HC-KAR
NC: 2026:KHC:29726
WP No. 10090 of 2026

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 17TH DAY OF JUNE, 2026**

**BEFORE**

**THE HON'BLE MR. JUSTICE B M SHYAM PRASAD**

**WRIT PETITION NO. 10090 OF 2026 (T-RES)**

**BETWEEN:**

M/S POKALA MALLESWARA REDDY
A PROPRIETORSHIP CONCERN,
REPRESENTED HEREIN BY ITS
SOLE PROPRIETOR,
SHRI. P.M. REDDY,
S/O POKALA NARAYAN REDDY,
AGED ABOUT 49 YEARS,
HAVING OFFICE AT
4262, OLD GANGAMMA TEMPLE,
SIRA ROAD, PAVUGADA,
TUMAKURU - 561202.

...PETITIONER



(BY SRI. SANDEEPANI A. NEGLUR., ADVOCATE)

**AND:**

1. COMMERCIAL TAX OFFICER
(AUDIT) - 2, 2ND FLOOR,
DGSTO - 05
VANIJYA TERIGA SANKEERNA,
SIDDARAMESHWARA EXTENSION,
TUMKUR - 572102.
2. ASSISTANT COMMISSIONER OF
COMMERCIAL TAXES (ENFORCEMENT),
VANIJYATERIGE SANKEERNA,

NEAR SUKRUTHA HOSPITAL,
80 FEET ROAD,
SIDDARAMESHWARA EXTENSION,
JAYANAGARA EAST,
TUMKURU - 572103.

3. JOINT COMMISSIONER OF
COMMERCIAL TAXES, (ADMIN),
DGSTO-6, BANGALORE,
3RD FLOOR, KIADB BUILDING,
4TH PHASE, PEENYA 2ND STAGE,
BENGALURU - 560058.

4. COMMERCIAL TAXES, (VIGIANCE),
DGSTO - 6, BANGALORE,
3RD FLOOR, KIADB BUILDING,
4TH PHASE, PEENYA 2ND STAGE,
BENGALURU 560058.

...RESPONDENTS

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

THIS W.P. IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA PRAYING TO (I) QUASHING THE IMPUGNED ADJUDICATION ORDER DATED 24.02.2026 BEARING NO. CTO(AUDIT)-2/TMK/2025-26 PASSED BY THE 1ST RESPONDENT UNDER SECTION 74(9) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE KARNATAKA GOODS AND SERVICES TAX ACT, 2017 AND THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 READ WITH RULE 142(1) OF THE KARNATAKA GOODS AND SERVICES TAX RULES, 2017 AND CENTRAL GOODS AND SERVICES TAX

RULES, 2017 FOR THE TAX PERIODS OF APRIL 2019 TO MARCH 2020 (ANNEXURE-A); (II) QUASHING THE IMPUGNED SUMMARY OF THE ADJUDICATION ORDER IN FORM GST DRC 07 DATED 24.02.206 BEARING REFERENCE NUMBER ZD290226125240R ISSUED BY THE 1ST RESPONDENT FOR APRIL 2019 TO MARCH 2020 (ANNEXURE-A-1).

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 is aggrieved by the Adjudication Order dated 24.02.2026 under Section 74[9] of the Central Goods and Services Tax Act/Karnataka Goods and Services Tax Act, 2017 [for short, *'the Act'*] and other relevant provisions. This Adjudication Order dated 24.02.2026 and the summary of this order are produced as Annexures-A and A1.

2. The Joint Commissioner of Commercial Taxes has issued summons on 20.01.2025 to the petitioner, and the petitioner is called upon to

respond on the mismatch in the details between Form GSTR-3B and GSTR-2A. The petitioner's representative has appeared, but he has filed no response resulting in the Show Cause Notice dated 30.09.2025 in Form GST-DRC-01 for proceedings under Section 74 of the Act.

3. Sri Sandeepani A Neglur, the learned counsel for the petitioner, submits that:

***[a]*** The authorities to assume jurisdiction under Section 74 of the Act must allege commission of certain acts which would qualify either as a fraud or a willful misstatement but there is no such assertion in the Show Cause Notice, and therefore, this Court must intervene, and

***[b]*** If these proceedings are for the financial year April 2019 to March 2020, the petitioner has been issued with notice for the subsequent year [April 2020 to March 2021] for proceedings under Section 73 of the Act and that the provisions of Section 74 are invoked only to overcome limitation.

4. The Show Cause Notice does not refer to any circumstance from which there could be an inference of allegations of fraud or deliberate suppression, a condition precedent to justify the commencement of proceedings under Section 74 of the Act. Sri K Hemakumar, a learned Additional Government Advocate, who is called upon to accept notice for the respondents, cannot controvert that the Show Cause Notice is completely silent about the imputation of fraud or deliberate suppression which are jurisdictional facts for the authority to assume jurisdiction. The outcome in the writ petition must turn in favour of the petitioner because of the lack of jurisdiction.

5. Further, this Court must note that the petitioner's representative has once again appeared and sought time to file a response stating some

difficulty for its representation. The petitioner's representative undertook to file documents by 07.02.2026 but has not, and the Adjudication Order is passed on 24.02.2026. Hence the following:

***ORDER***

***[a]*** The petition is allowed.

***[b]*** The impugned Adjudication Order dated 24.02.2026 and the summary of such order also dated 24.02.2026 [*Annexures-A and A1*] are quashed.

**Sd/-**
**(B M SHYAM PRASAD)**
**JUDGE**

AN/-