



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 18TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 7407 OF 2026 (T-RES)

BETWEEN:

YELDUR NARAYANSWAMY NAGABUSHANA
S/O. SHRI. Y.M.NARAYANSWAMY,
AGED ABOUT 52 YEARS,
PRESENTLY RESIDING AT NO.102,
YELDUR, SRINIVASAPURA TALUK,
YELDUR, PO YELDUR,
KOLAR DISTRICT - 563 138.

...PETITIONER

(BY SRI. HARISH V. S., ADVOCATE)

AND:

1. THE UNION OF INDIA,
THROUGH ITS REVENUE SECRETARY,
DEPARTMENT OF REVENUE,
MINISTRY OF FINANCE,
128-A/ NORTH BLOCK,
NEW DELHI - 110 001.
2. THE DEPUTY COMMISSIONER OF CENTRAL TAX,
SOUTH DIVISION-4, BANGALORE SOUTH
COMMISSIONERATE,
7TH FLOOR, 'C' WING KENDRIYA SADAN,
KORAMANGALA, BANGALORE - 560 034.

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by VIJAYA P
Location: HIGH
COURT OF
KARNATAKA



3. THE ASSISTANT COMMISSIONER OF CENTRAL TAX,
SOUTH DIVISION-4, BANGALORE SOUTH
COMMISSIONERATE,
7TH FLOOR, 'C' WING KENDRIYA SADAN,
KORAMANGALA, BANGALORE - 560 034.

...RESPONDENTS

(BY SRI. ARAVIND V. CHAVAN, ADVOCATE FOR R1 TO R3)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE IMPUGNED ORDER-IN-ORIGINAL, BEARING NO.481/2021 SD-4, DATED 18.02.2022, FOR THE FINANCIAL YEAR 2015-16, AND BEARING NO. 280/2023 SD-4, DATED 06.11.2023, FOR THE FINANCIAL YEAR 2016-17, BOTH PASSED BY THE RESPONDENT NO.2, I.E., ANNEXURE B AND D, RESPECTIVELY 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 challenged the Order-in-Original at Annexures-B and D. It is the case of the petitioner that the order of adjudication is passed on the basis of inputs received from Central Board of Direct Taxes and this Court under similar circumstances wherever demands for service tax has been raised on the basis of inputs from the Income



Tax Returns, has remitted the matter back for fresh consideration as has been done in W.P.No.11154/2023.

2. The petitioner asserts that the service rendered is not subject to levy of service tax as service tax is to be borne by the recipient under the reverse charge mechanism. It is further submitted that there are other contentions available which would be raised if the matter is remitted.

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

4. 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."

5. In light of the above, the order of adjudication at Annexure-B for the financial year 2015-16 and Annexure-D for the financial year 2016-17 are set aside. The matter is remitted to the stage of reply to show-cause notice. 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 as extracted supra, in specific, to take note of the observations at para-10 of the order as may be applicable.

6. Petitioner is at liberty to make out a fresh reply to the show-cause notice. Petitioner to appear before respondents No.2 and 3 as regards the proceedings for the relevant year, without further notice on 21.04.2026.



7. In light of the orders being set aside, the order of attachment of bank account to be reversed by the authorities forthwith. All contentions are kept open.

8. I.A.No.1/2026 is allowed and the petitioner is dispensed with production of certified copy of Annexures-B, D and E, in light of the submission that the documents produced are printouts taken from the portal.

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

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MCR