BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **25.10.2025**

CORAM:

THE HONOURABLE **DR.JUSTICE ANITA SUMANTH**
AND
THE HONOURABLE **MR.JUSTICE C.KUMARAPPAN**

W.P.(MD)No.15503 of 2021
& WMP(MD)No.12427, 12428, 12430 & 12431 of 2025

M/s.Greenstar Fertilizers Limited,
Represented by J.Ravi Shankar. ... Petitioner

Vs.

1. Union of India,
   Represented by its Secretary,
   Ministry of Finance,
   Department of Revenue,
   North Block, New Delhi – 110 001.

2. Principal Commissioner,
   Office of the Commissioner of GST & Central Excise (Audit),
   Coimbatore Audit Commissionerate,
   No.6/7, ATD Street, Race Course Road,
   Coimbatore – 641 018. ...Respondents

PRAYER:- Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Declaration, to declare the impugned Notifications No.14/2016-ST, 15/2017-ST and 16/2017-ST dated

13.04.2017 issued by the 1st respondent as ultra vires the Constitution and the Statute, without the authority of law and in violation of Article 14 and 19(1)(g) of the Constitution, and consequently, direct the 2nd respondent to grant refund of Rs.61,99,895/- being Service Tax already paid towards the Ocean Freight Services under the impugned Notification.

For Petitioner : Mr.Harish Bindumadhavan Putti

For Respondents : Mr.G.Rajaraman, SPC, (R1)
Mr.R.Suresh Kumar (R2)
Additional Government Pleader

ORDER

(Order of the Court was made by **DR.ANITA SUMANTH, J.)**

The prayer is for a writ of Declaration, declaring Notifications No.14/2016-ST, 15/2017-ST and 16/2017-ST dated 13.04.2017 issued by the Secretary, Ministry of Finance as ultra vires, as the said notifications traverse beyond the scope of Section 68(2) of the Finance Act, 1994 and thereby offending Articles 14, 19(1)(g), 245 and 269A of the Constitution of India.

2.We have heard Mr.Harish Bindumadhavan Putti, learned counsel for petitioner, Mr.G.Rajaraman, learned counsel for R1 and Mr.R.Suresh Kumar, learned Additional Government Pleader for R2.

3.All learned counsels are ad idem on the position that the relief sought for is liable to be granted as the same has been decided in favour of the assessee by the Madras, the Gujarat and Bombay High Courts in the following decisions:

> (i) *M/s.Eastman Spinning Mills (P) Limited Vs. the Secretary, Union of India in W.P(MD)Nos.5582 of 2019 and 15744 of 2019 dated 09.04.2025.*
>
> (ii) *Sal Steels Limited Vs. Union of India [2020 (37) GSTL 3 (Gujarat)].*
>
> (iii) *Santhan Textile Private Limited Vs. Union of India [(2024) 25 Centax 225 (Bombay)].*

4.The operative portion of the order in *Sal Steels (supra)*, the ratio of which has been followed by this Court reads thus:

> *"58.In view of the aforesaid discussion, the writ application succeeds and is hereby allowed. The Notification Nos.15/2017-ST : MANU/DSTX/0016/2017 and 16/2017-ST MANU/DSTX/0017/2017 making Rule 2(1)(d)(EEC) and Rule 6(7CA) of the Service Tax Rules and inserting Explanation-V to reserve charge Notification No.30/2012-ST : MANU/DSTX/0070/2012 is struck down as ultra vires Sections 64, 66B, 67 and 94 of the Finance Act, 1994; and consequently the proceedings initiated against the writ applicants by way of show*

> *cause notice and enquiries for collecting service tax them as importers on sea transportation service in CIF contracts are hereby quashed and set aside with all consequential reliefs and benefits."*

5.This Court in *Chennai and Ennore Ports Streamer Agents Association Vs. Union of India [(2023) 7 Centax 63 (Madras, dated 28.03.2023]* dealt with an identical challenge, and adopted a slightly different approach, although arriving at the same conclusion as in the above matters.

6.The Bench held that there was no proper machinery provided under the impugned notifications issued under Section 68(2) of the Finance Act, 1994, to shift the burden to pay service tax on the petitioner, as they are not recipients of the taxable service by way of transportation of goods by a vessel from a place outside India up to the customs stations of clearance in India, and hence they are not liable to tax. The Bench, however, did not find it necessary to declare the impugned notifications as ultra vires.

7.In light of the categoric pronouncements of the Gujarat and Bombay High Courts, followed by this Court in *Eastman Spinning Mills (P) Limited (supra)*, the impugned notifications are quashed to this extent alone. The petitioner is granted time for a period of two weeks from the date of receipt of a copy of this order to file a reply in respect of the other issues, that may be adjudicated in accordance with law. This Writ Petition is allowed. No costs. Consequently, connected Miscellaneous Petitions are closed.

[A.S.M.J.,] & [C.K.J.,]
25.10.2025

NCC :Yes/No
Index :Yes/No
Internet :Yes
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To

1. Union of India,
   Represented by its Secretary,
   Ministry of Finance,
   Department of Revenue,
   North Block, New Delhi – 110 001.

2. Principal Commissioner,
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   Coimbatore Audit Commissionerate,
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DR.ANITA SUMANTH, J.
AND
C.KUMARAPPAN, J.

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