HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

TUESDAY, THE TWENTY FIRST DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

:PRESENT:

THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WP NO: 12029 OF 2026

Between:

M/s Hyderabad Ring Road Project Pvt. Ltd., A company incorporated under the Companies Act, 1956 (CIN: U45400DL2007PTC165824), Having its registered office at G -1, 1st Floor Pati Devanandanmcom, Narsing X Road, Rajendra Nagar, Ranga Reddy, Telangana

Also at,
B-292, Chandra Kanta Complex,
Shop No.2 & 3, Near Metro Pillar No.161,
New Ashok Nagar,
Delhi, India, 110096.
Through its Authorised Representative
Mr. Vinod Bhatia, Authorised Representative.

.....Petitioner

AND

1. Union of India, Ministry of Finance, Department of Revenue, Rep by its Secretary, Ministry of Finance, Department of Revenue, North block, New Delhi.

2. Joint Commissioner, Customs and Central Tax Hyderabad GST Commissionerate, 2nd Floor, GST Bhavan, Basheerbagh, Hyderabad, Telangana. 500004

3. Senior Intelligence Officer, Directorate General of Goods and Services Tax Intelligence, Hyderabad Zonal Unit. H.No. 1-11-222/4 Lane Opp. to HDFC Bank, Begumpet Hyderabad

4. Hyderabad Urban Development Authority, Now merged into Hyderabad Metropolitan Development Authority, Rep by its Metropolitan Commissioner, Swarna Jayanti Complex, Sanjeeva Reddy Nagar, Srinivasa Nagar, Ameerpet, Hyderabad-500038

5. M/s Hyderabad Growth Corridor Ltd, Rep by its Chairman and Managing Director, C994 + PR5 HGCL Office, Weaker Section Colony, Khajaguda, Makthakousarali, Telangana

.....Respondents

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a

Writ, Order or Direction more particularly one in the nature of Writ of Mandamus and be pleased to

A. Declare the action of Respondent No. 2 in issuing the Impugned Order dated 17.12.2025 bearing No.95/GST/2025- 26-Adjn (JC)-HYD-GST along with the consequential Form GST DRC-07 for the period January 2022 to December 2022, under Section 73 of the CGST Act 2017 and the corresponding provisions of the TGST Act 2017, as being illegal, arbitrary, without jurisdiction, contrary to the statutory exemption notifications and binding circulars, and consequently set aside the Impugned Order;

B. Declare the action of Respondent No. 2 in issuing the Impugned Show Cause Notice dated 18/09/2025 bearing F.No. IV/16/76/2025-26Adjn/ADC/JC HYD CGST along with the consequential Form GST DRC-02 issued for the period January 2022 to December 2022 under Section 74 of the CGST Act, 2017 and the corresponding provisions of the TGST Act, 2017, as being wholly without jurisdiction, barred by law arbitrary, violative of principles of natural justice and consequently set aside the Impugned Show Cause Notice;

C. Declare the Circular No.150/6/2021 GST dated 17.6.2021 as ultra vires and in contravention to Entry 23A of Notification No. 12/2017-CT(Rate) dated 28/6/2017 (as amended) and the 22nd Recommendations of the GST Council and consequently set aside the same;

D. Declare the penalty amounting to Rs.74,16,000/- imposed vide Impugned Order dated 17/12/2025 under Section 73(9) read with Section 122(2)(a) of the CGST Act and TGST Act as arbitrary and unlawful and consequently set it aside;

E. In the alternative, direct Respondent No. 4 and Respondent No. 5 to reimburse to the Petitioner the entire amount of GST liability, along with applicable interest/penalty, if any, that the Petitioner is required to discharge on account of the Impugned Order;

I.A. NO: 1 OF 2026

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay all further proceedings arising from the Impugned Order bearing No. 95/GST/2025-26-Adjn. (JC)-HYD-GST dated 17.12.2025 passed by Respondent No. 2, along with consequent Forms GST DRC-07, pending disposal of WP No 12029 of 2026, on the file of the High Court.

