Commissioner of Trade and Taxes, Delhi v. Arise India Limited

Validity of denial of input tax credit under Delhi VAT law; scope of liability for purchasing dealers (Sections involved: Delhi Value Added Tax Act, 2004 – provisions relating to Input Tax Credit)

Date of Order: February 10, 2018
Case Law No: GIB-SC-2018-02
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts:
The case arose from a batch of matters decided by the Delhi High Court concerning denial of input tax credit to purchasing dealers under the Delhi VAT Act. The tax authorities challenged the High Court's ruling, which had granted relief to dealers claiming bona fide purchase transactions. The petitioner filed a Special Leave Petition before the Supreme Court against the High Court judgment dated 26.10.2017. The issue involved whether purchasing dealers could be denied input tax credit due to default by selling dealers.

Court Decision:
The Supreme Court declined to interfere with the impugned judgment of the Delhi High Court and dismissed the Special Leave Petition. The Court, however, granted liberty to the petitioner to approach the High Court with necessary particulars in cases where transactions were allegedly not bona fide and seek appropriate directions.

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