IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR
WRIT PETITION NO.1960/2026

oshakti Chemicasl Pvt. Ltd. .Vs. Assistant Commissioner of Sales Tax, Nagpur.

Office Notes, Office Memoranda of Coram, appearances, Court's orders of directions and Registrar's orders	Court's or Judge's orders

Mr. A. J. Bhoot, Advocate for petitioner.
Mr. S. S. Hulke, A.G.P. for respondent No.1.

CORAM : ANIL L. PANSARE AND NIVEDITA P. MEHTA, JJ.
DATE : MARCH 13, 2026.

Heard.

2. Petitioner has assigned long term leasehold rights in favour of Mr. Shripad Dattatray Pande by virtue of deed of assignment dated 21.12.2021 by obtaining consent of MIDC, Hingna, Nagpur. The respondent has levied GST on the said transaction.

3. The issue involved is covered by the judgment dated 09.01.2026 passed by us in the case of Aerocom Cushion Private Ltd., Vs. Assistant Commissioner (Anti-Evasion), Nagpur and another in Writ Petition No. 2145 of 2025, wherein, while analyzing the nature of transfer of leasehold rights, we have held that the transaction is a transfer of benefits arising out of immovable property, which under the law is not regarded as supply of services but rather as a transfer of immovable property itself. We have further held that the transaction does not involve supply of services in course of or in furtherance of business, and is more akin to an assignment of benefits associated with immovable property, which is exempt from GST. Consequently, we took a view that the transfer of leasehold rights does not constitute a taxable supply of services under GST.

4. In view of above and for the reasons set out in the said order, show cause notice dated 22.09.2025 issued by the respondent is quashed and set aside.

5. Writ petition is disposed of accordingly, No order as to costs.

(JUDGE) **(JUDGE)**

Kahale