HC-KAR

**IN THE HIGH COURT OF KARNATAKA, AT DHARWAD**

**DATED THIS THE 25TH DAY OF FEBRUARY, 2026**

**BEFORE**

**THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI**

**WRIT PETITION NO.101629 OF 2026 (GM-FOR)**

**BETWEEN:**

MAHESH TIMBER MART
REP. BY ITS PARTNER-
MAHENDRA S/O. HARILAL PATEL,
AGE. 56 YEARS, OCC. BUSINESS,
PLACE OF BUSINESS AT: PLOT NO.5, UNKAL,
TIMBER YARD, HUBBALLI, TQ. HUBBALLI,
DIST. DHARWAD, KARNATAKA-580031.

...PETITIONER

(BY SRI. HIRANKUMAR PATEL, ADVOCATE)



**AND:**

1. THE STATE OF KARNATAKA,
   REP. BY ITS ADDITIONAL CHIEF SECRETARY,
   DEPARTMENT OF FOREST,
   ECOLOGY AND ENVIRONMENT,
   M.S. BUILDING, DR. AMBEDKAR VEEDHI,
   BANGALORE-560 001.

2. THE PRINCIPAL CHIEF
   CONSERVATOR OF FORESTS,
   ARANAYA BHAVAN, 18TH CROSS,
   MALLESHWARAM, BANGALORE-560 003.

3. THE DEPUTY CONSERVATOR OF FORESTS,
HALIYAL DIVISION, HALIYAL,
DIST. UTTAR KANNADA-584 329.

...RESPONDENTS

(BY SRI. T. HANUMAREDDY, ADDL. GOVT. ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF CONSTITUTION OF INDIA, PRAYING TO ISSUE WRIT OF CERTIORARI AND MANDAMUS: A) TO QUASH THE FOREST DEVELOPMENT TAX (FDT) AS LEVIED BY THE RESPONDENT NO.3 AS IN INVOICE BILL NO.1070101/27-01-2026/64 ON DATED 02.02.2026 I.E. ANNEXURE-B TO REFUND THE SAME TO THE PETITIONER; AND B) DIRECT THE RESPONDENT NO. 3 NOT TO LEVY, DEMAND AND COLLECT FOREST DEVELOPMENT TAX (FDT) IN FUTURE PURCHASE MADE BY THE PETITIONER IN RESPECT OF TIMBER AND OTHER FOREST PRODUCES AUCTIONED /SOLD BY THE FOREST DEVELOPMENT IN THE GOVERNMENT TIMBER DEPOT ACROSS THE STATE OF KARNATAKA; AND C. PASS SUCH OTHER ORDERS AS THIS HON'BLE COURT DEEMS FIT UNDER THE ABOVE FACTS AND CIRCUMSTANCES OF THE CASE, IN THE INTEREST OF JUSTICE AND EQUITY.

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

CORAM: THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

## ORAL ORDER

The present writ petition is filed seeking the following prayers:

> ***"Wherefore it is most respectfully prayed that this Hon'ble court may kindly be pleased to issue Writ of certiorari and mandamus:***
>
> ***a) To QUASH the Forest Development Tax (FDT) as levied by the Respondent No.3 as in Invoice bill no.1070101/27-01-2026/64 on dated 02/02/2026 i.e. ANNEXURE-B to refund the same to the petitioner; and***
>
> ***b) Direct the Respondent no. 3 not to levy, demand and collect Forest Development Tax (FDT) in future purchase made by the petitioner in respect of timber and other forest produces auctioned /sold by the forest development in the Government Timber Depot across the state of Karnataka; and***
>
> ***c. Pass such other orders as this Hon'ble Court deems fit under the above facts and circumstances of the case, in the interest of justice and equity."***

2. It is the case of the petitioner that the petitioner is the managing director of Mysore Mercantile Company Limited engaged in purchase and sale of timber in the State of Karnataka and participated in e-auction and accordingly purchased timber from respondent No.3. It is the case of the petitioner that the respondent No.3/Authority has levied Forest Development Tax to an extent of 12% on the wood purchased by the petitioner through the Invoice Bill dated 02.02.2026, where

it is stated that Forest Department Tax was introduced as per Section 98A of the Karnataka Forest Act. The Division Bench of this Court by order dated 04.10.2017 in the case of ***Sri B. Rudragouda Vs. State of Karnataka and others***[1] held that Section 98A of the Karnataka Forest Act, 1963 is unconstitutional and has struck down the same. The State had challenged the said order before the Hon'ble Apex Court. The Hon'ble Apex Court has only stayed the High Court Order dated 04.10.2017 insofar as refund is concerned. It is submitted that in the light of the above, there shall be a direction not to levy and there may be direction as prayed for.

3. Learned AGA submitted that the Hon'ble Apex Court had stayed the refund of the Forest Development Tax collected from the petitioner. Further, he does not dispute the fact that several petitions are disposed of.

4. Having heard the learned counsels on either side, perused the material on record. The prayer of the petitioner seeking to quash the sale intimation letter as far as imposition

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[1] AIR 2018 KAR 19

of FDT is concerned, in view of the appeal filed by the Government, the petitioner is not entitled for any relief. As far as demanding and collecting the Forest Development Tax in respect of the timber and other forest produces, auctions held by the Forest Department and the Government, timber depots across the State of Karnataka are concerned, holding demand, collection and refund of the Forest Development Tax would be subject to the final outcome of W.A.No.743/2021 and connected matter pending before this Court and Civil Appeal Nos. 3974 to 4068 of 2016 and Civil Appeal Nos.3214 to 3271 of 2018 pending before the Hon'ble Apex Court. Accordingly, this Court is passing the following:

**ORDER**

i. Accordingly, the writ petition is ***disposed of***.

ii. All IAs in this petition stands disposed of.

**Sd/-**
**JUSTICE LALITHA KANNEGANTI**

YAN, CT: UMD,
List No.: 1 Sl No.: 48