HC-KAR

IN THE HIGH COURT OF KARNATAKA AT DHARWAD

DATED THIS THE 22ND DAY OF JUNE 2026

BEFORE
THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO.104669 OF 2026 (GM-RES)

BETWEEN:

ER. ROLAND S. FERNANDES D.CE, B.E. (OMI)
CLASS-I REGISTERED CIVIL ENGINEER & CONTRACTOR,
PROPRIETOR, ENGINEERS AND CONTRACTORS,
GROUND FLOOR, BRINDAVAN APARTMENT,
BEHIND D.O. OFFICE, M.G. ROAD,
KARWAR-581301, KARNATAKA.

…PETITIONER

(BY SMT. VIDYASHRI N. MULIMANI, ADVOCATE)

AND:

1. THE GOVERNMENT OF KARNATAKA,
REPRESENTED BY ITS ADDITIONAL CHIEF SECRETARY,
DEPARTMENT OF FINANCE, 2ND FLOOR,
VIDHANA SOUDHA, DR. AMBEDKAR VEEDHI,
BENGALURU-560001.

2. THE EXECUTIVE ENGINEER,
KARNATAKA HEALTH SYSTEM DEVELOPMENT
AND REFORM PROJECT, DHARWAD-580003.

…RESPONDENTS

(BY SRI. SHARAD V. MAGADUM, AGA FOR R1 & R2)

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

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO DIRECT THE RESPONDENTS TO REIMBURSE THE DIFFERENTIAL GST AMOUNT OF RS.6,20,826.56/- PAID BY THE PETITIONER IN RESPECT OF THE SUBJECT WORK TOGETHER WITH INTEREST AT 18% PER ANNUM FROM THE DATE OF REMITTANCE TILL REALIZATION, IN TERMS OF THE REPRESENTATION DATED 21.04.2026 IN ACCORDANCE TO ANNEXURE-B REF: LETTER/04/2025-26/07 AND TO DIRECT THE RESPONDENTS TO CONSIDER AND DISPOSE OF THE REPRESENTATION DATED 21.04.2026 PRODUCED AT ANNEXURE-B WITHIN A TIME FRAME FIXED BY THIS HON'BLE COURT 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)

The petitioner is seeking mandamus directing the respondents to reimburse the differential Goods and Services Tax (for short 'GST') amount of Rs.6,20,826.56/- with interest at the rate of 18% per annum from the date of remittance till realization in terms of representation dated 21.04.2026 as per Annexure-B.

2. Heard learned counsel for the petitioner and learned Additional Government Advocate appearing for respondents-State. Perused the records.

3. The petitioner, a Class-I Registered Civil Contractor, was entrusted with the work of "Repairs and Renovation Works (Balance Works)" to the existing TLH Building at Haliyal, Uttara Kannada District. It is the specific case of the petitioner that during the currency of the contract, the Goods and Services Tax (GST) regime came into force with effect from 01.07.2017, replacing the earlier Value Added Tax (VAT) regime. Consequent upon such introduction of GST, the petitioner was

required to bear additional tax liability and, therefore, claims reimbursement of the differential tax amount from the respondents-State.

4. The controversy relating to liability to bear the differential tax consequent upon introduction of GST is no longer *res integra*. In an identical matter in W.P.No.104908/2023, disposed of on 29.08.2023, this Court has held that the recipient of the works contract service is liable to bear the differential tax liability arising on account of introduction of GST. This Court has further held that the State, its instrumentalities and Departments are under an obligation to reimburse the differential GST amount payable by the contractor.

5. In the present case, the petitioner has already discharged the differential GST liability before the competent authority. Alleging inaction on the part of the respondents in reimbursing the said amount, the present writ petition is instituted. In view of the consistent line of decisions rendered by this Court on the issue, the petitioner has acquired a corresponding legal right to seek reimbursement of the

differential GST amount. The respondents, being beneficiaries of the work executed by the petitioner and in view of the law laid down by this Court, are under a bounden duty to reimburse the differential GST amount. Therefore, this Court is of the view that the petitioner has made out a case for issuance of a writ of mandamus.

6. For the foregoing reasons, this Court proceeds to pass the following:

ORDER

(i) The writ petition is ***allowed***.

(ii) The respondents are directed to consider the representation dated 21.04.2026 (Annexure–B) and determine the differential GST amount payable to the petitioner in accordance with law.

(iii) Upon such determination, the respondents shall reimburse the differential GST amount to the petitioner within a period of six weeks from the date of receipt of a certified copy of this order.

(iv) It is made clear that the reimbursement shall be confined only to the differential tax liability attributable to the introduction of the GST regime and shall be subject to verification of records and calculations in accordance with law.

Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE

AM/-
CT-MCK
List No.: 1 Sl No.: 18