HC-KAR

NC: 2026:KHC:16499
WP No. 5490 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 5490 OF 2026 (T-RES)

BETWEEN:

M/S. MARUTHI MECHANICAL AND ELECTRICALS
PVT. LTD.,
NO.948, 2ND MAIN ROAD,
MC LAYOUT, GOVINDARAJ NAGAR VI,
BANGALORE 560040.

REPRESENTED BY ITS DIRECTOR,
SHRI. C. M. MAREGOWDA,
AGED ABOUT 49 YEARS,
S/O. MARIYAPPA,
REGISTERED UNDER THE COMPANIES ACT, 1956.
(CIN NO. U40109KA2007PTC042541)

...PETITIONER

Digitally signed by VIJAYA P
Location: HIGH COURT OF KARNATAKA

(BY SRI. ARYAMAN GHULATI, ADVOCATE)

AND:

1. JOINT COMMISSIONER OF CENTRAL TAX (GST),
BENGALURU WEST COMMISSIONERATE,
BMTC TTMC BUILDING, FIRST FLOOR,
BANASHANKARI, KANAKAPURA ROAD,
BENGALURU - 560 070.

2. THE PRINCIPAL COMMISSIONER OF CENTRAL TAX,
GST WEST COMMISSIONERATE,
BMTC TTMC BUILDING, FIRST FLOOR,

BANASHANKARI, KANAKAPURA ROAD,
BENGALURU 560 070.

…RESPONDENTS

(BY SRI. ARAVIND V. CHAVAN, ADVOCATE FOR R1 AND R2)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE AN ORDER(S), DIRECTION(S) WRIT IN THE NATURE OF CERTIORARI CALLING FOR THE RECORDS AND TO QUASH ORDER-IN-ORIGINAL ISSUED BY THE FIRST RESPONDENT ISSUED VIDE ORDER BEARING OIO NO.133/2025-26 SERVICE TAX DATED 10.12.2025 (ANNEXURE-B) AS ARBITRARY, NON-EST, TRAVELLING BEYOND THE SHOW CAUSE NOTICE AND VIOLATIVE OF PRINCIPLES OF NATURAL JUSTICE AND THUS IN THE FACTS AND CIRCUMSTANCES RENDER JUSTICE 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

The petitioner has called in question the validity of the Order-in-Original at Annexure-B. In terms of Annexure-B, Order-in-Original is passed under Section 73 (2) of the Finance Act, 1994, whereby the service tax demand has been raised after adjudication, taking note of services rendered as per third party data information.

2. It is submitted that such adjudication is on the basis of inputs received from Central Board of Direct Taxes and this Court under similar circumstances, has remitted the matter back for reconsideration in terms of the order passed in W.P.No.11154/2023. It is further submitted that there are other contentions on merits and if the petitioner is granted an opportunity to take his stand regarding the show-cause notice, the petitioner would place necessary material and raise appropriate contentions before the assessing authority.

3. It is further submitted that the case made out in the show-cause notice differs from that as taken note of by the adjudicating authority, insofar as the quantification of taxable services rendered during the period of October 2015 to June 2017 is quantified as Rs.51,23,555/- in the show-cause notice, while in the Order-in-Original the demand of service tax is quantified as Rs.1,39,91,378/-. It is further submitted that the claim of the authority is time barred and other contentions are raised.

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

5. 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."

6. Accordingly, the Order-in-Original at Annexure-B is set aside. Matter is remitted to the stage of reply to show-cause notice. 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. All contentions are kept open.

7. Needless to state that the petitioner is liberty to make out fresh reply to the show-cause notice. Petitioner to appear before respondent No.1 without further notice on 21.04.2026.

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

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MCR