IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 2ND DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE RAJESH RAI K

WRIT APPEAL NO. 2153 OF 2025 (T-RES)

BETWEEN:

1. STATE OF KARNATAKA
   REPRESENTED BY
   ADDL. CHIEF SECRETARY,
   FINANCE DEPARTMENT,
   II FLOOR, VIDHANA SOUDHA,
   BENGALURU-560 001

2. THE COMMERCIAL TAX OFFICER,
   DGSTO, MYSURU-570 010

...APPELLANTS

(BY SRI. ADITYA VIKRAM BHAT, AGA)

AND:

1. H.K GEETHA
   ANKANAHALLY MAIN ROAD,
   K.R NAGARA, MYSURU - 571604

2. THE EXECUTIVE ENGINEER
   PUBLIC WORKS, PORTS AND I
   NLAND TRANSPORT DEPARTMENT,
   MYSURU -570 010

3. THE EXECUTIVE ENGINEER
   PUBLIC WORKS, PORTS AND

INLAND TRANSPORT DEPARTMENT,
SPECIAL DIVISION, HUNSURU - 571105

4. THE EXECUTIVE OFFICER
PANCHAYATH RAJ ENGINEERING DIVISION,
K.R. NAGAR-571 062

5. THE EXECUTIVE ENGINEER
ZPE DIVISION,
K.R. NAGAR - 570 602

6. THE EXECUTIVE ENGINEER
PUBLIC WORKS DEPARTMENT
KODAGU DIVISION,
MADIKERI-571 201

7. THE EXECUTIVE ENGINEER
RURAL DRINKING WATER
AND SANITATION DIVISION,
MYSURU-570 023

...RESPONDENTS

(BY SRI. JOSEPH VARGESE, ADVOCATE FOR R1,
VIDE ORDER DATED 22-01-2026, NOTICE TO R2 TO
R7 IS DISPENSED WITH)

THIS WRIT APPEAL IS FILED U/S 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 14.03.2025 PASSED BY THE LEARNED SINGLE JUDGE, HIGH COURT OF KARNATAKA, BENGALURU IN WP No. 35559 OF 2024 (T-RES).

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE RAJESH RAI K

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE S.G.PANDIT)

The State by Addl. Chief Secretary and Commercial Tax Officer are in appeal invoking Section 4 of the Karnataka High Court Act, 1961, questioning order dated 14.03.2025 passed in W.P.No.35559/2024, whereunder the learned Single Judge placing reliance on the decision of ***Sri Chandrashekaraiah and Others vs. The State of Karnataka - W.P.No.9721/2019 and connected cased dated 11.04.2023***, disposed of the writ petition with the following directions:

"***ORDER***

i. The petition is allowed and disposed of in terms of the order passed by this Court in the case of Sri Chandrashekaraiah and Others vs. The State of Karnataka - W.P.No.9721/2019 and connected cased dated 11.04.2023.

ii. The petitioner is hereby directed to make a representation before the concerned Respondent within a period of four weeks from the date of receipt of this Order.

iii. The concerned respondent is hereby directed to consider the said representation and proceed in accordance with law as laid down in Sri ***Chandrashekaraiah's case supra****, within a period of six weeks from the date of receipt of a copy of this order."*

2. Heard learned Additional Government Advocate Sri Aditya Vikram Bhat for the appellants and learned counsel Sri Joseph Varghese for respondent No.1. Perused the entire writ appeal papers.

3. Respondent No.1 had approached the learned Single Judge with following prayers:

"a) To issue a writ of Certiorari or order or direction in the nature of Certiorari to set aside the Show Cause Notice issued by the Respondent no. 1 dated 21-10-2023 (ANNEXURE A1);

b) To issue a writ of Certiorari or order or direction in the nature of Certiorari to set aside and quash the Impugned Order dated 03-01-2024 passed by Respondent no. 1 under section 74 of the GST Act, 2017 (ANNEXURE B);

c) Consequently, to issue a writ of Certiorari or order or direction in the nature of Certiorari to set aside and quash the Impugned summary issued in Form GST DRC-07 dated 03-01-2024 ('ANNEXURE B1').

d) Alternatively, in the event the demand under section 73 of the GST Act, 2017, order dated 03-01-2024 (ANNEXURE - B) is not set aside in toto /or revives due to operation of law, then, issue a writ of Mandamus order or direction in the nature of Mandamus directing the Respondent no. 2, 3, 4, 5, 6 and 7 to enter into a Supplementary Tender

