPEAL AND TO ADJUDICATE THE APPEAL AFRESH ON ITS MERITS IN ACCORDANCE WITH LAW, AFTER AFFORDING AN EFFECTIVE PERSONAL HEARING TO THE PETITIONER.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, 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 Order dated 16.01.2025 [Annexure-B] and the Order in Appeal dated 12.05.2026 [Annexure-A]. The Adjudication Order is an *ex parte* Order, and it is based on the audit findings which read as under:

ABSTRACT OF TAX DETERMINED			
PARAS	OMISSION	SGST+CGST	INTEREST
1.	Audit observation on reversal of availed and utilized input tax credit on unsold portion of completed projects as on date of issue of occupancy certificate in compliance with section 17 (2) and amended Rule 42 of SGST/ CGST Act 2017		99680
2.	Excess claim of ITC in GSTR 3B in comparison with GSTR 2A		238457
3.	Nonpayment of tax on supply of construction services to the owner of the land in lieu of supply of the development rights by the owner.	2099917	503980

The petitioner has not responded to the Intimation or the Show Cause Notice, but the petitioner contends in this petition that the



Adjudicating Officer has failed to account for the tax payments made through Form GST DRC-03 and that the valuation is based on an arbitrary valuation benchmark which has no basis in law or on facts. Ms. Aishwarya S Hanchate, the learned counsel for the petitioner, submits that the petitioner could not participate in the proceedings because another Officer had commenced proceedings for the same tax period which has ultimately culminated in such proceedings being dropped.

Sri K Hemakumar, a learned Additional Government Advocate, who accepts notice for the respondents is heard. This Court in the peculiarities stated, opines that the petitioner must have an opportunity to explain the difference between the Forms in GSTR-3B and GSTR-2A as also the other two observations as above for complete adjudication, especially when the appeal is dismissed on the



ground of delay. As such, observing that all questions are left open, the following.

ORDER

[A] The petition is allowed.

[B] The Adjudication Order dated 16.01.2025 *[Annexure-B]* and the Order in Appeal dated 12.05.2026 *[Annexure-A]* are quashed with liberty to the petitioner to file Reply to the Show Cause Notice by **24.08.2026**.

SD/-
(B M SHYAM PRASAD)
JUDGE

AN/-