ITEM NO.26 COURT NO.8 SECTION III-B

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition for Special Leave to Appeal (C) No. 23931/2026

[Arising out of impugned final judgment and order dated 01-05-2026 in SCA No. 749/2025 passed by the High Court of Gujarat at Ahmedabad]

BHANDARI SCRAP TRADERS Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

(FOR ADMISSION)

WITH

SLP(C) No. 24088/2026 (III-B)
(FOR ADMISSION and IA No. 202573/2026 - EXEMPTION FROM FILING O.T.)

SLP(C) No. 24103/2026 (III-B)
(FOR ADMISSION)

Date : 24-07-2026 These matters were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE SANJAY KUMAR
HON'BLE MR. JUSTICE SANJEEV SACHDEVA

For Petitioner(s) :
Mr. Uchit Sheth, Adv.
Ms. Uchit Sheth, Adv.
Mr. Malak Manish Bhatt, AOR
Ms. Sukanya Joshi, Adv.
Ms. Somya Saxena, Adv.
Ms. Chhavi Tokas, Adv.

For Respondent(s) :

UPON hearing the counsel, the Court made the following

O R D E R

Though we are informed that a special leave petition has been entertained in relation to the decision of the Tripura High Court

in *Sahil Enterprises vs. Union of India & Ors.*[1], we find from the judgment passed by the High Court of Tripura that the exercise undertaken by the High Court of Gujarat in the judgment, presently under challenge, was not undertaken by it.

The distinction and differences between the provisions of the Delhi Value Added Tax Act, 2004[2], and the Central Goods and Services Tax Act, 2017[3], brought out by way of a detailed analysis from paragraph 42 onwards in the impugned judgment along with the scheme of availing Input Tax Credit (ITC) under the GST regime, as set out in paragraph 56 of the impugned judgment, clearly demonstrate that there is no possibility of drawing parity between the provisions of the two enactments, so as to treat a purchasing dealer under the CGST Act on par with a purported bonafide purchasing dealer under the Delhi VAT Act in relation to ITC, when the supplier-dealer fails to pay the requisite tax.

Further, the High Court of Gujarat has also referred to the provisions of Section 41 of the CGST Act and also Sections 73 and 74 thereof in the context of the purchasing dealer under the CGST regime being entitled to re-avail the reversed ITC after the supplier-dealer is made to discharge the tax liability.

In that view of the matter, the High Court was fully justified in holding that no grounds were made out to declare Section 16(2)(c) of the CGST Act as unconstitutional or read down the provisions

1 [(2026) 154 GSTR 108 (Tri.)]
2 "Delhi VAT Act", for short
3 "CGST Act", for short

thereof. We find ourselves in complete and respectful agreement with the views expressed by the High Court of Gujarat and affirm and uphold the impugned judgment.

The special leave petitions are, accordingly, dismissed.

Pending application(s), if any, shall stand disposed of.

(DEEPAK GUGLANI)	**(PREETI SAXENA)**
DEPUTY REGISTRAR	**COURT MASTER (NSH)**