



**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 24<sup>TH</sup> DAY OF MARCH, 2026**

**BEFORE**

**THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV**

**WRIT PETITION NO. 6895 OF 2026 (T-RES)**

**BETWEEN:**

M/S DIRT MANIA OUTDOOR ADVENTURES PVT. LTD.,  
NO.145, P14, OFF KANAKAPURA ROAD,  
NELGULI VILLAGE,  
BENGALURU-560082  
REPRESENTED BY ITS  
AUTHORIZED SIGNATORY.

...PETITIONER

(BY SRI. S GURU PRASANNA., ADVOCATE)

**AND:**

1. UNION OF INDIA  
THROUGH THE SECRETARY,  
MINISTRY OF FINANCE,  
DEPARTMENT OF REVENUE,  
NORTH BLOCK, NEW DELHI.
2. THE ASSISTANT COMMISSIONER OF CENTRAL TAX,  
DIVISION VI,  
BENGALURU WEST COMMISSIONERATE,  
1<sup>ST</sup> FLOOR, TTMC COMPLEX,  
BMTB BUS STAND, BANASHANKARI,  
BENGALURU-560 070

...RESPONDENTS

(BY SRI. JEEVAN J NEERALAGI., ADVOCATE)

THIS WP IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA PRAYING TO DIRECT, SETTING ASIDE THE IMPUGNED ORDER NO.86/2024-25 DATED 15.05.2024 (HEREINAFTER REFERRED TO AS IMPUGNED ORDER) ISSUED BY ASSISTANT COMMISSIONER OF CENTRAL TAX, ANTI EVASION, GST WEST COMMISSIONERATE





PROPOSING SERVICE TAX DEMAND OF RS.33,66,922/- ALONG WITH APPLICABLE INTEREST U/S 75 AND PENALTY U/S 78 PRODUCED HEREWITH AS ANNEXURE-A AS BEING ILLEGAL, ARBITRARY, WITHOUT JURISDICTION, AND VIOLATIVE OF THE PRINCIPLES OF NATURAL JUSTICE.

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**

Petitioner has challenged the order in original at Annexure-A whereby the authorities concerned after adjudication have raised a demand of service tax.

2. Learned counsel for the petitioner submits that the authorities have adjudicated on the basis of inputs received from CBDT and taking note of the declaration in the income tax returns. It is further submitted that in matters identical to the one on hand where the authorities have adjudicated and raised demand relating to service tax by virtue of inputs received from CBDT and the declaration in the income tax returns, this Court has been remitting the matter back for reconsideration after setting



aside the order of adjudication including as per the order passed in W.P.No.11154/2023.

3. It is further submitted that the proceedings have culminated in an ex-parte order and if the petitioner is granted an opportunity, they would meet the grounds raised in the show cause notice and would demonstrate that not only that the service is exempt in terms of the notification No.25/2012-ST but also the demand is barred by limitation.

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. In light of the same, the order-in-original at Annexure-A is set aside. The matter is remitted to the stage of reply to the show cause notice. The 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 and in specific to the observations at Para 10 of the order as may be applicable.

7. In light of the specific assertion that the copy of the show cause notice was not communicated to the petitioner, the respondent authorities to furnish copy of the show cause notice to the petitioner and the petitioner would be at liberty to make out reply to the said show cause notice.



8. Petitioner to appear before the respondent - Authority without further notice on 21.04.2026.

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

**SD/-**  
**(S SUNIL DUTT YADAV)**  
**JUDGE**

VP  
List No.: 1 Sl No.: 17