



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-07-2026

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THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

**WP No. 25440 of 2026
and WMP.Nos.27726 & 27727 of 2026**

S P Plastech
Rep by its Partner,
No.423, Balaji Nagar, Bedrapalli,
Zuzuvadi, Hosur, Krishnagiri,
Tamil Nadu - 635126.

..Petitioner

Vs

1. State Tax Officer (Inspection 2) /
Commercial Tax Officer
Hosur Intelligence Division,
Commercial Taxes Buildings, Perandapalli,
Hosur – 635109.

2. State Tax Officer (Inspection 1)
Hosur Intelligence Division No.3/47,
Sapthagiri Complex, Hosur.

..Respondents

WMP.No.27727 of 2026 is filed to grant an interim stay of all further proceedings, including recovery, consequent upon the adjudication order in Reference No. ZD330326208922K dated 24.03.2026 along with annexures of the detailed order in GSTIN:33ADLFS7955A1ZY dated 24.03.2026 passed by the 1st Respondent pending disposal of the writ petition.

For Petitioner:

Ms. R.Sri Visvapriya

For Respondents:

Mr. R. Sethu Prabakaran
Government Counsel (Tax)



ORDER

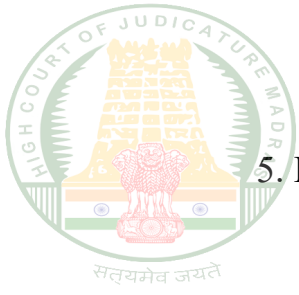
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An order dated 24.03.2026 in respect of assessment period 2019 – 2020 is assailed insofar as it pertains to the imposition of GST on transfer of leasehold rights.

2. Relying on the judgment of the Gujarat High Court in *Gujarat Chamber of Commerce and Industry v. Union of India*, (2025) 139 GSTR 390 (Guj) and the judgment of the Bombay High Court in *Aerocom Cushions Private Limited vs. Assistant Commissioner (Anti-Evasion), CGST and CX, Nagpur-1 and another*, (2026) 158 GSTR 530, learned counsel contends that both these above mentioned High Courts concluded that the transfer of leasehold rights, in substantially similar circumstances, was not a supply in terms of applicable GST enactments.

3. Since a *prima facie* case is made out on the basis of the above mentioned judgments, there will be an interim stay of the impugned order and proceedings pursuant thereto until the next date of hearing.

4. Mr. R. Sethu Prabakaran, learned Government Counsel (Tax), accepts notice on behalf of the respondents. He seeks time to file a counter.



5. List the matter on 20.08.2026.

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To

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Commercial Tax Officer
Hosur Intelligence Division,
Commercial Taxes Buildings, Perandapalli, Hosur – 635109.
2. State Tax Officer (Inspection 1)
Hosur Intelligence Division No.3/47,
Sapthagiri Complex, Hosur.



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SENTHILKUMAR RAMAMOORTHY, J.

KJ

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