IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 12.02.2026

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P. Nos. 5038 & 5044 of 2026
and
W.M.P. Nos. 5587, 5588, 5597 & 5599 of 2026

S. Baggiyanathan,
Proprietor of M/s. Innovative Engineers & Contractors,
No.119, Aani Street, Chinmaya Nagar Stage – II,
Virugambakkam, Chennai – 600 092. ...Petitioner in both W.Ps

Versus

1.The Joint Commissioner of GST & Central Excise,
Chennai South Commissionerate, MHU Complex,
No.692, 5th Floor, Anna Salai,
Nandhanam, Chennai – 600 035.

2.The Deputy Commissioner of CGST & Central Excise,
Vadapalani Division, Chennai South Commissionerate,
Newry Towers, Ground Floor,
Plot No.2054, 1st Block, 2nd Avenue,
12th main road, Anna Nagar, Chennai – 600 040. ...Respondents in both W.Ps

Prayer in W.P. No.5038 of 2026: Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari, to call for the records pertaining to the impugned Order-in-Original 17/2023-ST-JC(DENOVA) dated 29.09.2023, passed by the 1st respondent and quash the same.

Prayer in W.P. No.5044 of 2026: Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari, to call for the records pertaining to the impugned Notice C.No.:GEXCOM/TAR/D/ST/3583/2025-CGST-DIV-VAD-COMMRTE-CHENNAI(S) dated 06.11.2025, issued by the 2nd respondent and quash the same.

For Petitioner : Mr. Hari Radhakrishnan

For Respondents : Mrs. Revathi Manivannan,
Senior Standing Counsel

COMMON ORDER

Mrs. Revathi Manivannan, learned Senior Standing Counsel takes notice on behalf of the Respondents.

2. These writ petitions are disposed of at the time of admission with the consent of the learned counsel for the Petitioner and the learned Senior Standing Counsel for the Respondents.

3. The Petitioner is before this Court against the impugned Order-in-Original No.17/2023-ST-JC De Novo dated 29.09.2023 and the consequential Show Cause Notice dated 06.11.2025 issued to the Petitioner by the 2nd Respondent. The impugned order was passed pursuant to a remand order dated 09.05.2023 of the Appellate Commissioner.

4. By the impugned order, the demand confirmed against the Petitioner is as follows:

> *"1. I confirm the demand to the extent of Rs.4,59,170/- (Rupees Four Lakhs Fifty Nine Thousand One Hundred and Seventy Only) (Service Tax-Rs.4,28,558/-, Swachh Bharat Cess Rs.15,306/-, Krishi Kalyan Cess – Rs.15,306/-) being the Service Tax payable on the taxable services rendered from April, 2016 to June, 2017 in terms of Section 73(2) of Finance Act, 1994 read with proviso to Section 73(1) ibid.*
>
> *2. I drop the proceedings initiated in the Show Cause Notice No.03/2021-ST dated 22.10.2021 for the balance amount of Rs.52,33,647/- (Rupees Fifty Two Lakh Thirty Three Thousand Six Hundred and Forty Seven only) (Service Tax-Rs.48,84,737/-, Swachh Bharat Cess Rs.1,74,455/-, Krishi Kalyan Cess – Rs.1,74,455/-).*
>
> *3. I confirm the demand of interest in respect of demand confirmed at SI.No.1 above under Section 75 of the Finance Act, 1994.*
>
> *4. I impose penalty of Rs.4,59,170/- (Rupees Four Lakhs Fifty Nine Thousand One Hundred and Seventy Only) (Service Tax-Rs.4,28,558/-. Swachh Bharat Cess Rs.15,306/-, Krishi Kalyan Cess – Rs.15,306/-) under Section 78(1) of the Finance Act, 1994. However, if the Service tax determined at SI.No.1 above is paid along with interest within 30 days from the receipt of this order, the penalty shall be 25% of the penalty imposed, provided such reduced penalty is also paid within 30 days from the date of receipt of this order.*
>
> *5. I drop the penalty proposed under Section 76 of the Finance Act, 1994 as penalty under Section 78 is imposed.*
>
> *6. I impose a penalty of Rs.10,000/- (Rupees Ten Thousand only) under Section 77 of the Finance Act, 1994."*

5. The demand confirmed in the impugned order forms part of the proposal in Show Cause Notice No. 03/2021-JC (ST) dated 22.10.2021, which was earlier confirmed by the original authority vide Order-in-Original

No.9/2022/JC (ST) dated 13.05.2022 which has been partly modified by the Order-in-Appeal of the Appellate Commissioner.

6. The facts on record reveal that the Petitioner has also discharged the tax liability confirmed vide the impugned order in response to the impugned recovery notice dated 06.11.2025, by tendering a letter on 09.01.2026 along with proof of discharge of the said tax liability.

7. Learned Senior Standing Counsel for the Respondents also confirms that the Petitioner has discharged the aforesaid tax liability of Rs.4,59,170/- as confirmed by the impugned order.

8. The reading of the impugned order indicates that the impugned order was passed after the Petitioner was heard in the course of personal hearing pursuant to the aforesaid remand order of the Appellate Commissioner vide Order-in- Appeal No.201/2023 dated 09.05.2023.

9. Since the Petitioner has already discharged the tax liability pursuant to the impugned recovery notice dated 06.11.2025, this writ petition is disposed of by granting liberty to the Petitioner to file an appeal before the

Appellate Commissioner within a period of 30 days from the date of receipt of a copy of this order.

10. In case the Petitioner files such an appeal, the Appellate Commissioner shall consider and dispose of the appeal on merits and in accordance with law without further reference to limitation on its own turn.

11. In view of the order passed in W.P. No.5038 of 2026, the impugned recovery notice dated 06.11.2025 is quashed and W.P. No. 5044 of 2026 stands closed with liberty to the Respondents to initiate fresh recovery proceeding, subject to the order to be passed by the Appellate Commissioner in the appeal to be filed by the Petitioner.

12. In view thereof, W.P. No. 5038 of 2026 stands disposed of and W.P. No. 5044 of 2026 stands closed. Consequently, connected miscellaneous petitions are closed. No costs.

12.02.2026

Index : Yes/No
Neutral Citation :Yes/No
AT

To

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C.SARAVANAN, J.

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