



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. 6947 OF 2026 (T-RES)

BETWEEN:

M/S. SHIRAHATTI BASAVANNEPPA PARAMESHWAR
(TRADE NAME: SRI SAI TECHNOLOGIES),
A SOLE PROPRIETORSHIP CONCERN,
HAVING OFFICE AT NO.103, 1ST FLOOR,
5TH MAIN, 2ND PHASE,
MANJUNATHANAGAR,
BENGALURU-560 010,
REPRESENTED BY ITS PROPRIETOR,
SRI SHIRAHATTI BASAVANNEPPA PARAMESHWAR.

...PETITIONER

(BY SRI. CHETAN. V., ADVOCATE)

AND:

1. THE ASSISTANT COMMISSIONER OF CENTRAL TAX,
WEST DIVISION-2,
BENGALURU WEST COMMISSIONERATE,
1ST FLOOR, BMTC BUS COMPLEX,
BANASHANKARI,
BENGALURU-560 070.



2. THE JOINT COMMISSIONER OF CENTRAL TAX,
BENGALURU WEST GST COMMISSIONERATE,
1ST FLOOR, TTMC BUILDING,
BANASHANKARI,
BENGALURU-560 070.

3. THE BRANCH HEAD,
HDFC BANK, THRISSUR BRANCH,
DOOR NO.IV/607, MANGIDIYAN MUKKU,
PUTHENCHIRA,
THRISSUR, KERALA - 680 682.

...RESPONDENTS

(BY SRI. JEEVAN NEERALAGI., ADVOCATE FOR R1 & R2,
NOTICE TO R3 DISPENSED WITH)

THIS WRIT PETITION 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 ORDER-IN-ORIGINAL NO. 142/2023-24 DATED 29.02.2024 PASSED BY RESPONDENT NO. 2 VIDE ANNEXURE-A, TO THE EXTENT IT CONFIRMS SERVICE TAX DEMAND OF 1,03,69,921/- ALONG WITH INTEREST AND PENALTIES FOR THE PERIOD APRIL 2015 TO JUNE 2017 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 sought for setting aside of the order in Annexure-A.

2. A perusal of the Order-in-Original at Annexure-A would indicate that the proceedings are initiated under the provisions of Section 73 of the Finance Act, 1994 on the basis of the input received from the Central Board of Direct Taxes.

3. Learned counsel for the petitioner submits that when proceedings are initiated under the provisions of the Finance Act, 1994 solely on the basis of declaration under the Income Tax returns or inputs from Central Board of Direct Taxes, this Court has set aside the order and remitted the matter for fresh consideration taking note of the observations made in W.P.No.11154/2023. On a perusal of the impugned order, it is noticed from the observations made at para-2 that the proceedings are initiated solely on the basis of inputs received from the Central Board of Direct Taxes.



4. Petitioner would submit that the procedure followed in quantifying the service tax demand is without affording sufficient opportunity of participation in the proceedings. The observations made from para-9 and 10 reads as follows:-

9. Needless to state, a bare perusal of the petition reveals that the petitioner has 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 petition at the stage of post show-cause notice.

10. The officers while disposing off the petition to keep in mind the following:

- 1) Whether petitioner 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? "*

5. Accordingly, the order at Annexure-A is set aside, matter remitted to the stage of reply to the show cause notice.

6. The authority to take note of the observations made in the order dated 03.07.2024 passed in W.P.No.11154/2023 and connected petitions are extracted supra, in specific, to take note of the observations at para-10 of the order as may be applicable. All other contentions are kept open.

7. Needless to state that the petitioner is at liberty to make out a fresh reply to the show-cause notice. The petitioner may appear before respondent No.1 on 17.04.2026 without waiting for any further notice.



8. In light of the setting aside of the order-in-Original at annexure-A, the respondents/authorities are directed to rescind the intimation to the bankers for attachment of account forthwith.

9. Accordingly, petition is ***disposed of***. All other contentions are kept open.

Notice is dispensed as regard respondent No.3.

Sd/-
(S SUNIL DUTT YADAV)
JUDGE