BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 18.03.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.7373 of 2026
and
W.M.P(MD)Nos.6040 and 6041 of 2026

Tvl.Jeyam Industries
Rep by its Partner L.Murugan
208/2, Mainaperi Tenkasi Main Road,
Ayikudi, Tenkasi-627852 ... Petitioner

Vs.

The State Tax Officer,
Sencottai Assessment Circle,
126A/New No.46(1), Sengottai-Kollam Main Road,
Sengottai-627 809 ...Respondent

Writ Petition is filed under article 226 of the Constitution of India, praying to issue a Writ of Certiorari, calling for the respondent's order dated 25.02.2025 with Ref.No.ZD3302252547975 pertaining to the FY-2020-21 and quash the same.

For Petitioner :Mr.R.L.Dhilipan Pandian
for Mr.Adithya Reddy
For Respondent :Mr.R.Sureshkumar
Additional Government Pleader

ORDER

This writ petition is filed challenging the impugned order dated 25.02.2025.

2.The impugned order is an order of assessment passed under Section 73 of the TNGST Act. A show cause notice was issued to the petitioner stating that he has to reverse input tax credit on non-business transactions and exempt supplies. The reply given by the petitioner is that the petitioner is engaged in the business of purchasing and selling milk cream without any packing from both registered and unregistered dealers and the business is exempt from tax. It is further seen that the petitioner was raising common invoices in respect of both taxable and exempt goods. Under the said circumstances, the reply was considered, and the liability was determined by the impugned order.

3.The learned counsel for the petitioner submits that while determining the liability further factual aspects have not been taken into account by the assessing authority. Several entries which are taken as taxable also relate to the purchase of milk cream, which is exempt. If given an opportunity further, the petitioner will produce such additional documents and convince the respondent authority with reference to the same.

4.Per contra the learned Additional Government Pleader would submit that the reply given by the petitioner to the show cause notice is extracted in the impugned order. Thereafter, the authority has proceeded to consider the various invoices and finally the transactions were not treated as exempted, supply was recalculated, and the impugned order was passed. Without filing an appeal in time, the assessment order having become final, now such a plea cannot be made by the petitioner.

5.I have considered the rival submissions made on either side and perused the material records of the case.

6.The case of the petitioner is that several transactions which are now included as taxable in the impugned order, also relate to the purchase of milk cream, which falls in the exempt category. There is no dispute with reference to the exempt category of the business, but there are factual disputes as to which are the transactions which fall within the same and which are the transactions which do not fall.

7.Upon considering the impugned order, I find that though the respondent has undertaken the said exercise, the express reasoning as to taking into account of the entries and reversing of the entries with reference to each of the entries is also not mentioned in the impugned order. In any event, the petitioner now submits that he is in possession of such other supporting documents to convince the authority. In view thereof, I am of the view that one more opportunity can be granted to the petitioner before the respondent to canvass his case as the impugned order of assessment does not contain reasons with reference to each of the entries and the reasons mentioned by the petitioner.

8.Considering the fact that the impugned order was passed on 25.02.2025 and the petitioner is approaching this Court only now an opportunity can be extended only on an equitable basis, directing the petitioner to deposit 25% of the disputed tax amount. In view thereof, this writ petition is ordered on the following terms:

(i)The petitioner shall deposit 25% of the disputed tax amount within a period of 4 weeks from the date of receipt of the web copy of the order.

(ii)Upon such deposit, the impugned order shall stand quashed, and the matter shall stand remanded back to the file of the respondent for fresh consideration.

(iii)The petitioner shall appear before the respondent and produce such further documents and additional reply in support of his claim, upon which, the authority shall re-consider the same, even with reference to disallow portions, and pass orders afresh in the manner known to law. No costs. Consequently, connected miscellaneous petitions are closed.

18.03.2026

NCC:Yes/No
Ns
To
The State Tax Officer,
Sencottai Assessment Circle,
126A/New No.46(1), Sengottai-Kollam Main Road,
Sengottai-627 809

D.BHARATHA CHAKRAVARTHY, J.

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