HC-KAR

NC: 2026:KHC:20498
WP No. 7830 of 2026

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. 7830 OF 2026 (T-RES)

BETWEEN:

1. M/S INAYA ENTERPRISES
   REPRESENTED BY ITS PROPRIETRIX
   SMT. BIBI NUSRAT
   AGED ABOUT 34 YEARS,
   RESIDING AT NO. 17,
   WARD NO.15, KITTY LAYOUT,
   NEAR BILAL MASJID, INDLABELE ROAD,
   ATTIBELE, ANEKAL TALUK,
   BENGALURU URBAN - 562 107.
   GSTIN: 29BPIPN1291J1ZG

... PETITIONER

Digitally signed by VIJAYA P
Location: HIGH COURT OF KARNATAKA

(BY SRI. GOWRI SHANKER M., ADVOCATE)

AND:

1. THE ASSISTANT COMMISSIONER OF
   COMMERCIAL TAXES
   LGSTO-026, DGSTO-4,
   ROOM NO. 624, 6TH FLOOR,
   BMTC COMPLEX, 6TH BLOCK,
   KORAMANGALA,
   BENGALURU - 560 095

2. THE JOINT COMMISSIONER OF
   COMMERCIAL TAXES (APPEALS-8)

BMTC COMPLEX, 6TH BLOCK,
KORAMANGALA,
BENGALURU - 560 095

… RESPONDENTS

(BY SMT. JYOTI M. MARADI, HCGP)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO A) QUASH THE IMPUGNED ADJUDICATION ORDER AT ANNEXURE-A DATED 30/12/2025 IN FORM GST DRC-07 PASSED BY R1 BEARING NO.ACCT/LGSTO-026/DRC-07/2021-22/3BVSR1/2025-26 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 has called in question the validity of the order of adjudication at Annexure-A dated 30.12.2025.

2. It is the case of the petitioner that the respondent - Authority had initiated the proceedings on the ground that the petitioner had not paid tax either through cash or through utilisation of Input Tax credit for an amount of Rs.3,25,565/- for the tax period from April, 2021 to March, 2022. The Authority has observed that the output tax collected was payable in accordance with law. It

is submitted that this premise of the authority in its order of adjudication was misplaced as petitioner's part payment as reflected in Form-GST DRC-03 as was acknowledged in terms of the reply in GST-DRC-01A was not taken note of. It is submitted that the alleged discrepancies though noticed, was not taken note of in the adjudication proceedings. Attention is drawn to the observations at para 7 to 9 of the order of adjudication.

3. It is the case of the petitioner that if an opportunity of hearing was availed of, petitioner could have explained the alleged discrepancies regarding short fall of payment of output tax as well as interest.

4. Learned High Court Government Pleader submits that the Court may pass appropriate orders and the Authority may be directed to consider the alleged assertion of the petitioner and reliance placed on GST-DRC-03 as well as reply to communication at GST-DRC-01A as is permissible under law.

5. It is to be noticed that the petitioner's assertion of having paid portion of the tax has not been taken note of by the Authority. The Authority in its discussion at Para 7 to 9 of the order of adjudication though makes a reference to GST-DRC-01A, however, it is the contention of the petitioner that before show cause notice was issued, such aspect of payment made has not been taken note of.

6. Taking note of the contentions raised and the reliance of the petitioner to Annexure-C as well as GST-DRC-01A, it would be appropriate to remit the matter for reconsideration by setting aside the order at Annexure-A. Considering the contention of the petitioner that if an opportunity of personal hearing is granted, petitioner would explain the alleged short fall of output tax, it would be appropriate to set aside the order at Annexure-A and remit the matter for fresh consideration.

7. Accordingly, the order at Annexure-A is set aside. The matter is remitted to the stage of reply to the

show cause notice. All contentions of the petitioner including as raised herein are kept open. The Authority may consider Annexure-C as well as GST-DRC-01A and other explanation of the petitioner as may be placed regarding discrepancy of output tax.

8. Petitioner to appear before respondent No.1 without fresh notice on 18.05.2026.

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

SD/-
(S SUNIL DUTT YADAV)
JUDGE

VP