



CNR: KAHC010484412026

WP NO. 21982/2026 (T - RES)

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

[M/S. ATHREYA CONSTRUCTIONS VS. ADDITIONAL
COMMISSIONER OF CENTRAL TAX AND OTHERS]

21.07.2026

(VIDEO CONFERENCING / PHYSICAL HEARING)

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

Sri V. Raghuraman, the learned Senior Counsel for the petitioner, is heard on the petitioner's request for interim order.

The petitioner's appeal as against the Adjudication Order under Section 74 of the Central Goods and Services Tax Act, 2017/State Goods and Services Tax Act, 2017 [for short, '*the Act*'] is dismissed on the ground of limitation and the petitioner has invoked this Court's jurisdiction to call in question the Adjudication Order primarily on the ground of jurisdiction while also contending that it is in violation of principles of natural justice.

The petitioner is issued with Intimation in Form DRC-01A on 18.03.2021 referring to search of the petitioner's premises on 10.11.2020 and the reversal of ITC in a sum of



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Rs.3,58,36,268/- on 02.12.2020, and despite the petitioner's response mentioning the reversal of the ITC along with calculating the interest and the penalty at 15%, the petitioner is issued with Show Cause Notice to show cause against levy of interest and penalty for the amount including the ITC reversed resulting in the impugned Adjudication Order.

Sri V. Raghuraman submits that the proceedings are commenced only to fasten the liability on the petitioner to pay interest and penalty notwithstanding the reversal of ITC with interest and penalty, and this would be contrary to the Scheme under Section 74 of the Act. The learned Senior counsel invites this Court's attention to Section 74(6) and Section 74(7) of the Act to argue that the Adjudicating Officer could have assumed jurisdiction, if at all the Officer could have jurisdiction in the present circumstances, under Section 74(7) and not under Section 74(6) and that this vitiates the entire proceedings.

In consideration of the specific circumstances and the submissions and on perusal of the records, the interim order



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is granted as prayed for to be in force until further orders but with liberty to the respondents to complete pleadings and seek vacating or for early disposal.

Sri Jeevan J. Neeralgi, a learned standing counsel for the respondents, is called upon to accept notice for the respondents.

Sri Raghavendra C.R., the learned counsel on record for the petitioner, shall ensure that the copies of the petition papers are served on the chambers of Sri Jeevan J. Neeralgi at the earliest.

The office is directed to re-list this petition on **29.07.2026.**

(B M SHYAM PRASAD)
JUDGE

SA
List No.: 2 Sl No.: 25