

GIB/TN/Jayam/05.08.2016/HC-136

High Court Category : Others

State : Tamil Nadu

Order No.: GIB/TN/Jayam/05.08.2016/HC-136

Name of Entry :
Jayam & Co.

Date : 05-08-2016

Breif Issue :

Facts & Issue Of The Case :

In this case after issuance of the original tax invoice and availing ITC, the vendor had given a discount and purchase credit note was issued for a lesser price. The dealer took into account the price it paid to M/s. LG Electronics after adjusting the discount that was subsequently given to the dealer to arrive at a net cost and adding VAT which was limited to the vendors by the dealer, the goods were resold at a lesser price. On August 19, 2010, By the Tamil Nadu Value Added Tax (Second Amendment) Act 2010, an amendment was inserted by way of Section 19 (20) in the TNVAT Act to provide for reversal of the amount of ITC for the goods over and above the output tax in those cases where a registered dealer has sold the goods at a price less than the price of the goods purchased by him.

Decision of Advance Ruling Authority :

Decision:

Held such a provision, therefore, cannot have retrospective effect, more so, when the vested right had accrued in favour of these dealers in respect of purchases and sales made between January 1, 2007, to August 19, 2010