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.21039 of 2026

Dated: 14.07.2026

Between:

M/s. Harsha Developers, Plot No.41,
Nagarjuna Hills, Punjagutta, Hyderabad-500082,
Represented by its Partner,
Gadiraju Venkata Satya Kishore Raju,
S/o. G. Krishnam Raju

… Petitioner

AND

Joint Commissioner of Central Tax,
Hyderabad GST Commissionerate,
GST Bhavan, L B Stadium Road,
Basheerbagh, Hyderabad-500004 and five others

… Respondents

ORDER:

Heard Mr. P. Venkat Reddy, learned counsel representing M/s. P.V. Prasad Associates, for the petitioner and Mr. D. Raghavendar Rao, learned Senior Standing Counsel for Central Board of Indirect Taxes and Customs (CBIC), appearing for respondent Nos.1 to 4.

2. The petitioner is challenging the order-in-appeal dated 30.09.2025 insofar as it upholds the reversal of Input Tax Credit (ITC), interest and penalty by retrospectively applying Rule 42(3) of the Central Goods and Services Tax Rules, 2017 (for short 'the Rules'), to ITC availed prior to 01.04.2019, the date on which the amended Rule 42(3) of the Rules came into force.

3. Learned counsel for the petitioner contended that the application of the amended Rule in that fashion is illegal and *ultra vires* the parent Act and takes away the benefits enjoyed under the existing Rule. He has *inter alia* taken other grounds on merits as well.

4. Learned Senior Standing Counsel for CBIC appearing for respondent Nos.1 to 4 submits that against the impugned order-in-appeal, the petitioner has a remedy of appeal before the Goods and Services Tax Appellate Tribunal (GSTAT).

5. In view of the same, learned counsel for the petitioner seeks to withdraw the Writ Appeal with liberty to the petitioner to file an appeal before the learned GSTAT.

6. Accordingly, the Writ Petition is disposed of as withdrawn with liberty to the petitioner to file an appeal along with statutory pre-deposit before the learned GSTAT, taking all such grounds of law and facts available to it. Needless to say, this Court has not expressed any opinion on the merits of the case. No order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

APARESH KUMAR SINGH, CJ

G.M.MOHIUDDIN, J

Date: 14.07.2026
MD