IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.03.2025

CORAM :

THE HON'BLE MR.K.R.SHRIRAM, CHIEF JUSTICE
AND
THE HON'BLE MR.JUSTICE MOHAMMED SHAFFIQ

T.C.R. No.16 of 2025

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

Vs.

Tvl. Sigma CNC Products
No.20, Electrical & Electronic Industrial Estate
Sipcot, Hosur 635 109. .. Respondent

Prayer : Revision filed under Section 60 of TNVAT Act, 2006 to revise the order dated 22.08.2022 passed in CTSA No.64 of 2017 on the file of Tamil Nadu Sales Tax Appellate Tribunal (Additional Bench), Coimbatore.

For Petitioner	:	Mr.Haja Nazirudeen Additional Advocate General Assisted by Mr.C.Harsha Raj Special Government Pleader
For Respondent	:	Mr.B.Raveendran

ORDER
(Order of the Court was made
by the Hon'ble Chief Justice)

Respondent is a registered dealer and assessee in the books of the Assistant Commissioner, Hosur (North). After completion of assessment under Section 22(2) of the TNVAT Act, 2006 ("the Act") pertaining to assessment year 2013-14, respondent was issued with a revision order dated 19.08.2015 invoking Section 27 of the Act. Respondent preferred an appeal under Section 51 of the Act and the appeal was partly allowed. Against the order which was partly allowed, the State preferred an appeal before the Tribunal. The Tribunal, vide order dated 22.8.2022, dismissed the appeal. This order is in revision before us and the following questions of law are proposed:

> 1. Whether the learned tribunal erred in deleting the purchase turnover of Rs.2,95,972/- even though the dealer had not produced the purchase bills before the assessing authority to prove their contentions?
> 2. Whether the learned tribunal erred in deleting the sales suppression turnover of Rs.1,04,86,509/- concurring with the views taken by the First Appellate Authority that there was no suppression or

escapement of turnover even though the dealer had not produced any break up for the labour receipts before the assessing authority or the appellate authority?

3. Whether the learned tribunal erred in deleting the levy of penalty stating that nothing is available on record to substantiate that the alleged suppressions were covered by any valid materials for the willful non disclosure of the turnover which is the only ingredient warranting the levy of penalty under Section 27(3)(b) of the Act, even though the respondent/assessee had suppressed purchase and sales turnover which was detected only during the course of inspection and consequent to which, best judgment was made by levying tax and penalty towards probably suppression/omission?

2. The points that came up for consideration before the Tribunal were:

"(a) as to whether the deletion of a turnover of Rs.2,95,972.00 being the value assessed under section 12 by the assessing authority, in fact and law is correct or not?

(b) as to whether the deletion of a turnover of

Rs.1,04,86,509.00 being the sales suppression fixed by the assessing authority, in fact and law is correct or not? and

(c) as to whether the deletion of levy of penalty of Rs.8,49,721.00 by the first appellate authority was proper or not?

3. On the first two points, the Tribunal was pleased to approve the finding of fact made by the first appellate authority. The Tribunal rightly rejected the State's contention that the assessee could not have produced documents for the first time before the first appellate authority. The factual finding has also been given that the value of purchase was available in trading and profit and loss account and that the purchases had been made only from the registered dealers. There is a factual finding also that the assessing authority has not raised any objection to the production of purchase bills. It is also noted that the appellate authority ascertained the actual receipts to arrive at the taxable turnover. Since these were factual findings, there can be no question of law arising thereof.

4. Even as regards levy of penalty, there is a finding that no materials were forthcoming to hold wilful suppression estimated on trading method or on account of the estimated sales of wastage that would have obtained during the process of manufacture.

5. In the circumstances, we see no reason to interfere with the Tribunal's order. Revision is dismissed. There shall be no order as to costs.

(K.R.SHRIRAM, CJ) (MOHAMMED SHAFFIQ,J.)
04.03.2025

Index : Yes/No
Neutral Citation : Yes/No

kpl

To

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

THE HON'BLE CHIEF JUSTICE
AND
MOHAMMED SHAFFIQ,J.

(kpl)

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