IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

FRIDAY, THE TWENTIETH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND

THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 5324 OF 2026

Between:

Sahasra Enterprises, Rep. by its Proprietor Mr. Venkatesh Yadav Kottam. S/o. Kottam Bazar Yadav, aged 43 years, Occ.Contractor, H No 11-13-189/10, Road No. 4, Green Hills Colony, Saroor Nagar, Hyderabad - 500 035, Telangana. GSTIN.36CIJPK9932LIZK

.....PETITIONER

AND

1. The Assistant Commissioner of Central Tax, Nagole GST Division, Ranga Reddy GST Commissionerate. Hyderabad, Telangana.

....RESPONDENT No.1

2. The Union of India, Rep. by its Secretary of Finance, North Block, New Delhi - 110 001.

.....RESPONDENT No.2

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 pass an order or orders one in nature of Writ of Mandamus for declaring_ the action of Respondent No. I in Passing the impugned Order dated 17-09-2025 vide Order-in-Original No. 05/2025-26-GST-Adjn/AC, DIN 20250956YQ0000919276, determining a total liability of Rs. 36.81,736/- (Rupees Thirty Six Lakh Eighty One Thousand Seven Hundred and Thirty Six Only) erroneously demanding @ 18percent of GST instead If 12percent on the supply of Works Contract Services (CGST Rs. 18,40,868/- plus SGST Rs. 18,40,868/-) and penalty of Rs. 36,8 I ,736/- (Rupees Thirty Six Lakh Eighty One Thousand Seven

Hundred and Thirty Six Only) (CGST Rs. 18,40,868/- plus TGST Rs. 18,40,868/-) relating to the Government irrigation project for FY 2021-2022 wrongly invoked under Section 74 instead of passing the Order in Original under Section 73 of the CGST/SGST/IGST Act, 2017 for supplies made by the Petitioner as per Notification No. 11/2017-CT(R) dated 28-06-2017 and the Notification No. 03/2022-CT (Rate) dated 13-07-2022 is purely prospective and inapplicable for the Financial year of 2021-2022, without considering the reply of the petitioner as arbitrary, illegal, improper, unjust, against law and violative of principles of natural justice and consequently set aside the Order-in-Original dated 17-09-2025 passed by the 1st Respondent.

I.A.NO:1 OF 2026

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings in the said impugned order dated 17-09-2025 vide Order in Original No. 05/2025-26-GST-Adjn/AC DIN 20250956YQ000019276 determining a total liability of Rs.36,81,736/- (Rupees thirty Six Lakhs eighty One thousand Seven Hundreds and thirty Six only) erroneously demanding @ 1 8 percent of GST on the supply of Works Contract Services instead of @12% of (CGST Rs.18,40,868/- + SGST Rs.18,40,868/-) and Penalty of Rs.36,81,736/- (Rupees thirty Six Lakhs eight One Thousand Seven Hundreds and thirty six only) (CGST Rs.18,40,868/- + TGST Rs.18,40,868/-) relating to the government irrigation project for FY 2021-2022 wrongly invoked under Section 74 (9) instead of passing the Order in Original under Section 73 of the CGST Acct,2017 pending disposal of the Writ Petition, otherwise the petitioner will be suffer irreparable loss and render the Writ Petition itself infructuous.

Counsel for the Petitioner : M/s S.RAMA LAKSHMI

Counsel for the Respondent No.1 : Ms. T.SHIVANI REDDY, REPRESENTING M/s DOMINIC FERNANDES (SENIOR STANDING COUNSEL FOR CBIC)

Counsel for the Respondent No.2 : SRI N.BHUJANGA RAO, DEPUTY SOLICITOR GENERAL OF INDIA

The Court made the following ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION No.5324 of 2026

Dated: 20.02.2026

Between:

Sahasra Enterprises

...Petitioner

and

The Assistant Commissioner of Central Tax,
Nagole GST Division, Ranga Reddy GST Commissionerate,
Hyderabad, Telangana,
and another.

...Respondents

ORDER:

Learned counsel Ms. S.Rama Lakshmi appears for the petitioner.

Learned counsel Ms. T.Shivani Reddy, representing Sri Dominic Fernandes, learned Standing Counsel for Central Board of Indirect Taxes and Customs, appears for respondent No.1.

2. The petitioner has assailed the order-in-original dated 17.09.2025 imposing liability of Rs.36,81,736/- under Section 74 of the Central Goods and Services Tax, 2017/Telangana Goods and Services Tax Act, 2017/Integrated Goods and Services Tax Act, 2017 (for short, "the Act") for supplies made by the petitioner as sub-sub-contractor on the ground that the taxes were paid at the rate of 12% instead of 18%.

3. Learned counsel for the petitioner relies upon the notification dated 28.06.2017 in support of the plea that the services provided by the petitioner qualify for taxes at the rate of 12% and not 18% and there has been no suppression on the part of the petitioner. The petitioner had also filed reply before the proper officer questioning the invocation of the extended period of limitation as well. However, the proper officer has imposed the liability on erroneous grounds without consideration of the notification by which the petitioner would not be liable to pay the Goods and Services Tax (GST) at the rate of 18%.

4. Learned counsel for respondent No.1 submits that the writ petition involves enquiry on facts relating to application of the notification levying GST on such nature of services provided by the petitioner and scrutiny of the nature of agreement/transaction between the parties, which can properly be enquired into and appreciated by the

appellate authority on merits. Therefore, the writ petition may not be entertained.

5. Having regard to the facts and circumstances referred to on the pleadings on record and upon hearing the learned counsel for the parties, we are of the considered view that the issue involved herein is not of jurisdictional error or violation of principles of natural justice, which requires interference in the writ jurisdiction under Article 226 of the Constitution of India. Therefore, the petitioner is relegated to pursue the appellate remedy under Section 107 of the Act. The petitioner is at liberty to prefer an appeal within a period of two weeks with statutory deposit and in case of delay, with a delay condonation application. Needless to say, the appellate authority would consider the question of delay also taking into account the period spent in pursuing the writ remedy before this court. If the appellate authority is satisfied with the explanation of the petitioner, he would proceed to decide the appeal on merits. We have not made any comments on the merits of the case.

6. Accordingly, the writ petition is disposed of with the aforesaid liberty. There shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/-A.H.S. GOWRI SHANKAR
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. The Assistant Commissioner of Central Tax, Nagole GST Division, Ranga Reddy GST Commissionerate. Hyderabad, Telangana.
2. The Secretary of Finance, Union of India, North Block, New Delhi - 110 001.
3. One CC to SRI S.RAMA LAKSHMI, Advocate [OPUC]
4. One CC to SRI DOMINIC FERNANDES (SENIOR STANDING COUNSEL FOR CBIC) Advocate [OPUC]
5. One CC to SRI N.BHUJANGA RAO, DEPUTY SOLICITOR GENERAL OF INDIA, Advocate (OPUC)
6. Two CD Copies

SA
BS

HIGH COURT

DATED:20/02/2026

ORDER

WP.No.5324 of 2026

DISPOSING OF THE W.P

WITHOUT COSTS.

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06/03/26