

WP NO. 17075/2026 (T - RES)

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

[M/S TARA AND MURTHY, VS. THE STATE OF
KARNATAKA, AND OTHERS]

09.06.2026

(VIDEO CONFERENCING)

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

Sri Raghavendra T N, the learned counsel for the petitioner, is heard on the grant of *ad interim* order.

The petitioner has called in question the Adjudication Order dated 30.03.2025 [*Annexure-A*] as also the Show Cause Notice dated 22.09.2025 [*Annexure-B*].

Sri Raghavendra T N submits that the petitioner has responded to the Show Cause Notice stating that the proposed transfer of business as an ongoing concern is not complete because of the purchaser's failure to make payments which has resulted in a civil suit that is pending before the competent commercial Court but the adjudication is complete on the ground that the pendency of the civil dispute would be of no consequence because the liability under GST is based on a taxable event.

The question for consideration is: "*if the transfer has failed and what remains with the petitioner is only an advance subject to final decision, could it be said that there is a taxable event*". Prima facie, this question requires consideration. Hence, the interim order is granted as prayed for, but with liberty to the respondents to complete the pleadings and seek vacating of this order.

Sri K Hemakumar, a learned Additional Government Advocate, is called upon to accept notice for the respondents.

The office is directed to re-list this petition on **29.07.2026**.

(B M SHYAM PRASAD)
JUDGE

AN/-
List No.: 2 Sl No.: 17