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* IN THEHIGH COURTOF DELHIAT NEW DELHI

\+ W.P.(C) 7255/2025 & CM APPLs. 32669-70/2025

M/S. UPPAL HOUSING PRIVATE LIMITED & ANR......Petitioners

Through: Mr. Puneet Agrawal, Ms. Mansi Khurana, Mr. Yuvraj Singh, Ms. Sakshit Bisht, Mr. Chetan Kumar Shukla and Ms. Shruti Garg, Advs.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Harpreet Singh, SSC with Ms. Suhani Mathur and Mr. Jai Ahuja, Advs. For 3,4,6 & 7.

Mr. Pranay Mohan Govil, SSC for R-5.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE RAJNEESH KUMAR GUPTA

O R D E R

% 26.05.2025

1. This hearing has been done through hybrid mode.

CM APPL. 32670/2025 (for exemption)

2. Allowed, subject to all just exceptions. Application is disposed of.

W.P.(C) 7255/2025 & CM APPLs. 32669/2025 (for interim relief)

3. The present petition has been filed under Article 226 of the Constitution of India, *inter alia*, challenging the impugned order dated 1st January, 2025.

4. The short question that arises in the present matter is whether GST would be attracted in respect of transfer or grant of development rights under the collaboration agreement dated 21st June, 2017 entered into between the Petitioner and M/s. Brilliant Etoile Pvt. Ltd. This question would be decided on the basis of whether the collaboration agreement contemplates transfer of

immovable properties and is, therefore, exempt from paying GST.

5. Ld. Counsel relies upon the decision of the Gujarat High Court in ***Gujarat Chamber of Commerce and Industry & Ors. v. Union of India., Special Civil Application No. 11345/2023 (decided on 3rd January, 2023).*** This judgment was followed by the High Court of Bombay in ***Nirmal Lifestyle Developers Pvt. Ltd. v. The Union of India & Ors., W.P.(L) No. 11011/2025***. The relevant extract of the said judgment reads as under:

> *"2. The issue in the present Writ Petition is whether the revenue sharing arrangement under a development agreement entered into by the Petitioner with L & T Asian Realty Project LLP would be a supply of service and hence exigible to GST.*
>
> *3. Having heard Mr. Shah, the learned Senior Advocate appearing on behalf of the Petitioner as well as the learned Advocate appearing on behalf of Respondent Nos. 1 to 4, we find that the arguable questions are raised in the above Writ Petition. Hence, we issue **RULE**.*
>
> *4.As far as interim reliefs are concerned, we find that the issue in the present case is similar, though not identical, to the issue that was raised before the Gujarat High Court wherein the Gujarat High Court considered whether an assignment of a lease would fall within Schedule II of the CGST Act. The Gujarat High Court, in fact, took a view that an assignment by the original lessee to a third party would not fall within Schedule II and hence, would not be taxable under the GST Law. The Gujarat High Court came to the conclusion that the assignment was actually a transfer of immovable property and hence no exigible to GST. In the present case, in fact it is the case of the Petitioner that there is no transfer at all. Even if one would assume that there is a transfer, the same would be of immovable property and not taxable under the GST Law. We, therefore, find that a prima facie case for interim relief is made out.*

5. In these circumstances, there will be interim relief in terms of prayer clause (d) which reads thus:-

> *"(d):- that pending the hearing and final disposal of this petition, this Hon'ble Court be pleased to direct the Respondents by themselves, their officers, subordinates, servants and agents by an interim order and injunction from acting upon or taking any further steps or proceedings in pursuance of and/or in furtherance Order-in-Original No. 35/GST/ CGST-NM/ ADC/ AKS/2024-25 dated 02.01.2025 issued in Form DRC-07 (Ref. No. ZD270125056321R) dated 14.01.2025 by Respondent No.3 (Exhibit "A")."”*

6. Issue notice. Ld. Mr. Harpreet Singh, SSC and Mr. Pranay Mohan Govil, ld. SCC accept notice.

7. No coercive measures shall be taken in the meantime.

8. List along with ***W.P.(C) 15090/2022*** titled ***M/S Uppal Housing Pvt. Ltd. & Anr Vs. Union Of India & Ors*** on 14^{th} July, 2025.

PRATHIBA M. SINGH, J

RAJNEESH KUMAR GUPTA, J

MAY 26, 2025
dj/msh