NC: 2026:KHC-D:3127
WP No. 101614 of 2026

HC-KAR

IN THE HIGH COURT OF KARNATAKA, AT DHARWAD

DATED THIS THE 26TH DAY OF FEBRUARY 2026

BEFORE

THE HON'BLE MRS JUSTICE K.S.HEMALEKHA

WRIT PETITION NO. 101614 OF 2026 (T-RES)

BETWEEN:

M/S. BSCPL INFRASTRUCTURE LTD.,
A PUBLIC LIMITED COMPANY,
HAVING OFFICE AT SY.NO.173,
BHANAPUR, KUKANOOR, TALBAL,
KOPPAL-683 238, REP. BY ITS TAXATION HEAD,
SRI. D.CHANDRASHEKAR
OF BSCPL INFRASTRUCTURE LTD.,

...PETITIONER

(BY SRI. SHOWRI H.R., ADVOCATE)

AND:

1. STATE OF KARNATAKA
REPRESENTED BY SECRETARY,
DEPARTMENT OF REVENUE,
VIDHANA SOUDHA,
DR. AAMBEDKAR VEEDHI,
BENGALURU-560 001.

2. DEPUTY COMMISSIONER OF COMMERCIAL TAXES
(AUDIT)-1, VANIJYA TERIGE BHAVANA,
RAGHAVENDRA COLONY,
ANANTAPUR ROAD, BALLARI-583101

...RESPONDENTS

(BY SRI. PRAVEEN K.UPPAR, AGA)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI OR ANY OTHER WRIT OR DIRECTION AND QUASH THE IMPUGNED ORDER BEARING NO. DCCT (A)-1/BLY/DRC-7/2023-2024/T DATED 28.03.2024 PASSED BY RESPONDENT NO.2 UNDER SECTION 73 OF THE KARNATAKA GOODS AND SERVICES ACT, 2017 AT ANNEXURE –A; AND ETC.

THIS WRIT PETITION COMING ON FOR ORDER THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: THE HON'BLE MRS JUSTICE K.S.HEMALEKHA

ORAL ORDER

The petitioner M/s. BSCPL Infrastructure Ltd., Koppal has filed this present writ petition challenging:

i. The show cause notice dated 23.12.2023 (Annexure-L) issued under Section 73(1) of the KGST Act, 2017.

ii. The adjudication order dated 28.03.2024 (Annexure-A).

iii. Rectification rejection order dated 24.09.2024 (Annexure-T) and 10.07.2024 (Annexure-W) passed under Section 161 of the Karnataka Goods and Services Taxes Act, 2017 ('KGST Act' for short).

Brief facts:

2. The petitioner is a registered dealer engaged in Works Contract Services. For the April-2018 to March-2019,

audit proceedings were conducted under Section 65 of the KGST Act and discrepancy were originally noticed. An intimation in Form GST DRC-01A was issued followed by a show cause notice dated 23.12.2023 under Section 73. Personal hearing was fixed on 23.01.2024. The petitioner did not appear. A reminder was issued and further opportunity was granted. The petitioner sought adjournment upto 15.03.2024. The adjudicating authority, noting the approaching limitation period proceeded to pass order dated 28.03.2024 confirming demand of tax, interest and penalty.

3. The petitioner thereafter filed rectification application under Section 161, contending that the order was passed *ex parte* without adequate opportunity. Both applications were rejected on 24.09.2024 and 10.07.2025 respectively. Aggrieved by the same, the petitioner has approached this Court in the present writ petition.

4. Learned counsel for the petitioner submits that the adjudication order is *ex parte* and violative of principles of natural justice. Adjournments requests were not meaningfully considered. The rectification applications were rejected mechanically and the authority failed to consider the documents and explanation.

5. Per contra, learned AAG appearing for the respondent submits that multiple opportunity of personal hearing were granted. However, the petitioner failed to appear on the scheduled dates, the adjournments were considered, rectification under Section 161 is confined to error apparent on the face of record and no such error was demonstrated.

6. This Court has carefully considered the rival submissions and perused the material on record.

7. The principal contention of the petitioner is that adjudication order dated 28.03.2024 was passed *ex parte*

without affording reasonable opportunity of hearing. However, the record discloses that:

i. Personal hearing was fixed on 23.01.2024.

ii. Reminder was issued thereafter.

iii. Further opportunity was granted.

iv. The petitioner sought adjournment to 15.03.2024.

v. Even if in the rectification proceedings, opportunities were extended on 19.09.2024 and 23.09.2024. Despite such opportunities, the petitioner did not appear and did not file substantive objections with the time granted.

8. Principles of natural justice require reasonable opportunity. They cannot be stretched to such an extent that statutory timelines become unworkable. An assessee, who does not avail repeated opportunity, cannot later contend total denial of hearing. However, it is also to be noticed that under each 12 observations, the authority has uniformly recorded that, *"the taxable person has not filed*

objections", and proceeded to confirm the order. A *quasi-judicial* authority exercising powers under Section 73 is required to pass a reasoned and speaking order demonstrating the application of mind, the order does not reflect the independent evaluation of the reconciliation date, detail analysis of computation and consideration of material allegedly submitted during audit. Though the petitioner contributed to the situation by non-appearance, the order ought to reflect independent adjudicatory consideration.

9. The rectification applications were rejected on the ground that no error apparent on the face of record existed. Section 161 is limited in scope and it does not permit re-hearing on merits and hence, the rejection of rectification cannot be termed wholly illegal. However, the rectification order substantially reproduced earlier reasoning without deeper scrutiny of the grievance raised. Thus, while the authority may not have acted outside the jurisdiction, the overall adjudicatory exercise lacks sufficient analytical depth.

10. This Court is of the view that one final opportunity should be granted in the interest of justice considering the magnitude of demand, the nature of reasoning in the adjudication order, and the petitioners expressing willingness to contest the matter on its merits. Such indulgence, however, cannot be granted unconditionally. The petitioner's conduct in non availing earlier opportunities and invoking writ jurisdiction after two unsuccessful rectifications attempts, warrants imposition of costs.

11. Accordingly, this Court pass the following:

ORDER

i. The writ petition is ***allowed in part***.

ii. The impugned adjudication order dated 28.03.2024 (Annexure-A) is ***set aside*** with a condition that the petitioner shall deposit a sum of ₹50,000/- as costs payable to the Karnataka State Legal Services Authorities within a period of four (4) weeks from the date of receipt of copy of this order.

iii. The petitioner shall appear before the authority on ***18.03.2026*** and on that day, he shall file a comprehensive reply to the show cause notice.

iv. The matter is remanded for fresh consideration.

v. The authority shall consider the objections filed and give a personal hearing by affording sufficient and reasonable opportunity and shall dispose of and pass a speaking order considering the objections in accordance with law within a period of eight (8) weeks from the date of receipt of copy of this order.

vi. In the event of failure to comply with the above conditions within the stipulated time, the impugned adjudication order shall stand revived without further reference to this Court.

Sd/-
JUSTICE K.S.HEMALEKHA

AT
CT:VH
List No.: 1 Sl No.: 41