



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 22ND DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO.10860 OF 2026 (T-RES)

BETWEEN:

MR. JAGADISH P KATELIYA,
AGED ABOUT 53 YEARS,
(PROPRIETOR OF WOODART CREATION),
NO.35(72/A), 3RD FLOOR, 1ST R BLOCK,
20TH B MAIN, RAJAJINAGAR,
BENGALURU-560 010.
EMAIL: INFO@WOODARTCREATION.COM

...PETITIONER

(BY SRI VENKATANARAYANA G.M., ADVOCATE)

AND:

Digitally signed
by DEVIKA M
Location: HIGH
COURT OF
KARNATAKA

1. ASSISTANT COMMISSIONER OF CENTRAL TAX,
OFFICE OF THE ASSISTANT
COMMISSIONER OF CENTRAL TAX,
WEST DIVISION-2,
BENGALURU WEST COMMISSIONERATE,
BANASHANKARI, BENGALURU 560 070.
2. SUPERINTENDENT OF CENTRAL TAX,
OFFICE OF THE ASSISTANT
COMMISSIONER OF CENTRAL TAX,
WEST DIVISION 2,
BENGALURU WEST COMMISSIONERATE,
1ST FLOOR, BMTC BUS STAND,
KANAKAPURA ROAD, BANASHANKARI,
BENGALURU 560 070.



3. SUPERINTENDENT OF CENTRAL TAX,
OFFICE OF THE SUPERINTENDENT OF CENTRAL TAX,
WEST DIVISION - 2,
BENGALURU WEST COMMISSIONERATE,
1ST FLOOR, TTMC COMPLEX,
BMTc BUS STAND, BANASHANKARI,
BENGALURU.
EMAIL: gstwd2tpd@gmail.com

...RESPONDENTS

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

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH THE ORDER-IN-ORIGINAL NO.56/2023-24-SERVICE TAX AND DIN-20231157YU000000A4D0 DATED 31.10.2023 (ANNEXURE-A) PASSED BY THE RESPONDENT NO.1. B. QUASHING THE REMINDER NOTICE DATED 04.03.2026 AND 12.03.2026 (ANNEXURE-B1 AND ANNEXURE-B2) AS PASSED BY THE RESPONDENT NO.2.

THIS PETITION, COMING ON FOR FRESH MATTERS, 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-A and has sought for allied relief of setting aside of the direction and reminder at Annexures-B1 and B2.

2. It is the case of the petitioner that the respondent authorities while initiating proceedings as regards services in



terms of Section 65B(44) of the Finance Act, 1994, has adjudicated and raised a demand as regards service tax. It is submitted that such demand was raised and adjudicated based on inputs received from the Central Board of Direct Taxes while noticing the difference between the gross value of services declared by the assessee in the income tax returns for the financial year 2014-15 and comparing it with the declarations made in the service tax returns (ST-3) for the year 2014-15. It is submitted that even on merits, authority has seriously erred in not taking note that the petitioner was rendering work contract services and 50% of the demand was required to be paid under the reverse charge mechanism by the entity, which has availed of the services. Further, it is submitted that the petitioner had placed before the authority details regarding discharge of his liability which has not been taken note of it in proper perspective.

3. Sri Aravind Chavan, learned counsel for the revenue submits that the authority has taken note of the stand of the petitioner and the petitioner having participated, if any



grievance is raised, the same ought to be raised before the appellate authority.

4. Having perused the order, it is to be noticed that in similar circumstances wherein the adjudication for service tax was made on the basis of inputs of the Central Board of Direct Taxes, this Court in W.P.No.11154/2023 and connected petitions in its order dated 03.07.2024 had set aside orders and remitted the matter back for fresh consideration.

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. Taking note of the above observations, the order-in-original at Annexure-A is set aside, as well as consequential proceedings at Annexures-B1 and B2. The matter is remitted to respondent No.1 for re-consideration to the stage of reply to the show cause notice. The petitioner is at liberty to make out a fresh reply and produce additional material to demonstrate contention as noticed supra. The authority may also 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 paragraph No.10 of the order as may be applicable. All contentions are kept open.

7. The petitioner to appear before respondent No.1 on 18.05.2026 without waiting for fresh notice.

8. Accordingly, the petition is disposed of.

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MD
List No.: 1 Sl No.: 8