

**THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN
AND
THE HON'BLE SRI JUSTICE U.DURGA PRASAD RAO**

WRIT PETITION No.19390 OF 2016

ORDER: (Per the Hon'ble Sri Justice Ramesh Ranganathan)

The action of the respondents in disallowing input tax credit on the purchases effected from registered dealers within the State, and in passing the assessment and penalty orders dated 31.03.2016 and 25.04.2016 respectively for the tax period 2011-12 to 2015-2016, is questioned in this writ petition as being illegal and arbitrary.

In the assessment order, passed in Form VAT 305, the assessing authority denied the petitioner the benefit of input tax credit on the ground that they had failed to produce a tax invoice for a part of the tax period. Section 13 of the A.P. Value Added Tax Act, 2005 (for short "the Act") relates to credit for input tax and Section 13(3)(a) of the Act stipulates that a VAT dealer shall be entitled to claim input tax credit under sub-section (1), on the date the goods are received by him, provided he is in possession of a tax invoice.

In view of the specific requirement under Section 13(3)(a) of the Act, that the dealer should be in possession of a tax invoice for being entitled to claim input tax credit, the assessing authority cannot be faulted in denying the petitioner the benefit of input tax credit on the ground that they did not produce a tax invoice for a part of the tax period.

Sri D.Srinivas, learned counsel for the petitioner, would request that the petitioner be granted liberty to challenge the *vires* of Section 13(3)(a) of the Act.

Granting liberty as sought for, and as the impugned assessment and penalty orders are in accordance with Section 13 of the Act, the writ petition fails and is, accordingly, dismissed. The miscellaneous petitions pending, if any, shall also stand dismissed. There shall be no order as to costs.

(RAMESH RANGANATHAN, J)

(U.DURGA PRASAD RAO, J)

19th July 2016

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Date: 19.07.2016

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