IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 26TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 9628 OF 2026 (T-RES)

BETWEEN:

1. C.M. MAHADEV,
S/O. CHANDRASHEKAR,
AGED ABOUT 51 YEARS,
RESIDENT OF NO.2953/E,
2ND FLOOR, OPP MARUTHI MANDIR,
SERVICE ROAD, VIJAYANAGAR,
BANGALORE -560 040

... PETITIONER

(BY SRI. RAMA MURTHY R., ADVOCATE)

AND:

1. THE ASSISTANT COMMISSIONER OF CENTRAL TAX,
WEST DIVISION -2,
BANGALORE WEST COMMISSIONERATE,
1ST FLOOR, TTMC COMPLEX,
BMTC BUS STAND, BANASHANKARI,
BANGALORE-560 070

... RESPONDENT

(BY SRI. ARAVIND V. CHAVAN., ADVOCATE)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH THE ORDER-IN-ORIGINAL IN NO. 25/2024-25/S-TAX/WD-2 AS (ANNEXURE-F) DTD. 15.05.2024 PASSED BY THE RESPONDENT 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

Sri. Aravind V. Chavan, learned counsel accepts notice for respondent.

2. Petitioner has called in question the validity of the order-in-original at Annexure-F.

3. It is submitted that the order-in-original is passed solely on the basis of inputs received from the Central Board of Direct Taxes (CBDT) and this Court in identical matters including in W.P.No. 11154/2023 where proceedings under the Finance Act have concluded under the order raising demand of service tax solely on the basis of inputs from the CBDT, has set aside the order and remitted the matter for reconsideration after making certain observations. It is submitted that a similar order may be passed in the present matter also.

4. It is further submitted that as the Authority has not considered all contentions and if an opportunity is

given, petitioner would demonstrate and meet the grounds raised in the show cause notice.

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

6. 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."

7. Accordingly, the Order-in-Original at Annexure-F dated 15.05.2024 is set aside. The matter is

remitted to the stage of reply to the 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, to the observations at para-10 of the order as may be applicable.

8. In light of setting aside of the order at Annexure-F, respondent - Authorities to rescind instructions of attachment of bank account forthwith.

9. Needless to state, the petitioner is at liberty to make out fresh reply to the show cause notice. Petitioner to appear before respondent on 27.04.2026 without waiting for any notice. All contentions are kept open.

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

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

VP