



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 10TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 3357 OF 2026 (T-RES)

BETWEEN:

1. SRI. SANNA THIMMAPPA UMESH,
SON OF LATE SRI. SANNA HANUMAPPA THIMMAPPA
AGED ABOUT 60 YEARS
NO. 1750, 6TH MAIN ROAD,
2ND STAGE, GAYATHRINAGAR,
RAJAJINAGAR,
BANGALORE-560 010
REPRESENTED BY HIS
SPECIAL POWER OF ATTORNEY HOLDER
SRI. R. CHANDRU,
S/O. LATE SRI.RAMAPPA,
AGED ABOUT 64 YEARS,
AHUJA CHAMBERS
FLAT NO.204, 2ND FLOOR,
NO. 1, KUMARAKRUPA ROAD,
BENGALURU-560 001

... PETITIONER

(BY SRI. ANNAMALAI S., ADVOCATE)

AND:

1. THE ADDITIONAL COMMISSIONER OF CENTRAL TAX
BENGALURU WEST COMMISSIONERATE,
BMTC BUILDING, FIRST FLOOR,

Digitally
signed by
VIJAYA P
Location:
HIGH COURT
OF
KARNATAKA



BANASHANKARI,
KANAKAPURA ROAD,
BENGALURU - 560 070

2. THE JOINT COMMISSIONER OF CENTRAL TAX,
BENGALURU WEST COMMISSIONERATE,
BMTc BUILDING, FIRST FLOOR,
BANASHANKARI,
KANAKAPURA ROAD,
BENGALURU - 560 070

... RESPONDENTS

(BY SRI. AKASH SHETTY, ADVOCATE)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH THE SHOW CAUSE NOTICE DATED 27.04.2022 BEARING SCN SL NO. 63/2022-23, DIN-20220457YU00008184 4E/464/22 ISSUED BY THE RESPONDENT NO.1 FOR THE PERIOD OCTOBER 2016 TO JUNE 2017 HEREIN MARKED AND REFERRED AS ANNEXURE-A 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 sought for setting aside of the show cause notice at Annexure-A as well as the order-in-original issued under Section 73(2) of the Finance Act, 1994 copy of which is produced at Annexure B.



2. It is the case of the petitioner that the proceedings under the Finance Act, fastening the liability to pay service tax is only on the basis of the details found in the income tax returns. It is submitted that this Court in the order passed in W.P.No.11154/2023 disposed of on 03.07.2024 has taken note of the initiation of proceedings under the Finance Act insofar as service tax is concerned, only on the basis of declaration in the income tax returns and after framing certain questions, remanded the matter back to the stage of reply to the show cause notice. It is submitted that in the present matter also, a similar order may be passed remitting the matter back to the stage of reply to the show cause notice.

3. Even on merits, learned counsel for the petitioner submits that there is no service tax liability as the petitioner is involved in supply of manpower and the recipient is required to pay service tax under reverse charge mechanism. It is further submitted that the period of show cause notice has been exceeded by levying service



tax for the extended period which is not the subject matter of the show cause notice.

4. Sri. Akash Shetty, learned counsel appearing for the respondent submits that the order passed in W.P.No.11154/2023 is a matter of record and the Court may pass appropriate orders.

5. Perused the order-in-original as well as the show cause notice. Prima facie, the show cause notice would make out that the demand for service tax is on the premise of declaration made in the income tax returns. Para 9 and 10 of the order passed in W.P.No.11154/2023 reads as follows:

"9. Needless to state, a bare perusal of all the petitions reveals that the petitioners have raised various contentions which are required to be referred back for consideration by the appropriate authorities so that officers concerned may take note of the same while disposing off the petitions at the stage of post show-cause notice.



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 ?"

6. Accordingly the order-in-original at Annexure-A 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 above, in specific, to the observations at para 10



of the order as may be applicable. The jurisdictional contention of the petitioner that the show cause notice relates to the period of October, 2016 to June, 2017 while the order refers even to the period of April, 2016 to September, 2016 which was not part of the show cause notice is an aspect to be looked into by the authorities. All other contentions are kept open.

7. The petitioner is at liberty to make out fresh reply to the show cause notice apart from the reply already made. Petitioner to appear before respondent No.2 on 26.02.2026 without waiting for any fresh notice.

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

SD/-
(S SUNIL DUTT YADAV)
JUDGE

VP