IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.10.2024

CORAM

THE HONOURABLE MR.JUSTICE R.SURESH KUMAR
and
THE HONOURABLE MR.JUSTICE C.SARAVANAN

T.C.No.30 of 2024

The State of Tamil Nadu,
Represented by the Joint Commissioner (ST),
Salem Division,
Salem. ... Petitioner

-Vs-

Tvl.Sree Rangaraj Steel Alloys (P) Ltd.,
No.99, Sankari Main Road,
Annathanapatti, Salem. ... Respondent

PRAYER : Tax Case Revision filed under Section 60 of TNVAT Act, 2006 to revise the order of the Tamil Nadu Sales Tax Appellate Tribunal (Additional Bench), Coimbatore dated 23.03.2022 passed in C.T.S.A.No.113 of 2019.

For Petitioner : Mr.C.Harsha Raj
Additional Government Pleader

O R D E R

(Order of the Court was made by **C.SARAVANAN, J**)

The petitioner is before this Court aggrieved by the impugned order dated 23.03.2022 passed by the Tamil Nadu Sales Tax Appellate Tribunal (Additional Bench), Coimbatore in C.T.S.A.No.113 of 2019.

2. By the impugned order, the Tribunal had dismissed the appeal filed by the State against the order of the Appellate Commissioner dated 26.11.2018 in VAT.A.P.No.145 of 2018.

3. The dispute in the present case pertains to levy of penalty. The case relates to inspection carried out by the authorities under the Tamil Nadu Value Added Tax Act, 2006 (hereinafter referred to as "the TNVAT Act") in the premise of the respondent which brought out stock variation. At the time of inspection, the respondent has also paid the proportionate tax as was demanded by the Department. Hence, penalty levied has been reversed by the Appellate Commissioner which has been affirmed by the Appellate Tribunal.

4. We have heard the learned Additional Government Pleader appearing for the petitioner.

5. We are of the view that in the absence of any taxable liability pursuant to the inspection held at the respondent premises, the question of imposing penalty under Section 27 of the TNVAT Act, 2006 is not sustainable. The stock which was available in excess would be liable to tax only at the time of sale and if no tax is paid, penalty can be imposed under Section 27 of the TNVAT Act,

2006. Therefore, we have no reasons to interfere with the view taken by the Appellate Commissioner which has been sustained by the Appellate Tribunal.

6. Accordingly, this Tax Case Revision is dismissed. No costs.

(R.S.K., J.) **(C.S.N., J.)**
17.10.2024

NCC : Yes / No
Index : Yes / No
Speaking Order : Yes / No

vji

To

The Tamil Nadu Sales Tax Appellate Tribunal
(Additional Bench),
Coimbatore.

R.SURESH KUMAR, J.
and
C.SARAVANAN, J.

vji

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