NC: 2026:KHC:12167
WP No. 6543 of 2026

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 6543 OF 2026 (T-RES)

BETWEEN:

M/S. HOTEL ROYAL SUITS,
PLOT NO.106-P1,
VEMGAL INDUSTRIAL AREA,
VEMGAL,
KOLAR TALUK - 563 101.
REPRESENTED BY ITS PROPRIETRIX
SMT. C. LAKSHMI.

...PETITIONER

(BY SRI. BAPAT SAMPATH, ADVOCATE)

AND:

1. THE STATE OF KARNATAKA,
DEPARTMENT OF COMMERCIAL TAXES,
GOVERNMENT OF KARNATAKA,
SOUTH ZONE, VIDHANA SOUDHA,
DR. B.R.AMBEDKAR VEEDHI,
BENGALURU - 560 001,
REPRESENTED BY ITS SECRETARY.

2. THE JOINT COMMISSIONER OF
COMMERCIAL TAXES,
(VIGILANCE)-BENGALURU,
ROOM NO.602, 6TH FLOOR,
V.T.K-2 BUILDING, RAJENDRANAGARA,
KORAMANGALA,
BENGALURU - 560 047.

3. THE ASSISTANT COMMISSIONER
OF COMMERCIAL TAXES (ENFORCEMENT)-15,
SOUTH ZONE, BENGALURU,
ROOM NO.101, 'B' BLOCK,
VANIJYA THERIGE KARYALKAYA,
RAJENDRANAGAR, KORAMANGALA,
BENGALURU - 560 047.

4. COMMERCIAL TAX OFFICER
(VIGILANCE)-04,
ROOM NO.602, 6TH FLOOR,
V.T.K-2 BUILDING, RAJENDRANAGARA,
KORAMANGALA,
BENGALURU - 560 047.

5. COMMERCIAL TAX OFFICER,
(AUDIT-4.8), DGSTO-4,
5TH FLOOR, TTMC BUILDING,
80 FEET ROAD, KORAMANGALA,
BENGALURU - 560 095.

6. COMMERCIAL TAX OFFICER,
(AUDIT-4.11), DGSTO-4,
5TH FLOOR, BMTC DEPOT, SOFT ROAD,
80 FEET ROAD, KORAMANGALA,
BENGALURU - 560 095.

…RESPONDENTS

(BY SRI. K. HEMAKUMAR, AGA)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER BEARING NO.DGSTO-4/CTO(A)-4.8/GST.2019-20/SEC (73)/NO-91/2023-24 DATED 11.02.2025 PASSED BY 5TH RESPONDENT VIDE ANNEXURE-D; AND CONSEQUENTLY DIRECT THE RESPONDENTS TO WITHDRAW ANY THIRD PARTY NOTICE FOR RECOVERY OF ALLEGED TAX DUES.

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

Sri. K. Hemakumar, learned Additional Government Advocate accepts notice for the respondents.

2. The petitioner has assailed the validity of the order of adjudication at Annexure-D passed under Section 73(9) of the Karnataka Goods and Services Act, 2017. The authority has proceeded on the premise that the taxpayer has short declared the tax liability.

3. A perusal of the order of adjudication would reveal that the authority has asserted that though there has been communication of the notices including recovery proceedings, the petitioner having failed to reply, the authority has proceeded to adjudicate the matter on the available material.

4. Learned counsel for the petitioner submits that the non-reply of the show-cause notice was due to *bona-fide* lapse and the petitioner has the material to demonstrate and meet the grounds raised in the show-cause notice.

5. Noticing that the order passed is in-effect an ex-parte order, in the sense that the authority did not have benefit of a reply to the show-cause notice, it would be appropriate to set aside the order and remit the matter back for consideration on merits and it would be appropriate to enable the petitioner to make out reply to the show-cause notice.

6. Accordingly, the order at Annexure-D is set aside. Matter is remitted to the stage of reply to show-cause notice. Petitioner to appear before respondent No.5 without further notice on 25.03.2026. Petitioner to make payment of 10% of the tax due. Such payment would be subject to adjudication to be made.

7. It is made clear that, if the petitioner fails to take benefit of opportunity granted, the indulgence granted by this Court will stand revoked. All contentions are kept open.

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

SD/-
(S SUNIL DUTT YADAV)
JUDGE

MCR