HC-KAR

NC: 2026:KHC:11039
WP No. 5156 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 23RD DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 5156 OF 2026 (T-RES)

BETWEEN:

DINESH MISHRA
S/O HARISH CHANDRA MISHRA,
AGED ABOUT 53 YEARS,
HAVING MY OFFICE AT
ERNST AND YOUNG LLP,
GROUND FLOOR, 'A' WING,
DIVYASREE CHAMBERS,
110' SHAUGHNESSY ROAD, BANGALORE,
KARNATAKA - 560025, INDIA.

...PETITIONER

(BY SMT. PREETHA MAHADEVAN, ADVOCATE FOR
SRI. G. L. MOHAN MAIYA, ADVOCATE)

AND:

1. THE UNION OF INDIA,
THROUGH ITS SECRETARY,
DEPARTMENT OF REVENUE,
MINISTRY OF FINANCE,
GOVERNMENT OF INDIA,
CENTRAL SECRETARIAT, NORTH BLOCK,
NEW DELHI-110001.

2. OFFICE OF THE COMMISSIONER OF CENTRAL TAX,
BENGALURU SOUTH COMMISSIONERATE,
5TH FLOOR, CR (ANNEXURE) BUILDING,

QUEENS ROAD, SHIVAJI NAGAR,
BENGALURU, KARNATAKA-560001.

3. DEPUTY COMMISSIONER OF CENTRAL TAX,
SOUTH DIVISION-4, 7TH FLOOR,
C-WING KENDRIYA SADAN,
KORAMANGALA, BANGALORE- 560034.

4. ASSISTANT COMMISSIONER OF CENTRAL TAX,
SOUTH DIVISION-4, 7TH FLOOR,
C-WING KENDRIYA SADAN,
KORAMANGALA, BANGALORE-560034.

5. STANDARD CHARTERED BANK,
REPRESENTED BY BRANCH MANAGER,
SERENITY GROUND FLOOR,
KORAMANGALA, BANGALORE-560034.

6. HSBC BANK,
REPRESENTED BY BRANCH MANAGER,
KAMALA BHAVAN, SWAMI NITYANAND MARG,
ANHERI EAST, MUMBAI - 400069.

7. ICICI BANK LTD.,
REPRESENTED BY BRANCH MANAGER,
SHOBHA PEARL, COMMISSARIAT ROAD,
OFF M.G. ROAD, GROUND FLOOR,
BANGALORE-560025.

...RESPONDENTS

(BY SRI. ARAVIND V. CHAVAN, ADVOCATE FOR R1 TO R4;
NOTICE TO R5 TO R7 IS D/W VIDE ORDER DATED 23.02.2026)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO DIRECT UNDER

ARTICLE 226 OF THE CONSTITUTION OF INDIA CALLING FOR THE RECORDS PERTAINING TO (i) ORDER NO. 18/2021 SD-4 DATED 15.02.2021 FOR F.Y.2014-15 (VIDE ANNEXURE-A), (ii) ORDER NO. 263/2021 SD-4 DATED 25.10.2021 FOR F.Y.2015-16 (VIDE ANNEXURE-B), (iii) ORDER NO. 138/2023 SD-4 DATED 19.06.2023 FOR F.Y.2016-17 (VIDE ANNEXURE-C) AND AFTER EXAMINING THE LEGALITY AND VALIDITY THEREOF BE PLEASED TO QUASH AND SET ASIDE THE SAME AND ETC.,

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

CORAM: HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

ORAL ORDER

Learned counsel Sri. Aravind V. Chavan accepts notice for respondents No.1 to 4. Notice to respondents No.5 to 7 is dispensed with, for the present.

2. The petitioner has called in question the validity of the Orders-in-Original at Annexures-A, B and C, contending that the orders are passed raising demand of service tax solely on the basis of inputs received from the Central Board of Direct Taxes, whereby the records relating to income tax returns are stated to have indicated sales/gross receipts from services. Attention is drawn to para-3 of the order.

3. It is submitted that this Court in W.P.No.11154/2023 and connected petitions, wherever demand for service tax was raised on the basis of information from the income tax returns, has remitted the matter for fresh consideration with certain directions and the petitioner submits that the present petition may also be disposed of taking note of the observations in W.P.No.11154/2023 and remitting the matter back to the stage of reply to show-cause notice.

4. Learned counsel Sri. Aravind V. Chavan submits that the directions passed in W.P.No.11154/2023 are matters of record and the Court may pass appropriate orders.

5. Perused the orders of adjudication at Annexures-A, B and C. In all the three orders, it is noticed that the demand for service tax has been raised on the basis of inputs from the declaration made in the income tax returns.

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

7. 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."

8. It is not in dispute that the Order in Appeal is a mere order of dismissal of appeal due to non-compliance of statutory requirement of pre-deposit. The order of adjudication itself requires reconsideration taking note of the order dated 03.07.2024 passed in W.P.No.11154/2023

and connected petitions, the relevant portions of which are extracted hereinabove.

9. Accordingly, the Order-in-Original at Annexures-A, B and C are set aside. Matter is remitted to the stage of reply to the show-cause notice. The authorities to take note of observations made in the order dated 03.07.2024 passed in W.P.No.11154/2023 and connected petitions as extracted supra, in specific, to the observations at para-10 of the order, as may be applicable. All contentions are kept open.

10. Needless to state, petitioner is at liberty to make out a fresh reply to the show-cause notice. Petitioner to appear before the respective jurisdictional adjudicating authorities without further notice on 23.03.2026.

11. Taking note of setting aside of the Orders-in-Original at Annexures-A, B and C, the bank attachment resorted to by the respondent would now cease to have

effect and the respondent-authorities upon receipt of certified copies to immediately issue instructions withdrawing the debit freeze attachment stated to have been resorted to, with respect to accounts maintained with the banks of respondent Nos.5, 6 and 7.

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

SD/-
(S SUNIL DUTT YADAV)
JUDGE

MCR