The petition coming on for hearing, upon perusing the petition and the affidavit filed in support thereof and upon hearing the arguments of SRI P. GAUTHAM RAO Advocate for the Petitioner, SRI B. NARASIMHA SHARMA, ADDITIONAL SOLICITOR GENERAL OF INDIA REPRESENTING SRI N. BHUJANGA RAO DEPUTY SOLICITOR GENERAL OF INDIA appears for the Respondent no.1, SRI D. RAGHAVENDAR RAO AND SRI DOMINIC FERNANDES, SENIOR STANDING COUNSEL FOR CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS appears for the Respondents no. 2 and 3 and SRI V. SIDDHARTHA GOUD, COUNSEL REPRESENTS SRI V. NARASIMHA GOUD, Standing Counsel for HYDERABAD METROPOLITAN DEVELOPMENT AUTHORITY appears for the Respondents no. 4 and 5, the Court made the following.

ORDER:

Mr. P. Gautham Rao, learned counsel for the petitioner.

Mr. B. Narasimha Sharma, learned Additional Solicitor General of India representing Mr. N.Bhujanga Rao, learned Deputy Solicitor General of India, appears for respondent No.1.

Mr. D. Raghavendar Rao and Mr. Dominic Fernandes, learned Senior Standing Counsels for Central Board of Indirect Taxes and Customs appear for respondent Nos.2 and 3.

Mr. V. Siddhartha Goud, learned counsel represents Mr. V. Narasimha Goud, learned Standing Counsel for the Hyderabad Metropolitan Development Authority appears for respondent Nos.4 and 5.

In the present writ petition, the petitioner has challenged order-in-original, dated 17.12.2025 and the show cause notice dated 18.09.2025 as *ultra vires* the Central Goods and Services Tax Act, 2017 (for short, "the Act") and inconsistent with Notification No.12/2017-Central Tax (Rate) as amended by Notification No.32/2017-Central Tax (Rate), dated 13.10.2017. The petitioner has also assailed the penalty imposed in the impugned order under Section 73(9) read with Section 122(2)(a) of the Act, as arbitrary, illegal and unconstitutional.

It is pointed out by the learned counsel for the petitioner that the present proceedings relate to the period January, 2022 to December, 2022. The petitioner had earlier approached this Court in W.P.No.29522 of 2025 challenging the show cause notice dated 30.08.2023, order dated 22.01.2025 and circular dated 17.06.2021 covering the period July, 2017 to December, 2021. This Court though had granted interim protection subject to deposit of 10% of the tax demand, but the same has been stayed by the Hon'ble Apex Court by interim order dated 26.11.2025 passed in S.L.P.No.33866 of 2025. Notices have been issued in the pending Special Leave Petition.

Learned counsel for the respondents have taken a plea of alternative remedy, but does not dispute that on the same issue a challenge is pending before this Court in W.P.No.29522 of 2025 by the same party in respect of which the interim direction for

pre-deposit by this Court has been stayed by the Hon'ble Apex Court. In such circumstances, let the instant writ petition be tagged along with W.P.No.29522 of 2025.

Counter affidavits be filed within a period of three weeks in the present case.

List the matter after three weeks.

In view of the interim order passed by this Court and the interim order passed by the Hon'ble Apex Court where the condition of pre-deposit has been stayed, there shall be interim stay of impugned demand during the pendency of the writ petition.

Sd/- B.REKHA RANI
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Secretary, Union of India, Ministry of Finance, Department of Revenue, Ministry of Finance, Department of Revenue, North block, New Delhi.
2. The Joint Commissioner, Customs and Central Tax Hyderabad GST Commissionerate, 2nd Floor, GST Bhavan, Basheerbagh Hyderabad, Telangana. 500004
3. The Senior Intelligence Officer, Directorate General of Goods and Services Tax Intelligence, Hyderabad Zonal Unit. H. No. 1-11-222/4 Lane Opp. to HDFC Bank, Begumpet Hyderabad
4. The Metropolitan Commissioner, Hyderabad Urban Development Authority, Now merged into Hyderabad Metropolitan Development Authority, Swarna Jayanti Complex, Sanjeeva Reddy Nagar, Srinivasa Nagar, Ameerpet, Hyderabad-500038
5. The Chairman and Managing Director, M/s Hyderabad Growth Corridor Ltd, C994 + PR5 HGCL Office, Weaker Section Colony, Khajaguda, Manikonda... **(Addressees 1 to 5 BY SPAD)**
6. One CC to SRI P. GAUTHAM RAO Advocate [OPUC]
7. Two spare copies.

HIGH COURT

HCJ
&
GMM, J

DATED: 21-04-2026

LIST THE MATTER AFTER THREE WEEKS.

ORDER

WP.No.12029 of 2026

INTERIM STAY