HC-KAR
NC: 2026:KHC-D:10104
WP No. 105954 of 2026
CNR: KAHC020129222026

IN THE HIGH COURT OF KARNATAKA AT DHARWAD

DATED THIS THE 21ST DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 105954 OF 2026 (GM-FOR)

BETWEEN:

DILIP LAXMAN NAIK
(MSTC/DILIP LAXMAN NAIK/666842),
AGE: 62 YEARS, OCC. RETIRED EMPLOYEE,
R/O. KHB COLONY TOWNSHIP HOUSE NO.1ST
856, DANDELI, TQ. DANDELI,
DIST. UTTAR KANNADA, PIN-581325.

... PETITIONER

(BY SRI. G.N. NARASAMMANAVAR, ADVOCATE)

AND:

1. THE STATE OF KARNATAKA,
R/BY ITS SECRETARY,
FOREST DEPARTMENT,
M.S. BUILDING, AMBEDKAR VEEDHI,
BENGALURU, PIN-560001.

2. THE ADDITIONAL PRINCIPAL CHIEF
CONSERVATOR OF FOREST
(FOREST RESOURCE MANAGEMENT)
ARANYA BHAVAN 18TH CROSS,
MALLESHWARAM, BENGALURU,
PIN-560003.

3. THE DEPUTY CONSERVATOR OF FORESTS,
HALIYAL DIVISION, HALIYAL,
TQ. HALIYAL, DIST. UTTAR KANNADA,
PIN-581329.

Digitally signed by MOHANKUMAR B SHELAR
Location: HIGH COURT OF KARNATAKA

4. THE ASSISTANT CONSERVATOR OF FOREST
GOVERNMENT TIMBER DEPOT DANDELI,
TQ. HALIYAL, DIST. UTTAR KANANDA,
PIN-581325.

… RESPONDENTS

(BY SRI. SHARAD V. MAGADUM, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO ISSUE A WRIT OF CERTIORARI QUASHING IMPUGNED SALE INTIMATION/TAX INVOICE DATED 14-07-2026 ISSUED BY THE 3RD RESPONDENT IN FAVOUR OF PETITIONER IN SO FOR AS THE IMPOSING 12% FOREST DEVELOPMENT TAX TO PETITIONER VIDE ANNEXURE-B AND ETC.,

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

ORAL ORDER

(PER: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM)

1. The petitioner has filed the present petition challenging the action of the respondents in collecting Forest Development Tax (FDT) on the purchase of timber.

2. The Co-ordinate Bench of this Court, in its judgment dated 23.04.2024 in W.P.No.101820/2024 and connected matters, held that the demand, collection, and refund of FDT would be subject to the final outcome of W.A.No.743/2021 and related cases pending before this

Court. Relevant paragraphs from the judgment are as follows:

> *"3. It was submitted,* ***B.Rudragouda Vs. State of Karnataka and others***[1]*, wherein there was specific challenge against constitutional validity of Act no.23 of 2016 amending Chapter XI-A of Act, this Court declared amendment to be ultra vires Constitution of India. It was observed, levy of Forest Development Fee (for short 'FDF') by naming it as tax (FDT) was illegal and accordingly directed refund.*
>
> *4. Main grounds of challenge are that though respondent-State had challenged Judgment in* ***B.Rudragouda's*** *case before Hon'ble Apex Court in SLP (Civil) no.4329-4386/2018, interim order granted was only insofar as refund of tax and not judgment. Further, in W.P.no.38941/2018, this Court by order dated 29.08.2019 quashed invoices demanding FDT after decision in* ***NMDC Mineral Development Corporation Ltd., Vs. State of Karnataka and another***[2] *and* ***B.Rudragouda's*** *cases, by holding same to be illegal. In view of above it was contended that demand and levyof FDT was illegal and sought for*

[1] 2017 SCC OnLine Kar 2785
[2] 2015 SCC OnLine Kar 8620

quashing. It was submitted, in few cases petitioners had already paid FDT and on above grounds were seeking refund thereof."

3. However, this Court is aware of the decision in the ***NMDC*** case is under challenge before the Hon'ble Supreme Court in SLA(C) Nos.6219-6313/2016 [C.A.No.3974-4068/2016] while the decision in ***B. Rudragouda's*** case is under challenge in SLP (Civil) No. 4329-4386/2018 [C.A.No.3214-3271/2018] with an interim order against refund of FDT. The decision in W.P.No.38941/2018 is also under challenge in W.A.No.743/2021, with an interim order against the demand/collection of FDT/FDF.

4. After hearing learned counsel and reviewing the writ petition records, it is clear that petitioners are challenging the demand and collection of FDT on timber purchases. There is no dispute that the demand/collection of FDT refers to Chapter XI-A inserting Sections 98-A and B of

the Act, declared ultra vires in ***B. Rudragouda's case***. Although challenged before the Hon'ble Apex Court, the decision is not stayed, and the interim order applies only to refunds. Similarly, an interim order exists against the demand and collection of FDT in the appeal against the decision in W.P.No.38941/2018.

5. Given the above, it is prudent to dispose of these matters, holding that the demand, collection, and refund of FDT are subject to the final outcomes of W.A.No.743/2021 and connected cases pending before this Court, and C.A.No.3974-4068/2016 and C.A.No.3214-3271/2018 pending before the Hon'ble Supreme Court. Respondent authorities should take further action only after these matters are resolved, issuing fresh demands or processing refunds where FDT has already been collected.

6. In light of the Co-ordinate Bench's view in W.P.No.101820/ 2024, this Court is not inclined to take a contrary position. Accordingly, this writ petition is ***disposed***

of, holding that the demand, collection, and refund of FDT will be subject to the final outcome of W.A.No.743/2021 and related cases pending before this Court, and C.A.No.3974-4068/2016 and C.A.No.3214-3271/2018 pending before the Hon'ble Supreme Court.

7. It is needless to mention that respondent authorities can take further action only after these matters are resolved, by issuing fresh demands or taking action for refunds where FDT has already been collected from the petitioners.

ORDER

i) The writ petition is allowed.

ii) The demand, collection, and refund of Forest Development Tax (FDT) are to be subject to the final outcome of W.A.No.743/2021 and related matters pending before this Court, and C.A.No.3974-4068/2016 and C.A.No.3214-

3271/2018 pending before the Hon'ble Supreme Court.

iii) Respondent authorities shall take further action only after the disposal of the aforementioned cases, either by issuing fresh demands or processing refunds where FDT has already been collected from the petitioner.

Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE

VNP / CT: BCK
LIST NO.: 1 SL NO.: 123