

Dhaval Talati

16 Rules could not have retrospective application till corresponding amendment to parent statute ie ACT Facts of the case: The respondent assessee is a manufacturer of iron and steel goods. They have purchased raw material from within and outside the state of Punjab. The rate of tax on iron and steel was reduced from 4.5% to 2.5% w.e.f. 1.2.2014. The state Government amended the Punjab VAT rule by inserting Rule 21(8) to provide that ITC would be available at a reduced rate on the goods held in stock as on 31.1.2014. However, the amendment to the parent statute, the Punjab VAT Act providing for restriction on ITC to the goods sold or used in manufacture came into effect from 1.4.2018. Whether Rule 21(8), of the Punjab VAT Rules, which was introduced prior to the amendment of the PVAT Act, could have retrospective application to restrict the ITC already availed by the respondent on goods pur.....