NC: 2026:KHC:28545-DB
WP No. 23537 of 2021

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 12TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT PETITION NO. 23537 OF 2021 (T-RES)

BETWEEN:

1. SRI B.H. GANGADHARACHARY
AGED ABOUT 54 YEARS
S/O HONNACHARYT
R/AT No.76, BOOVANAHALLY VILLGE
HOLENARASIPURA TALUK
HASSAN DISTRICT - 573 211

2. B.H.G CONSTRUCTIONS
No.76, BOOVANAHALLI VILLAGE
BOOVANAHALLI POST
HOLENARASIPURA TALUK
HASSAN DISTRICT - 573 211
REPRESENTED BY
MANAGING PARTNER
B.H. YOGISH

…PETITIONERS

(BY SRI KANISHK RAVINDRAN, ADVOCATE)

AND:

1. THE UNION OF INDIA
MINISTRY OF FINANCE
NEW DELHI - 110 001
REP. BY SECRETARY

2. THE GOODS AND SERVICES TAX COUNCEL
JANPATH, CONNAUGHT PLACE
NEW DELHI - 110 001
REP. BY SPECIAL SECRETARY

3. THE STATE OF KARNATAKA
FINANCE DEPARTMENT
II FLOOR, VIDHANA SOUDHA
BENGALURU - 560 001
REP. BY ADDL. CHIEF SECRETARY

4. THE PRINCIPAL COMMISSIONER
OF CENTRAL TAX
No.1, QUEEN'S ROAD
VASANTHNAGAR
BENGALURU - 560 001

5. THE COMMISSIONER OF COMMERCIAL TAXES
GOVERNMENT OF KARNATAKA
VANIJYA THERIGE KARYALAYA
1ST MAIN ROAD
GANDHINAGAR
BENGALURU - 560 009

6. THE ASSISTANT COMMISONER OF
CENTRAL TAX
VIJAYANAGAR
HASSAN DIVISION
HASSAN - 573 201

7. EXECUTIVE ENGINEER
PWD, HASSAN DIVISION
HASSAN - 573 201

8. EXECUTIVE ENGINEER
CNNL, HLBC DIVISION
HOLENARASIPURA
HASSAN DISTRICT - 573 211

9. CHIEF EXECUTIVE ENGINEER
No.7, CNNL, HRBHCL DIVISION
GORURU
HASSAN DISTRICT - 573 120

10. EXECUTICE ENGINEER
CNNL, HEMAVATHI DAM DIVISON
GOURRU
HASSAN DISTRICT - 573 120

11. EXECUTIVE ENGINEER
H.R.B.C DIVSION
CNNL, HOLENARASIPURA
HASSAN DISTRICT - 573 211

12. EXECUTIVE ENGINEER
No.7, HLBC DIVISION
GORUR
HASSAN DISTRICT - 573 120

13. EXECUTIVE ENGINEER
HWSSB DIVISION
HASSAN

14. EXECUTIVE ENGINEER
PRDE DIVISION
HASSAN

...RESPONDENTS

(SRI JEEVANBABU JAGADISH NEERALGI, ADVOCATE FOR R-1, 2, 4 & 6;
SRI ADITYA VIKRAM BHAT, AGA FOR R-3, 5, 7 & 10;
SRI PRASHANTH B.R., ADVOCATE FOR R-8 TO 14)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA PRAYING TO DECLARE THAT THE PROVISON OF GST ACT IS INAPPLICABLE IN RESPECT OF WORKS CONTRACT WHERE 'PROVISIONS OF SERVICE' ARE MADE PRIOR TO 01.07.2017 IN SO FAR AS PETITIONERS ARE CONCERNED AND CONSEQUENTLY THAT THE RESPONDENT No.3 HAVE NO JURISDICTION TO EITHER ISSUE NOTICE AND SUMMONS OR TO TAKE ANY COERCIVE STEPS AGAINST THE PETITIONERS UNDER THE PROVISIONS OF THE GST ACT DATED 01.07.2017 PRODUCED AS ANNEXURE-M AND N & ETC.

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL ORDER

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The petitioners have filed the present petition, *inter alia*, praying as under:

> "(a) Declare that the provisions of GST Act is inapplicable in respect of works contract where 'provisions of service' are made prior to 01.07.2017 in so far as petitioners are concerned and consequently that the respondent no. 3 have no jurisdiction to either issue notice and summons or to take any coercive steps against the petitioners under the provision of the GST Act dated 01.07.2017 produced as Annexure-M and N.
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> (b) Declare that the provision of Section 7(3) read with clause 6 of schedule II of the GST Act is ultra-virus article 366 (12A), (26A), (29A) (b) and (f) the constitution in view of and settled principles of law laid down by the Hon'ble supreme court regarding "works contract" and consequently that the respondent Nos.3 to 7 have no jurisdiction to either issue notice and summons or to take any coercive steps against the petitioners under the provisions of the GST Act for "works contract" entered in to post of 01.07.2017 i.e. after the GST Act came into effect which is produced as Annexure E and F; and
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> (c) Declare that, GST being an indirect tax is based on the concept of collect and pay, and the liability to pay is on the table person after collecting it from recipient of goods or services i.e. the employer of works contract, and hence direct Respondents to pay/refund the tax amounts to some of the petitioners who have already paid GST without collecting it for contracts entered into with respondents."

2. The learned counsel appearing for the petitioners had confined the present petition to prayer (c) as recorded in the order dated 10.06.2026.

3. The petitioners are Grade-I contractors who had entered into works contracts with various agencies of the Government of Karnataka through respondent Nos.7 to 14. The tenders were invited both prior to 01.07.2017 – at the rates of tax then prevailing under the Karnataka Value Added Tax Act, 2003 [**KVAT Act**] as well as after 01.07.2017, when the Goods and Services Tax Act came into force. The dispute in the present case arises in relation to contracts pertaining to the years 2017-18, which were entered into prior to 01.07.2017, and in respect of which the petitioners have already discharged their KVAT liability. The petitioners claim that since the rates quoted by them were on the basis of the tax regime prevailing prior to 01.07.2017, the same did not include the element of GST, hence, the employers are liable to reimburse them for the GST amount paid over and above the KVAT liability.

4. The question whether the contractor is entitled to reimbursement of GST paid on supplies is a matter of contract between the parties. In view of the questions of fact involved in the

present petition, we do not consider it apposite to examine the same in these proceedings. Accordingly, we decline to entertain the present petition. The petition is dismissed.

5. The petitioners have filed an application – I.A. No.1/2025, *inter alia*, praying that no precipitative steps be taken by the concerned authority pursuant to the notice of demand raised under the Goods and Services Taxes Acts. Since, we have declined to entertain the present petition, no such orders can be granted.

6. However, we clarify that this order would not preclude the petitioners from availing other alternate remedies.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

AHB
List No.: 2 Sl No.: 9.3