



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 8TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 6388 OF 2026 (T-RES)

BETWEEN:

1. M/S MANGALORE INTERNET CITY PVT LTD
A COMPANY REGISTERED UNDER
THE INDIAN COMPANIES ACT, 1956
HAVING REGISTERED OFFICE AT
10-76/1 MANGAKLORE HILLS
PREETHINAGAR SHAKTHINAGAR POST
MANGALORE -575 016
REPRESENTED BY ITS GENERAL MANAGER
AND AUTHORISED SIGNATORY
SRI PRADEEP UPENDRA NAYAK
S/O SRI UPENDRA T NAYAK
AGED ABOUT 49 YEARS

... PETITIONER

(BY SRI. VANI H., ADVOCATE)

AND:

1. THE SUPERINTENDENT OF CENTRAL TAX
OFFICE OF THE SUPERINTENDENT OF CENTRAL TAX
YEYYADI RANGE SOUTH DIVISION
ROOM NO. 403, 4TH FLOOR C R BUILDING
ATTAVARA
MANGALORE -570 001

... RESPONDENT

(BY SRI. ARAVIND V. CHAVAN, ADVOCATE)





THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO (I) ISSUE A WRIT OF CERTIORARI OR WRIT IN THE NATURE OF CERTIORARI TO QUASH THE IMPUGNED SHOW CAUSE NOTICE BEARING NO. 03/2023-24 DATED 11.4.2023 ISSUED BY THE RESPONDENT UNDER SECTION 74 FOR THE YEAR 2018-19 VIDE ANNEXURE E AND ETC.

THIS PETITION COMING ON FOR PRELIMINARY HEARING IN 'B' GROUP THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

ORAL ORDER

Petitioner has called in question the validity of the order-in-original passed under Section 74 of the CGST Act for the financial year 2018-19 at Annexure-G dated 30.12.2025.

2. The brief facts that are of relevance for disposal of the petition are that the petitioner is stated to have obtained an approval of plan on 24.08.2011 for development of a residential layout. It is further submitted that construction of a Villa in Plot No. 126 was completed



on 08.07.2018 and the petitioner had applied for issuance of completion certificate with a competent authority. It is further submitted that the completion certificate was granted on 06.02.2019. In the interregnum, on 23.07.2018 petitioner had entered into an agreement to sell the villa and collected part advance which constituted only part of the sale consideration.

3. It is submitted that after issuance of completion certificate on 06.02.2019, the petitioner executed the sale deed transferring title of the immovable property in favour of the purchaser on 29.03.2019.

4. It is stated that the respondent has embarked upon adjudication on the ground that the petitioner is required to be subjected to liability in terms of Section 7(2) of the CGST Act read with Entry-5 of Schedule-II. It is the contention of the petitioner that in response to the show cause notice, detailed reply at Annexure-F had been submitted.



5. Learned counsel for the petitioner submits that the transfer of property was effected by way of registered sale deed only after the completion certificate and that the agreement of sale cannot be taken to be a conclusive date as transferring title. It is further submitted that though the completion certificate was issued on 06.02.2019, that by itself would not be conclusive in terms of the explanation to Entry-5 of Schedule-II of CGST Act. It is submitted that such aspect has not been taken note of appropriately by the authority and a cryptic reasoning is assigned at para 13 which requires reconsideration. It is submitted that the authority may be directed to reconsider the matter after taking note of the detailed reply and a fresh opportunity may be afforded to place all relevant legal authorities before the authority.

6. Sri. Aravind Chavan, learned counsel submits that the adjudication is complete and the question raised by the petitioner is a matter to be canvassed in appeal.



7. Perused the order. The discussion and findings at para 13 of the impugned order insofar as the contention of the petitioner has not been dealt with appropriately. The contentions raised by the petitioner as made out in the reply to the show cause notice as well as the scope of interpretation of explanation to Entry-5 requires reconsideration.

8. Accordingly, the impugned order at Annexure-G is set aside. The matter is remitted back to the authority for reconsideration. All contentions on merits are kept open. Needless to state, the Authority to deal in detail with the reply of the petitioner to the show cause notice, as well as the legal contentions as made out in the petition that the petitioner states would be canvassed once again before the Authority.

9. Petitioner to appear before respondent without further notice on 11.05.2026.



10. In light of the above, writ petition is ***disposed***
of.

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

VP