



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 17TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 4273 OF 2026 (T-RES)

C/W

WRIT PETITION NO. 4225 OF 2026 (T-RES)

IN WP No. 4273/2026

BETWEEN:

M/S. S P METALS,
NO.7,8 SRIGANDHAKAVALU,
YASHWANTHAPURA HOBLI,
BENGALURU-560091,
REPRESENTED BY ITS PROPRIETOR
SRI. SARAVANAN S/O SRINIVASAN A.,
AGED ABOUT 45 YEARS.

...PETITIONER

(BY SRI. SHREEHARI, ADVOCATE)

AND:

1. ADDITIONAL COMMISSIONER OF COMMERCIAL TAXES,
(SMR)-1, BENGALURU,
7TH FLOOR, VANIJYA THERIGE KARYALAYA- 1,
KALIDASA MARG, 1ST MAIN,
GANDHINAGAR, BENGALURU - 560009.
2. JOINT COMMISSIONER OF COMMERCIAL TAXES,
(VIGILANCE), BENGALURU,
V.T.K.-2 BUILDING, 3RD FLOOR,



80FT ROAD, RAJENDRANAGARA,
KORAMANGALA, BENGALURU-560047.

3. JOINT COMMISSIONER OF COMMERCIAL TAXES
(APPEALS-1), BENGALURU,
TTMC, BMTc BUILDING, 2ND FLOOR,
SHANTHINAGAR, BENGALURU-560047.
4. COMMERCIAL TAX OFFICER (VIGILANCE)-32,
BENGALURU,
ROOM NO.606, 6TH FLOOR,
B BLOCK, V.T.K.-2 BUILDING,
RAJENDRANAGARA, KORAMANGALA,
BENGALURU-560047.
5. COMMISSIONER OF COMMERCIAL TAXES,
V.T.K.-2 BUILDING, RAJENDRANAGARA,
KORAMANGALA, BENGALURU-560047.

...RESPONDENTS

(BY SRI. K. HEMAKUMAR, AGA FOR R1 TO R5)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF
THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF
CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER OR
DIRECTION, QUASHING THE STAY ORDER DATED 30.01.2026
PASSED BY THE RESPONDENT NO.1 UNDER SECTION 108(1)
OF THE ACT BEARING NO.SMR-1/GST/BNG/STAY/2025-26
ENCLOSED HEREIN AS ANNEXURE K AND ETC.,



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OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT,
ORDER OR DIRECTION, QUASHING THE STAY ORDER
DATED 30.01.2026 PASSED BY THE RESPONDENT NO.1
UNDER SECTION 108(1) OF THE ACT BEARING NO.SMR-
1/GST/BNG/STAY/2025-26 ENCLOSED HEREIN AS
ANNEXURE K AND ETC.,

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

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



ORAL ORDER

In **W.P.No.4225/2026**, the petitioner has sought for setting aside of the order at Annexure-K. The order at Annexure-K is the order staying the order of the appellate authority dated 28.01.2026. It is noticed that the order passed under Section 130 of the Central Goods and Services Tax Act, 2017 (for short 'the Act') came to be challenged before the first appellate authority and the first appellate authority had allowed the appeal in part in favour of the petitioner herein. Such order of the appellate authority was subject matter of the revisional proceedings under Section 108 and the order of appellate authority came to be stayed as per the order at Annexure-K.

2. Learned counsel for the petitioner submits that in terms of the order of the first appellate authority, the order passed under Section 130, came to be set aside and the first appellate authority had modified the Order-in-Original by upholding the order passed under Section 129(1)(a). It is submitted that insofar as the order of the



first appellate authority, levying 200% of tax as penalty, petitioner has satisfied the same. It is further submitted that insofar as the Order-in-Revision, appropriate proceedings has been taken by challenging the same in the present Writ Petition No.4225/2026.

3. Learned counsel for the petitioner would submit that the goods and conveyance may be released, taking note that the liability imposed by virtue of the first appellate order of 200% of tax has been satisfied.

4. Learned Additional Government Advocate submits that on previous occasions as well, the petitioner had suffered certain demands that were raised by the Department after having noticed certain lapse and discrepancies, petitioner needs to be put on terms to ensure that in the event that the Revisional proceedings culminate in an order in favour of the revenue and the order under Section 130 is revived, the revenue is



required to have certain assets or security in order to recover and enforce the order to be passed.

5. However, taking note that the very revision proceedings is still to be concluded and in terms of the order of the first appellate authority, petitioner has satisfied the same, it would be appropriate to put the petitioner on terms regarding his request for release of goods and conveyance.

6. In light of petitioner having satisfied the demand in terms of the first appellate authority, the revenue is directed to release goods and conveyance. The petitioner is to furnish an indemnity bond so as to meet any liability to the department in the event Revisional proceedings culminate in an order in favour of the revenue and order under Section 130 of the Act, stands revived.

7. The affidavit filed by the petitioner is taken on record. The undertaking by the petitioner in the affidavit is also noted. It is made clear that the petitioner is required



to abide by the final directions that may be issued in the Revisional proceedings and any breach of undertaking would be construed to be an act of contempt.

8. Insofar as the challenge made to the Revisional Order, all contentions of the petitioner are kept open to be raised before the Revisional Authority.

9. Insofar as **W.P.No.4273/2026**, the petitioner has sought for stay of the order dated 30.01.2026 passed by the Revisional Authority under Section 108(1) of the Act. The Revisional Authority by virtue of the order at Annexure-K had stayed the order of the appellate authority dated 28.01.2026. The first appellate authority had partly allowed the appeal of the petitioner filed challenging the invocation of Section 130. In terms of the said order of the appellate authority, the Order-in-Original came to be modified by modifying the impugned penalty to an order under Section 129(1)(a) by levy of penalty of 200% of the tax.



10. The petitioner has satisfied the liability that as shown in terms of the order of the first appellate authority. Taking note that the petitioner had succeeded in the first appeal proceedings and has satisfied the liability and taking note of the affidavit filed referred to in the order passed above, it would be appropriate to dispose of the present Writ Petition directing for release of all goods and conveyance.

11. The petitioner to file an indemnity bond to the revenue at the time of release of the goods and conveyance. It is made clear that the undertaking made in the affidavit would be binding on the petitioner and any breach of undertaking would be construed to be an act of contempt.

12. All contentions raised regarding the Revisional proceedings are kept open to be raised before the authority. The petitioner relating to proceedings pending in both the writ petitions referred to above, is to appear



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before respondent No.1 without further notice on
16.04.2026.

13. In terms of the above, both the petitions are
disposed of. All contentions are kept open in both
matters.

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MCR