

GIB/GUJ/TRINETRA/03.12.2003/HC-138**High Court Category :** Others**State :** Uttrakhand**Order No.:** GIB/GUJ/TRINETRA/03.12.2003/HC-138**Name of Entry :**

Commissioner Of C. EX., SURAT Vs Trinetra Texturisers

Date : 03-12-2003**Breif Issue :****Facts & Issue Of The Case :**

Respondents had taken Modvat credit on the basis of duty paying documents received from their suppliers. Subsequently, the suppliers had issued credit notes in favour of the respondents. Departmental authorities have coerced the respondents to debit the input credit amount equivalent to the duty reduction consequent to value reduction on the inputs, which occurred consequent to such credit notes. The respondents reverse the corresponding amounts, as directed. The respondent's suo moto took credit for the reversed amount. The issue involved is whether, by the issue of a credit note, the assessable value gets scale down, and the corresponding input tax also gets scaled-down. Held the entire exercise at the end of the purchaser factory for cutting down the credit, was without the authority of law. The illegal and coercive reversal of credit on one hand, at the same time claiming that the respondents lack the authority to suo moto claim back the said credit, on the other hand, tantamounts to adding insult to injury.

Decision of Advance Ruling Authority :**Decision:**

Held that the credit taken was only to restore the actual credit available on the basis of duty paying documents and there was no effort to take credit in excess of the credit mentioned in the duty paying documents.