HC-KAR

NC: 2026:KHC:11684
WP No. 5440 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 25TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 5440 OF 2026 (T-RES)

BETWEEN:

1. M/S. MATHRU INFOTECH
NO.55, 1ST MAIN, 7TH CROSS
KSRTC LAYOUT,
MADESHWARA NAGAR V.N-POST,
BENGALURU - 560 091
REPRESENTED BY ITS PARTNER
SHRI. VENKATARAMA G.,
AGE 53 YRS
IT IS A PARTNERSHIP FIRM

... PETITIONER

(BY SRI. ASHOK ARVINDRAO DESHPANDE., ADVOCATE)

AND:

1. THE JOINT COMMISSIONER CENTRAL TAX
GST WEST COMMISSIONERATE,
BMTC BUILDING, 1ST FLOOR,
BANASHANKARI, BENGALURU - 560 070.

2. THE ADDITIONAL COMMISSIONER CENTRAL TAX
BENGALURU WEST COMMISSIONERATE,
BMTC BUILDING, 1ST FLOOR,
BANASHANKARI, BENGALURU - 560 070.

... RESPONDENTS

(BY SRI. JEEVAN J. NEERALGI, ADVOCATE)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO A) QUASH THE i) ORDER - IN - ORIGINAL NO. 27/2023-24 DTD 25.05.2023 NO.

GEXCOM/ADJN/ST/JC/917/2021-ADJN PASSED BY THE R-2 VIDE ANNEXURE-B 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 in original at Annexure-B and has also sought for appropriate direction for re-adjudication of the show cause notice.

2. Petitioner submits that the order in original would reveal that the authorities concerned have adjudicated upon the liability to pay service tax on the basis of declaration made in the income tax returns for the financial year 2015-16. It is the submission of the learned counsel for the petitioner that petitioner was not registered under the provisions of the relevant Act, as the petitioner was a dealer in goods consisting of computer peripherals and the question of petitioner coming within the purview of service tax never arose.

3. It is submitted that this Court in matters where the service tax liability was adjudicated upon solely on the basis of information that is made out from income tax returns has remitted the matter back to the stage of reply to show cause notice and has passed certain directions in W.P.No.11154/2023 and in the present matter also, a similar order may be passed.

4. Perused the order dated 03.07.2024 passed in W.P.No.11154/2023 and connected petitions.

5. This Court while disposing of the said petitions by remanding it to the stage of reply to the show cause notice had made certain observations to be kept in mind by the concerned officials. The observations made from para-10 onwards reads as follows:-

> *"10. The officers while disposing off the petitions to keep in mind the following:*
>
> *1) Whether petitioners do not qualify under Section 65B(44) of the Finance Act, 1994 ?*

> 2) *Whether services are covered under negative list ?*
>
> 3) *Whether services are covered under the exemption list under the Notification No.25/2012-ST dated 28.06.2012 or under any other applicable Notifications?*
>
> 4) *Whether the person is liable to remit service tax in terms of Rule 2 (1) (d) read with applicable notification?*
>
> 5) *Whether claims are barred by limitation in terms of the law laid down by the Apex Court?*

11. It is also clarified that disposal of present petitions must not be construed as having adjudicated any of the contentions including jurisdiction. All contentions of both sides on merits are kept open.

12. Needless to state, upon conclusion of proceedings, if any of the petitioners are still aggrieved, legal remedies are kept open. It is also clarified that wherever, replies to show-cause notice have not been made out, the same may be filed upon matter being relegated as noticed above.

13. Accordingly, the following:

ORDER

In light of observations made above, the writ petitions relating to challenge to show-cause notice, *such matters will stand relegated to the officers to be designated in terms of the observations made in para 8 above, at the same stage. Accordingly, such of the petitions at Sl.No.1 to 5 in Column No.1 of the table relating to challenge to show-cause notice are disposed off.*

Insofar as such writ petitions as detailed in Column 2 of the table relating to challenge to Orders-in-Original, in light of the discussion made above, the Orders-in-Original stand set aside and the matters are relegated to the Officers to be designated to be reconsidered from the stage of show-cause notice. Accordingly, such of the petitions at Sl.No.1 to 35 in Column No.2 of the table relating to challenge to Orders-in-Original are disposed off.

The petitioners who are now relegated before the authorities concerned are at liberty to file their pleadings within a reasonable time as may be fixed by the Officers concerned. Wherever the matters are pending in appeal in light of the arrangement that is made, petitioners to file a memo for withdrawal of appeal and accordingly, the orders-in-original in question would also receive the same treatment, i.e. be set aside as per the directions made above.

> *Wherever demands have been made pursuant to the impugned orders, such proceedings are also set aside."*

6. In light of the above, the order-in-original at Annexure-B is set aside. The matter is remitted to the stage of show cause notice. The authorities to take note of the observations made in the order dated 03.07.2024 passed in W.P.No. 11154/2023 and connected petitions as extracted supra, in specific, the observations at para 10 of the order as may be applicable.

7. Needless to state, petitioner is at liberty to make out a fresh reply to the show cause notice. Petitioner to appear before the respondent no.1 on 24.03.2023 without waiting for fresh notice. All contentions are kept open.

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

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

VP