IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31.01.2020

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.15830 to 15832 of 2013
and
W.M.P.Nos.1 & 2, 1 & 2 and 1 & 2 of 2013

M/s.Interfit Techno Products Limited,
Rep.by its Managing Director - A.V.Palanisamy,
No.112, Madhapur Road,
Kaniyur Village, Karumathampatti Via,
Coimbatore - 641 659. ... Petitioner in all W.Ps.

Vs.

1.The Principal Secretary/Commissioner of
Commercial Taxes,
Ezhilagam, Chepauk,
Chennai - 600 005.

2.The Assistant Commissioner (CT) (FAC),
Trichy Road Assessment Circle,
Coimbatore. ... Respondents in all W.Ps.

Prayer in W.P.No.15830 of 2013: Writ Petition is filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari, to call for the records on the files of the 2nd respondent in his proceeding in TIN No.33681881275/2012-2013 dated 21.12.2012 for the month of August 2012 quash the same.

Prayer in W.P.No.15831 of 2013: Writ Petition is filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari, to call for the records on the files of the 2nd respondent in his proceeding in TIN No.33681881275/2012-2013 dated 21.12.2012 for the month of September 2012 quash the same.

Prayer in W.P.No.15832 of 2013: Writ Petition is filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari, to call for the records on the files of the 2nd respondent in his proceeding in TIN No.33681881275/2012-2013 dated 21.12.2012 for the month of October 2012 quash the same.

For Petitioner (in all W.Ps) : Mr.S.Rajasekar

For Respondent (in all W.Ps) : Mr.A.N.R.Jayaprathap Government Advocate (T)

COMMON ORDER

Both the counsels fairly submitted that the issue is now covered by a decision of this Court referred in the case of M/s.Ran India Steel (P) Ltd Vs.The Principal Secretary while disposing the above Writ Petition, though, the reference was made to the earlier decision of the Interfit Techno Products Ltd. Vs Principal Secretary/Commissioner of Commercial Taxes, Ezhilagam, Chennai and Another reported in (2015) 81 VST 389 (Mad) the following observations are under:-

> 5.In my view, the expression "inputs destroyed at some intermediary stage of manufacture" in sub Clause (iii) of Section 19(9)(iii) of TNVAT Act, 2006 will not take within its fold those inputs "consumed" in the manufacture of final product. Only when inputs are "destroyed at some intermediary stage of manufacture", reversal of input tax credit is warranted. They would be instance of inputs which are withdrawn at an intermediary stage of manufacture and are incapable of being used further and are sold as scrap/waste or physically destroyed by an assessee having no residual value. Such inputs alone can be construed as "inputs destroyed at some intermediary stage of manufacture". There is no scope for reversal of input tax credit on inputs which get consumed during the course of manufacture as "invisible loss". The authorities may therefore keep these observations while passing orders in the Show Cause Notice which have been issued."

2.In the light of the above, these Writ Petitions stand disposed with a direction to the Respondent to pass appropriate orders in accordance with law within a period of three months from the date of receipt of a copy of this order. Before passing such orders the petitioner shall also be heard. No cost. Consequently, connected Miscellaneous Petitions are closed.

Sd/-
Assistant Registrar

//True Copy//
Sub Assistant Registrar

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To

1.The Principal Secretary/Commissioner of Commercial Taxes,
Ezhilagam, Chepauk,
Chennai - 600 005.

2.The Assistant Commissioner (CT) (FAC),
Trichy Road Assessment Circle,
Coimbatore.

+1cc to The Special Government Pleader (Taxes),High Court,
Sr.No.8160.
+1cc to Ms.R.Hemalatha, Advocate, Sr.No.7931.

W.P.Nos.15830 to 15832 of 2013
and
W.M.P.Nos.1 & 2, 1 & 2 and 1 & 2 of 2013

SJ(CO)
klt(21/05/2020)