IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27.03.2025

CORAM

THE HON'BLE DR. JUSTICE ANITA SUMANTH

AND

THE HON'BLE MR .JUSTICE C. KUMARAPPAN

W.P. No. 41754 of 2002

Sri Varadaraja Textiles
Coimbatore. ..Petitioner

Vs.

1. The Assistant Commissioner (CT),
   Central Assessment Circle – I,
   Coimbatore.

2. The Tamil Nadu Sales Tax Appellate
   Tribunal (Additional Bench),
   represented by its Secretary,
   Commercial Taxes Building,
   Dr. Balasundaram Road,
   Coimbatore – 641 018. ..Respondents

Prayer: Petition under Article 226 of the Constitution of India praying for issue of a Writ of Certiorari to call for the records on the files of the 2nd respondent herein in C.T.A. No. 356/96 dated 12.7.2002 and quash the orders of the 2nd respondent herein in C.T.A. No. 356/96 dated 12.07.2002 confirming the orders of the 1st respondent herein in CST 299601/93-94 dated 26.03.1996 in so far as relating to the receipt of Rs.66,048/- in discharge hank yarn obligation of customers and penalty thereon.

For Petitioner :: Mr.K.A. Parthasarathy
for M/s. N. Inbarajan
N. Sriprakash
N. Prasad

For Respondents :: Mr.T.N.C. Kaushik,
Addl. Govt. Pleader

O R D E R

(Made by Dr. ANITA SUMANTH,J.)

Heard Mr.K.A. Parthasarathy, learned counsel for the petitioner and Mr.T.N.C. Kaushik, learned Additional Government Pleader for the Commercial Taxes Department.

2. Mr.K.A. Parthasarathy, learned counsel for the petitioner would fairly accede to the position that the quantum of tax has to be confirmed following the judgments of this Court rendered in *The Rajarathna Milla and Ors V. The Commercial Tax Officer-I and Ors* (W.P. Nos. 33508 of 2002, 25561 of 2003 and 25562 of 2003, order dated 20.04.2004) and *Jayabharath Textile (P) Ltd. V. Additional Commissioner (SMR) Office of the Special Commissioner and Commercial Taxes, Chepauk, Chennai – 6* (Tax Case No. 75 of 2015, order dated 30.09.2015).

3. Hence, the writ petition, insofar as it relates to taxability of hank yarn obligation is decided against the petitioner.

4. As far as penalty is concerned, we find that the ingredients of Section 16 of TNGST Act, 1959 are not satisfied in the present case.

5. Hence, the impugned order confirming the penalty is set aside. The writ petition is partly allowed. No costs.

(A.S.M.J.) (C.K.J.)

27.03.2025

Index: Yes/No
Neutral Citation: Yes/No

nv
To
1. The Assistant Commissioner (CT),
Central Assessment Circle – I,
Coimbatore.

DR. ANITA SUMANTH,J.

AND

C. KUMARAPPAN,J.

nv

2. The Tamil Nadu Sales Tax Appellate
Tribunal (Additional Bench),
represented by its Secretary,
Commercial Taxes Building,
Dr. Balasundaram Road,
Coimbatore – 641 018.

W.P. No. 41754 of 2002

27.03.2025