IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIRCUIT BENCH AT KOLHAPUR
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 10314 OF 2025

Abhiram Ayodhyanath Swami ...Petitioner

Versus

Union Of India, Dept. Of Revenue, Ministry Of Finance And Others ...Respondents

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Mr. Kastur Patil (through VC), for the Petitioner.
Mr. R.S.Pawar, AGP for the Respondent-State.
Mr. Rakesh Bhatkar, snr. Counsel, for the Respondent No. 1-UOI.

CORAM : SHARMILA U. DESHMUKH & NEERAJ P. DHOTE, JJ.

DATE : OCTOBER 08, 2026.

P. C. :

1. By the present Petition, the challenge is to the show cause notice dated 14th January, 2025 issued by the Respondent calling upon the Petitioner to show cause, as to why the Goods and Services Tax ("**GST**") should not be imposed on the lease transfer agreement between the Petitioner and Maharashtra Industrial Development Corporation ("**MIDC**").

2. Learned counsel for the Petitioner would rely on the decision of the Hon'ble Division Bench of this Court (Nagpur Bench) in the case of

Aerocom Cushions Private Limited vs Assistant Commissioner (Anti-Evasion), CGST & CX, Nagpur-1 And Another[1], decided on 9th January, 2026. He would submit that in that case the challenge was to the show cause notice on the ground of concealment of transaction as regards the leasehold rights in the plot belonging to MIDC, which is also the subject matter of the present show cause notice. He submits that the Hon'ble Court has held that the transaction would not be subject to levy of GST in terms of Central Goods and Services Tax Act. 2017 ("**CGST Act**"). He submits that Special Leave Petition against the said judgment is dismissed and considering the position being settled by the Hon'ble Apex Court, the show cause notice is required to be quashed and set aside.

3. Learned AGP would submit that the Petition is premature, as it is only a show cause notice which has been issued and no order has been passed. He would however fairly concede that by the judgment in the case of ***Aerocom Cushions Private Limited vs Assistant Commissioner (Anti-Evasion), CGST & CX, Nagpur-1 And Another*** (supra), this Court has held that such transaction will not be subject to levy of GST.

4. We find from the decision in the case of ***Aerocom Cushions Private Limited vs Assistant Commissioner (Anti-Evasion), CGST & CX,***

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Nagpur-1 And Another (supra), that the Hon'ble Division Bench has concurred with the decision of the Gujarat High Court in the case of ***Commissioner of Income-Tax, Vidarbha vs Smt. Godavari Devi Saraf***[2], which is binding on the Tribunal in the State of Bombay and it subscribed to the said view that the assignment by sale and transfer of the leasehold rights of the plot of land by MIDC to the lessee in favor of third-party assignment for a consideration, shall be assignment/sale/transfer of benefits arising out of immovable property, by the lessee assignment in favor of third party, and in such circumstances, the transaction would not be subject to levy of GST in terms of CGST Act.

5. There is no distinguishing feature pointed out to this Court and the show cause notice would indicate that the same called upon the Petitioner to show cause against the levy of GST on identical transaction. The decision would therefore squarely apply to the facts of the present case. Considering the settled position in law, the show cause notice could not have been issued by the authorities.

6. Resultantly, the Petition is allowed in terms of prayer clause (a) which reads as under :

"(a) this Hon'ble Court may be pleased to issue a writ or certiorari or any

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other appropriate order, direction or writ calling for the records and proceedings of the Show Cause Notice dated January 14, 2025, being Exhibit C hereto, and after going through the legality, validity, correctness and propriety of the said Show Cause Notice, this Hon'ble Court be pleased to quash and set aside the said Show Cause Notice;"

7. Applications, if any, do not survive for consideration and stand disposed of.

[NEERAJ P. DHOTE, J.] **[SHARMILA U. DESHMUKH, J.]**