

M/s. Narasus Saarathy Enterprises Private Limited v. The Additional Commissioner of GST & Central Excise and Another

Case number: W.P. No. 6069 of 2025 with W.M.P. No. 6668 of 2025

Citation: 2026:MHC:1256

Decision date: 16 March 2026

Historical flour exemption: relinquished unregistered branding, mandatory corporate identification and Section 74 suppression

Court: Madras High Court

Bench: Hon'ble Mr. Justice C. Saravanan

Decision stage: Final disposal allowing the exemption challenge on merits; the legality of bunching multiple tax periods was expressly left undecided.

01 Facts of case and issues

Narasus manufactured and sold wheat products, including atta, maida, sooji and bran. It paid 5% GST on supplies carrying its registered product brands and claimed exemption on other packaged supplies under entries 73 and 74 of Notification No. 2/2017-Central Tax (Rate), as amended. Those packs retained farmer illustrations, other packaging features and the corporate name. Revenue treated the similarities as use of registered branding.

Following a search on 12 May 2022, the notice dated 1 August 2024 covered 1 July 2017 to 31 July 2022. Order-in-Original No. 16/2025-GST dated 30 January 2025 demanded Rs. 12,65,31,070, interest and an equal penalty. The company challenged exemption denial, Section 74 suppression and extended limitation, and consolidation of multiple periods. Its affidavit dated 23 January 2018, submitted on 24 January, relinquished relevant branding rights; the Department returned it on 16 April 2018 as unnecessary because, in its then view, the packs were unbranded.

Pinpoint: Official original physical pp. 2–12, paragraphs 1–13; pp. 17–24, paragraphs 29–46; pp. 44–46, paragraphs 82–85. Amount and penalty: paragraph 3, pp. 5–6.

02 Discussion by Hon'ble Court

The Court distinguished the pictorial brand from the registered product names and the legally required corporate identification. After discussing trademark distinctiveness and Astra Pharmaceuticals on house marks and product marks, it expressly held that the farmer illustration did qualify as a brand name under the amended notification. The petitioner therefore succeeded through the conditional relinquishment route, rather than a finding that every graphic on the packs was non-branded.

For an unregistered brand, exemption remained available where actionable claims or enforceable rights were voluntarily foregone in accordance with Annexure I. The Court relied on the affidavit and the recorded English-and-Tamil packaging disclaimer. It held the company entitled to exemption despite the Department's return of the affidavit.

The affidavit also disclosed the exemption position to the Department. Applying Nizam Sugar Factory, the Court found no suppression permitting the extended period under Section 74; at most the ordinary

02 Discussion by Hon'ble Court

Section 73 period could apply. It did not calculate separate surviving demands or adopt counsel's proposed year-wise limitation dates.

The corporate name, displayed to comply with food-safety and legal-metrology requirements, was held not to constitute the relevant trademark or brand on these facts. The company did not have to abandon its separate registered product brands, which were not used on the disputed goods apart from the corporate identification and the pictorial representation. Paragraph 91 expressly refrained from deciding bunching because the exemption merits resolved the case and the larger question was pending before a Division Bench.

Pinpoint: Official original physical pp. 26–34, paragraphs 50–65; pp. 35–44, paragraphs 67–81; pp. 44–50, paragraphs 82–91. Graphic is a brand: paragraphs 77–78, p. 43; exemption: paragraph 84, pp. 45–46; suppression: paragraph 87, pp. 47–48; corporate identification: paragraphs 89–90, pp. 48–50; bunching reservation: paragraph 91, p. 50.

03 Judicial decision and operative relief

The writ petition seeking certiorari against the 30 January 2025 demand order was allowed. Connected miscellaneous petitions were closed, with no costs. Read with the prayer and the merits findings, this grants the challenge to the demand order. The operative paragraph contains no remand, quantified refund, refund deadline or direction to issue a fresh Section 73 demand. The passing reference to the normal limitation period does not dilute the affirmative exemption finding.

Pinpoint: Official original physical pp. 1–2, writ prayer and paragraph 1; pp. 45–50, paragraphs 84–92, particularly operative paragraph 92 on p. 50.

04 In favour of

Petitioner: final merits relief on the historical exemption and rejection of Section 74 suppression. No ruling for either side on bunching.

Substantive allowance of the writ, rather than interim protection or an appeal/remand opportunity. The decision is fact-specific to the branding, relinquishment and departmental disclosure proved in this case.

Pinpoint: Official original paragraphs 77–92, physical pp. 43–50.

05 AKHB REVIEW POINT

AKHB analysis: For comparable historical disputes, retain dated packaging samples, brand-registration records, the relinquishment affidavit, filing acknowledgment, bilingual disclaimers and departmental correspondence. Distinguish an unregistered graphic from registered product branding; omission of a product name alone does not establish exemption. A corporate name's compulsory display should be examined in its actual packaging context.

Apply the notification version for each supply date. The 18 July 2022 change described below prevents treating this as a continuing brand-based exemption. Check the product's tariff classification separately: the judgment's business description includes several wheat products, but its reasoning concerns specified

05 AKHB REVIEW POINT

entries 73 and 74. Do not cite this decision as resolving consolidated notices, prescribing universal Section 73 deadlines, or authorising blanket relinquishment of registered brands.

