

IN THE HIGH COURT OF JUDICATURE AT MADRAS
RESERVED ON : 22.06.2017
DELIVERED ON : 22.09.2017

Coram

The Honourable Mr.Justice RAJIV SHAKDHER
and

The Honourable Mr.Justice R.SURESH KUMAR
Writ Petition No.6867 of 2010

ANS Guptha Jewels,
(rep. By its Partner A.Anand Kumar)
186/386, Bazaar Street,
Salem - 636 001.

.. Petitioner

Vs.

1. The Assistant Commissioner (CT) (FAC),
Salem Town West Circle,
Salem.

2. The State of Tamil Nadu,
Represented by the Secretary to Government,
Commercial Taxes & Registration Department,
Fort St.George,
Chennai - 600 009. Respondents

Prayer : Writ petition filed under Article 226 of the Constitution of India for issuance of a Writ of Mandamus, directing the first respondent herein to forbear from relying on the provisions of Section 19(2)(ii) and Section 19(4) to reverse or recover the Input Tax Credit under Section 27(2) of the Tamil Nadu Value Added Tax Act, 2006, in respect of the purchase of the inputs entrusted to a job worker outside the State for manufacture on condition of return into the State of Tamil Nadu and found sold in the State of Tamil Nadu under Tax invoice.

For Petitioner : Mr.C.Natarajan, Senior Counsel
for Mr.N.Inbarajan

For Respondents: Mr.V.Ayyadurai, A.A.G.
Asst.by Mr.S.Kanmani Annamalai, AGP

O R D E R

RAJIV SHAKDHER, J.

1. This writ petition lays in effect a challenge to Sections 19(2)(ii) and 19(4) of the Tamil Nadu Value Added Tax Act, 2006 (in short 'the 2006 Act').

1.1. The challenge to the said Sections, is based on the assertion, made by the writ petitioner, that the said provisions of the 2006 Act, violate, Articles 14, 19(1)(g), 301 and 304(a) & (b) of the Constitution.

1.2. Accordingly, the writ petitioner, seeks a direction against the respondents to forbear from relying upon the impugned provisions to reverse or recover Input Tax Credit (in short, "ITC") under Section 27(2) of the 2006 Act.

1.3. In aid of its submissions, the writ petitioner has also asserted that denial of ITC, in respect of bullion and raw material, purchased within the State of Tamil Nadu, which is converted into finished jewellery, albeit, outside the State and sold, thereafter, within the State of Tamil Nadu, is unlawful and violative of the provisions of Article 265 of the Constitution.

2. The issue which arises in the captioned writ petition is covered by our judgement delivered today i.e. 22.09.2017, passed in W.P.No.6377 of 2010 titled : Patina Gold Ornaments Pvt. Ltd., Vs. The Assistant Commissioner (CT).

3. Accordingly, the relief claimed in the captioned writ petition is allowed, leaving parties to bear their own costs.

/sd/-
Assistant Registrar

/True Copy/

Sub Assistant Registrar

kk/gg

To

1. The Assistant Commissioner (CT) (FAC),
Salem Town West Circle, Salem.

2. The Secretary to Government,
Government of Tamil Nadu,
Commercial Taxes & Registration Department,
Fort St.George, Chennai - 600 009.

+1 CC to Mr. N. Inbarajan , Advocate Sr.No. 69951

W.P.No.6867 of 2010

BR (CO)

MD: 28/10/2017