IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.25157 of 2023
and
W.M.P.No.24575 of 2023

Marico Limited ... Petitioner

Vs.

Additional Commissioner,
Office of the Commissioner of GST and
Central Excise,
No.1, Goubert Avenue (Beach Road),
Puducherry – 605 001. ... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the impugned Show Cause Notice No.105/2023-AUDIT-I dated 26th June, 2023 on the file of the Respondent and quash the same.

For Petitioner : Mr.Ramnath Prabhu
for Mr.Y.Prakash

For Respondent : Mr.Sai Srujan Tayi
Senior Standing Counsel

ORDER

In this Writ Petition, the Petitioner is before this Court challenging the impugned Show Cause Notice No.105/2023-AUDIT-I dated 26.06.2023 for the tax period 2017-2020.

2. In the said Show Cause Notice, there were proposals for demanding tax on various headings related to manufacturing, packaging and selling of 'Coconut Oil' by the Petitioner under the following heads:-

S.No.	Issue Involved	Period	Proposed GST demanded in INR
1	Wrong classification of Coconut Oil in retail packing under Tariff Heading 1513 instead of Tariff Heading 3305 resulting in short payment of GST	2017-2020	Rs.374,32,86,340/- (IGST RS.374,04,86,742/- CGST Rs.13,99,799/- & SGST Rs.13,99,799/-)
2	Excess availment of ITC under ISD head of GSTR-3B when compared to GSTR-2A	2019-2020	Rs.4,05,11,097/- (IGST Rs.4,05,11,097/-)
3	Interest payable due delayed reckoning of invoices in GSTR-1/GSTR-3B	2017-2020	Rs.37,513/- (IGST Rs.23,673/- CGST Rs.6,920/- & SGST Rs.6,920/-)
4	Short payment of GST due to mismatch of value of GST payable shown in GSTR-1 and GSTR-3B	October 2017 March 2018 March 2019 October 2019	Rs.3,06,708/- (IGST Rs.2,56,220/- CGST Rs.25,244/- SGST Rs.25,244/-)
5	Short payment of IGST in September 2019 due to wrong adjustment of time barred credit note reported in GSTR-1 return of October 2019	September 2019	Rs.5,24,648/- IGST Rs.5,24,648/-

S.No.	Issue Involved	Period	Proposed GST demanded in INR
6	Wrong availment of ITC pertaining to blocked Credit viz., ITC availed on Transport of Employees and Food and Beverages	2017-2019	Rs.56,290/- CGST Rs.28,145/- SGST Rs.28,145/-
7	Wrong availment of ITC without valid document	March 2019	Rs.1,39,032/- CGST Rs.69,516/- SGST Rs.69,516/-
8	Wrong availment of ITC on comparing GSTR-3B with GSTR-2A	2017-2020	Rs.3,12,01,499/- (IGST Rs.2,01,03,847/- CGST Rs.55,55,120/- & SGST Rs.55,42,532/-)

3. When the Show Cause Notice was issued, the issue relating to classification was pending before the Hon'ble Supreme Court at the behest of the Respondent in **Civil Appeal No.1766 of 2009** in the case of **Commissioner of Central Excise Salem** Vs. **M/s.Madhan Agro Industries (India) Private Limited**.

4. The Hon'ble Supreme Court has now given its decision in **M/s.Madhan Agro Industries (India) Private Limited** (cited *supra*) vide Order dated 18.12.2024. Operative portion of the Order of the Hon'ble Supreme Court which settles the dispute as far as the classification of 'Coconut Oil' is concerned reads as under:-

> "48. On the above analysis, we are of the opinion that pure coconut oil sold in small quantities as 'edible oil' would be classifiable under Heading 1513 in Section III-Chapter 15 of the First Schedule to the Central Excise Tariff Act, 1985, unless the packaging thereof satisfies all the requirements set out in Chapter Note 3 in Section VI-Chapter 33 of the First Schedule to the Central Excise Tariff Act, 1985, read with the General / Explanatory Notes under the corresponding Chapter Note 3 in Chapter 33 of the Harmonized System of Nomenclature, whereupon it would be classifiable as 'hair oil' under Heading 3305 in Section VI-Chapter 33 thereof."

5. Considering the same, the case is remitted back to the Respondent to pass a fresh order on merits taking note of the above decision of the Hon'ble Supreme Court and on the other issues in respect of which the impugned Show Cause Notice has been issued.

6. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

12.02.2026

Neutral Citation : Yes / No

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To:

Additional Commissioner,
Office of the Commissioner of GST and
Central Excise,
No.1, Goubert Avenue (Beach Road),
Puducherry – 605 001.

C.SARAVANAN, J.

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