Pinpoint: AKHB commentary based on official original paragraphs 50, 67–91 and the independently checked notification texts below; these practical cautions are not additional judicial directions.

Sources and limitations

Relevant provisions

Constitution: Article 226. CGST/TNGST Acts: Sections 73 and 74; Sections 50 and 122(2)(b) in the demand. IGST Act: Section 20. Notification No. 2/2017-Central Tax (Rate), entries 73–74, Explanation and Annexure I, as amended by No. 28/2017. Trade Marks Act, 1999: Sections 2(1)(m), 2(1)(zb) and 9. Food Safety and Standards Act, 2006; Legal Metrology Act, 2009.

Statutory note

Historical version matters. No. 2/2017, effective 1 July 2017, excluded unit-container goods bearing registered brands from entries 73–74. No. 28/2017 dated 22 September 2017 extended the exclusion to enforceable unregistered branding, with conditional voluntary relinquishment through an affidavit and indelible English/local-language declarations. No. 35/2017 subsequently added a proviso for distinct brand-owner and packer; No. 42/2017 expanded the registration definition to brands registered “as on or after” 15 May 2017, effective 15 November 2017. The judgment reproduces the earlier registration wording.

Crucially, No. 7/2022 dated 13 July 2022 replaced the branding qualification for entries 73–74 with the pre-packaged-and-labelled test from 18 July 2022. Although the challenged period ends on 31 July 2022, the judgment does not separately analyse that change or allocate the final fortnight. Its disposition is reported faithfully; the note does not extend the old exemption into the changed regime. Entries 73–74 concern headings 1101–1102, not every product mentioned in the company’s business description. Section 74(1)’s fraud/wilful-misstatement/suppression-to-evade-tax requirement and the historical Explanation 2 were independently cross-checked; Section 74A’s later financial-year regime is not this dispute’s basis.

Treatment note

Bounded later-treatment searches checked on 12 October 2026 covered the period after 16 March 2026 using the party-name variants, W.P. No. 6069 of 2025 and 2026:MHC:1256 on Madras High Court, eCourts and Supreme Court official domains. No matching subsequent appeal, stay, review or modifying order was established. Later appellate status remains unverified; this is not a comprehensive citator clearance or proof that no proceeding exists.

Scope of source review

All 52 physical original pages read and individually visually inspected, including reproduced demand and notice, packaging images, both sides’ submissions, statutory tables, quoted authorities, reasoning and disposition. Small embedded packaging-label scans are low resolution; their legal significance is taken from the Court’s findings, not independent reconstruction of every printed label.

Source notes

The first-page neutral citation is 2026:MHC:1256; the later “Neutral Citation: Yes / No” placeholder does not displace it. Paragraph 1 and the reproduced order identify 30 January 2025 as the impugned-order date; paragraph 45’s reference to 17 October 2025 is inconsistent and is not adopted. Paragraph 90 refers to impugned paragraph 06.08 while paragraph 85 reproduces 05.08. The analysis preserves the Court’s findings and does not silently replace them with a fresh product-classification or post-18-July-2022 ruling.

Primary source

Source description: Complete 52-page official Madras High Court judgment, including the neutral citation printed on the first page.

Official source: [Open source document](#)

Source pages: 52

Judgment author: C. Saravanan, J.

Outcome type: final high court merits

Additional source

CBIC: Notification No. 2/2017-Central Tax (Rate), 28 June 2017

Official source: [Open source document](#)

Pinpoint: Physical p. 4, entries 73–75; p. 5, entry 102; pp. 7–8, Explanation and commencement.

GST Council: Notification No. 28/2017-Central Tax (Rate), 22 September 2017

Official source: [Open source document](#)

Pinpoint: Physical pp. 1–2, clause (A)(iii); p. 3, clause (B) definitions and clause (C), Annexure I.

CBIC: Notification No. 35/2017-Central Tax (Rate), 13 October 2017

Official source: [Open source document](#)

Pinpoint: Physical p. 2, clause (C), additional Annexure I proviso for different brand owner and packer.

CBIC: Notification No. 42/2017-Central Tax (Rate), 14 November 2017

Official source: [Open source document](#)

Pinpoint: Physical p. 4, substituted Explanation (ii)(b) and commencement paragraph 2.

GST Council: Notification No. 7/2022-Central Tax (Rate), 13 July 2022

Official source: [Open source document](#)

Pinpoint: Physical p. 1, clause (A)(v); p. 2, clause (B) and paragraph 2: pre-packaged-and-labelled test, effective 18 July 2022.

India Code: Central Goods and Services Tax Act, 2017

Official source: [Open source document](#)

Pinpoint: Compilation as on 11 June 2026, physical pp. 67–69: Sections 73–74A, with amendment footnotes; Section 74(1) substantive suppression requirement at p. 68.

CBIC: CGST Act compilation as on 1 January 2022

Official source: [Open source document](#)

Pinpoint: Physical pp. 107–110 (printed pp. 106–109), Sections 73–74, including then-applicable Explanation 2 definition of suppression. Targeted historical-text check.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official High Court judgment identified in this note. No human legal review is claimed.

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