



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 6TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 3704 OF 2026 (T-RES)

BETWEEN:

SRI MOHAMMED GHOUSE N.,
S/O MOHAMMED NOOR ALI
AGE: 44 YEARS
OCCUPATION: BUSINESS
R/AT NO. 65, 3RD CROSS,
AYYAPPA GARDEN,
NEAR MICO FACTORY BACK GATE,
ADUGUDI
BANGLORE-560 029

...PETITIONER

(BY SRI. CHETHAN A.C., ADVOCATE)

AND:

1. ASSISTANT COMMISSIONER OF
CENTRAL TAX
BANGALORE SOUTH DIVISION-4
BANGALORE SOUTH, COMMISSIONERATE,
7TH FLOOR, 'C' WING,
KENDRIYA SADAN, KORMANGALA,



BANGALORE-560 034

2. PRINCIPAL COMMISSIONER OF
CENTRAL-TAX,
BANGALORE SOUTH
COMMISSIONERATE,
C.R. BUILDING, QUEEN'S ROAD,
BANGALORE-560 001

...RESPONDENTS

(BY SRI.JEEVAN J. NEERALGI, ADVOCATE)

THIS WP IS FILED UNDER ARTICLES 226 AND 227
OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH
THE IMPUGNED ORDER-IN-ORIGINAL DATED: *30.01.2023*
BEARING ORDER-IN-ORIGINAL SL.NO.467/2022/SD-4
(*DIN: 20230257000000777CE4*) PASSED BY THE R-1
(ANNEXURE-A) IN THE INTEREST OF JUSTICE AND
EQUITY.

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

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



ORAL ORDER

Learned counsel Sri Jeevan J. Neeralgi accepts notice for R-1 and 2. The petitioner has challenged the order-in-original at Annexure-A. It is submitted that the respondent-authorities while initiating proceedings against the petitioner has relied on inputs received from Central Board of Direct Taxes and relied upon the declarations made in the income tax return.

2. It is submitted that any proceedings under the Finance Tax Act merely relying on on declaration of income in the income tax returns cannot be the basis for conclusion of proceedings leading to adjudication of service tax liability. The reliance is placed on the order passed in WP.11154/2023 and connected matters are disposed of on 03.07.2024 and it is submitted the Co-ordinate Bench and this Court have been consistently following the said order and wherever service tax liability and demand is raised pursuant to adjudication based on details in the income tax returns, Court has been remanding the matter for fresh consideration with certain directions.

Para 8 to 11 of order in WP.No.27177/2025 reads as thus:



8. The factum of Service Tax being levied on the basis of income derived as is inferred, through income tax returns appears to be uncontroverted.

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

10. 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 having adjudicated any of the contentions including jurisdiction. All contentions of both sides on merits are kept open.

3. Accordingly in the present case, the order-in-original at Annexure-A is set aside. This matter is remitted to the stage of reply to show cause notice. Authorities to take note of the observation made in the order dated 03.07.2024 passed in WP.No.11154/2023 and connected petitions as extracted supra,



in specific, the observations at para 10 of the order as may be applicable. All contentions are kept open.

4. Needless to state petitioner at liberty to make a fresh reply to the show cause notice. In light of the assertion that show cause notice was not served on the petitioner, the respondent-authorities may serve a copy of the show cause notice within 10 days from date of receipt of certified copy of the order. The petitioner to appear before respondent-authorities on **05.03.2026** without further notice.

6. Accordingly, the writ petition is ***disposed of***.

SD/-
(S SUNIL DUTT YADAV)
JUDGE

TS
List No.: 1 Sl No.: 48