Agreement, or any other permissible arrangement revise the rate of applicable taxes and pay the differential GST liability imposed on the Petitioner, to the tune of Rs.11,10,302/- (CGST and KGAT component) and also pay the Petitioner interest at the applicable rates and penalty to the tune of Rs.10,93,824/-(CGST and KGST component); and issue a writ of Mandamus order or direction in the nature of Mandamus directing the Respondent No. 1 to verify the invoices available with the Petitioner and the Form GSTR2A which is a statutory record available with Respondent No. 1; and

e) Grant any other orders that this Hon'ble Court deems fit and proper in the interest of justice."

4. The learned Single Judge, as stated above, placing reliance on the decision of ***Sri Chandrashekaraiah*** cited supra, disposed of the writ petition directing the writ petitioner to submit the representation and also directing the concerned respondents including the appellants to consider the said representation and proceed in accordance with law as laid down in ***Chandrashekaraiah*** cited supra.

5. It is brought to the notice of this Court that the Co-ordinate Bench of this Court in W.A.No.1587/2023 and connected appeals disposed of on 10.06.2026, wherein order

was challenged insofar as directions issued to the Tax Authorities, referring to ***Chandrashekaraiah's*** case supra has held as follows at paragraph Nos.7 to 10:

> *"7. The learned counsel appearing for the appellants has confined the challenge to the impugned order to the directions issued to the tax authorities. It is submitted that the operative part of the impugned order - insofar as it permits the writ petitioners to file returns / amended returns for the period after 01.07.2017 by calculating the differential tax in the manner set out therein, waives the interest, penalty and the period of limitation under the GST Acts, and directed the GST authorities not to take precipitative action against the writ petitioners is contrary to the statutory scheme. It is submitted that the levy of interest under Section 50 of the Central Goods and Services Tax Act, 2017 is automatic and mandatory and admits of no discretion to waive or reduce it, and that there is no provision enabling the filing or amendment of returns in the manner directed.*
>
> *8. The dispute as to whether the writ petitioners would be entitled to reimbursement of the incremental tax paid or payable by them on account of the levy of GST is strictly a matter between the writ petitioners and the Employers with whom they had entered into the contracts. The contracts between the writ petitioners and the Employers would not alter the statutory scheme for the levy of GST. Thus, the liability of the writ petitioners to pay Goods and Services Tax (whether under the Central Goods and Services Tax Act, 2017, the State Goods and Services Tax Act, 2017 or the Integrated Goods and Services Tax Act, 2017) is required to be determined strictly in accordance with the provisions of the relevant*

statute. The question of the levy of GST, assessment, recovery, and enforcement is a matter of statutory prescription.

9. In view of the above, no directions could be issued permitting the filing of any revised returns contrary to the provisions of the statute. The plenary directions to waive the penalty, interest under the GST Acts or the limitation for filing returns/revised returns are also unsustainable.

10. The controversy as to the incremental tax burden arising on account of the change in the tax regime is, in essence, one between the writ petitioners and the Employers. In the context of such a dispute, no directions could be issued to the tax authorities regarding the levy, assessment, and collection of tax, penalty, or interest."

6. Respectfully accepting the above decision, we are of the view that the learned Single Judge's order requires to be set-aside.

7. However, learned counsel for the respondent points out that the writ petitioner before the learned Single Judge had raised other contentions, which are not dealt by the learned Single Judge. He invites attention of this Court to grounds raised in the writ petition and submits that the contentions with regard to invalidity of unsigned impugned order, non issuance of mandatory personal hearing; and denial of input tax credit

was raised. On perusal of the impugned order, it is seen that the other contentions raised by the writ petitioner before the learned Single Judge were not considered and the writ petition was disposed of solely on the basis of ***Chandrashekaraiah*** case supra.

8. In view of the above, the order dated 14.03.2025 in W.P.No.35559/2024 passed by the learned Single Judge is set-aside.

The writ petition is remitted back to the learned Single Judge to consider other contentions raised by the writ petitioner.

Accordingly, the appeal stands ***disposed of***.

SD/-
(S.G.PANDIT)
JUDGE

SD/-
(RAJESH RAI K)
JUDGE

HKV
List No.: 1 Sl No.: 18