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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**WRIT PETITION (L) NO. 8827 OF 2025**

M/s.Elite Clothing Company Pvt Ltd .. Petitioner

Versus

Union of India & Ors .. Respondents

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*Mr. Rohan Shah, Senior Advocate, with Mr. Mohammed Anajwala, Prathamesh Chavan i/b India Law Alliance, Advocates for the Petitioner.*

*Mr. Himanshu Takke, AGP, for Respondent No.4.*

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**CORAM: B. P. COLABAWALLA &**  
**FIRDOSH P. POONIWALLA, JJ.**  
**DATE: APRIL 17, 2025**

**P. C.**

1. The issue involved in the present Writ Petition is whether the Goods and Service Tax can be levied on the assignment of leasehold rights of a plot of land allotted on lease by the Maharashtra Industrial Development Corporation (“MIDC”), and the buildings constructed thereon by the lessee, to a third party, on the payment of a lump-sum consideration. The GST Authorities considered the same as a supply of service under the provisions of the Central / State Goods and Services Tax Act, 2017 (“CGST”). According to the Petitioner, the issues raised in the present Writ Petition are squarely covered by a Division Bench decision of the Gujarat High Court in the case of

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***Gujarat Chambers of Commerce and Industry and Others v/s Union of India and Others decided on 3<sup>rd</sup> January 2025 (2025) (1) TMI 516 Gujarat High Court.***

2. The Division Bench of the Gujarat High Court has taken a view that the assignment by sale or transfer of leasehold rights of the plot of land allotted by the Gujarat Industrial Development Corporation (“**GIDC**”) to the lessee or its successor (assignor) in favour of the third party (assignee) for consideration shall be an assignment/sale/transfer of benefits arising out of immovable property by the lessee-assignor in favour of a third party (assignee) who would then become a lessee of GIDC in place of the original allottee-lessee. In such circumstances, the Gujarat High Court held that the provisions of Section 7 (1) (a) of the CGST Act providing for scope of supply read with Clause 5 (b) of Schedule II and Clause 5 of Schedule III would not be applicable to such a transaction and the same would not be subject to levy of CGST as provided under Section 9 of the CGST Act.

3. Considering that one High Court has already taken this view and no contrary view has been placed before us, we find that this is an important issue that needs to be addressed by this Court. In fact, this issue has been raised in other Petitions as well, one such Petition being Writ Petition

No.14434 of 2023 (***Siemens Limited v/s Union of India & Ors***). In the case of ***Siemens Limited (supra)***, this Court has stayed the adjudication of the show cause notice issued to Siemens Limited.

4. In the facts of the present case, what is challenged by the Petitioner is the Impugned Order dated 30<sup>th</sup> January 2025 passed by Respondent No.2.

5. Considering that in other Writ Petitions also interim relief is granted to the Petitioner and there has been a direction to tag all those matters, in this Petition also there will be ad-interim relief in terms of prayer clause D (i) which reads thus:-

*“(D) Pending the hearing and final disposal of this Petition-  
(i) stay the operation of the Impugned Order dated  
30.01.2025”.*

6. Place the above Writ Petition along with Writ Petition No. 14434 of 2023 and other connected Writ Petitions on 28<sup>th</sup> April 2025.

7. This order will be digitally signed by the Private Secretary/  
Personal Assistant of this Court. All concerned will act on production by fax  
or email of a digitally signed copy of this order.

**[FIRDOSH P. POONIWALLA, J.]**

**[B. P. COLABAWALLA, J.]**