IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 13TH DAY OF OCTOBER, 2025

BEFORE

THE HON'BLE MR. JUSTICE S.R.KRISHNA KUMAR

WRIT PETITION NO. 9926 OF 2024 (T-RES)

BETWEEN:

M/S PRASHANTH MOTORS
OLD MADRAS ROAD,
NEAR CABLE STAY BRIDGE,
OPP. K R PURAM RLY STATION,
DOORAVANINAGAR,
BENGALURU - 560 016
(GSTIN: 29AAPPL834MIZR)
REPRESENTED BY ITS PROPRIETOR
SMT KESAR LODHA
(PROPRIETORSHIP CONCERN)

…PETITIONER

(BY SMT. VEENA J. KAMATH, ADVOCATE)

AND:

COMMERCIAL TAX OFFICER (ENF)17
SOUTH ZONE,
OFFICE OF THE ADDITIONAL COMMISSIONER OF
COMMERCIAL TAXES ,
ROOM NO.206, 2ND FLOOR,
V.T.K -2 BUILDING,
RAJENDRANAGAR,
KORAMANGALA
BANGALORE - 560 047

…RESPONDENT

(BY SMT. JYOTI M. MARADI, HCGP)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO THE AMOUNT RECEIVED AS SOLATIUM BY THE PETITIONER UNDER THE RIGHT TO FAIR COMPENSATION AND TRANSPARENCY IN LAND ACQUISITION REHABILITATION AND RESETTLEMENT ACT, 2013 IS NOT

EXIGIBLE TO TAX UNDER THE KGST AND CGST ACT, 2017 AND ETC.,

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

CORAM: HON'BLE MR. JUSTICE S.R.KRISHNA KUMAR

ORAL ORDER

In this petition, petitioner seeks for the following reliefs:-

"A. The amount received as Solatium by the petitioner under the Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2013 is not exigible to tax under the KGST and CGST Act, 2017;

B. Set aside the impugned order dated 28.12.2023 bearing No.ADCOM/ENF/SZ/CTO-17/ADJN-06/2023-24 issued by the Respondent under Section 73 r/w Section 75, Section 122, and Section 50 of the KGST Act r/w Rule 142 of the KGST Rules, 2017 r/w Section 6 of CGST Act, 2016 r/w Section 4 and 20 of the IGST Act, 2017 at Annexure-A by issuing a Writ of Certiorari or any other Order in the nature of a Writ of Certiorari;

C. Grant any other relief in favour of the Petitioner as this Hon'ble Court deems fit, in the interest of justice and equity."

2. Heard learned counsel for the petitioner and learned HCGP for the respondent and perused the material on record.

3. A perusal of the material on record will indicate that pursuant to the lands of the petitioner being acquired by the State / KIADB under the provisions of the KIAD Act, the petitioner received compensation under Section 29(2) of the KIAD Act in terms of Agreements, documents etc., executed between the petitioner and KIADB. Subsequently, the respondent issued the impugned show cause notice at Annexure-B dated 26.09.2023 calling upon the petitioner to pay GST on the solatium component in the compensation received by the petitioner, who is before this Court by way of the present petition.

4. The issue involved in the present petition as to whether solatium received by the petitioner is exigible / amenable to GST is directly and squarely covered by the order dated 10.09.2024 passed by this Court in '***Smt. Asha R., Vs. The Assistant Commissioner of Commercial Taxes and Anr'*** passed in ***W.P.No.2552/2024*** and connected matters, wherein it is held as under:-

11. In the result, I pass the following:-

ORDER

(i) W.P.No.2552/2024, W.P.No.17524/2024, W.P.No.10838/2024, W.P.No.4571/2024 and W.P.No.5858/2024 are hereby allowed.

(ii) It is hereby declared that the compensation paid in favour of the petitioners towards acquisition of their lands by the State/KIADB under the head 'Solatium' is not exigible/ amenable to levy of GST under the provisions of CGST/KGST Act, 2017.

(iii) The impugned Notices at Annexures-A and A1 both dated 30.10.2023 issued in W.P.No.2552/2024 and all consequential proceedings are hereby quashed.

(iv) The impugned Orders at Annexures-A and A1 both dated 20.03.2024 and impugned Notices at Annexures-B and B1 both dated 09.10.2023 issued in W.P.No.17524/2024 and all consequential proceedings are hereby quashed.

(v) The impugned Order at Annexure-A dated 30.12.2023 and Notice at Annexure-C dated 26.09.2023 issued in W.P.No.10838/2024 and all consequential proceedings are hereby quashed.

(vi) The impugned Order at Annexure-A dated 04.12.2023 and Notice at Annexure-F dated 26.09.2023 issued in W.P.No.4571/2024 and all consequential proceedings are hereby quashed.

(vii) The impugned Order at Annexure-A dated 20.12.2023 and show cause Notice at Annexure-F dated

26.09.2023 issued in W.P.No.5858/2024 and all consequential proceedings are hereby quashed.

5. In view of the aforesaid facts and circumstances and the judgment of this Court referred to supra, I am of the view that the present petition deserves to be allowed and the impugned show cause notice at Annexure-B dated 26.09.2023 and all consequential proceedings deserve to be quashed.

6. In the result, I pass the following:-

<u>ORDER</u>

(i) Petition is hereby allowed.

(ii) The impugned show cause notice Annexure-B dated 26.09.2023 and all consequential proceedings pursuant thereto are hereby quashed.

Sd/-
(S.R.KRISHNA KUMAR)
JUDGE

MDS
List No.: 2 Sl No.: 59