

ITEM NO.73

COURT NO.16

SECTION XV

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 18577/2026

[Arising out of impugned judgment and order dated 29-04-2026 in DBCWP No. 3729/2026 passed by the High Court of Judicature for Rajasthan at Jaipur]

M/S PRIME METALS

Petitioner(s)

VERSUS

CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS & ORS. Respondent(s)

IA No. 161412/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT, IA No. 161410/2026 - EXEMPTION FROM FILING O.T., IA No. 161414/2026 - PERMISSION TO FILE ADDL.DOCUMENTS/FACTS/ANNEXURES

Date : 22-05-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE K.V. VISWANATHAN
HON'BLE MR. JUSTICE VIJAY BISHNOI

For Petitioner(s) Mr. Jatin Harjai, Adv.
Mr. Rohan Aggarwal, Adv.
Ms. Nikshubha Sharma, Adv.
Mr. Vatsalya Vigya, AOR

For Respondent(s)

UPON hearing the counsel the Court made the following
O R D E R

1. Heard Mr. Jatin Harjai, learned counsel for the petitioner. Learned counsel contends that the High Court has erred in relegating the petitioner to resort to the alternative remedy, since in the prayer clause of the Writ Petition the validity of Section 16(2) of the Central Goods and Services Tax Act, 2017 (for short, 'CGST') was also put in issue. According to the learned counsel Section 16(2)(c) of the CGST if understood literally, mandates the assessee to do

an impossible act. Learned counsel submits that under Section 16(2)(c) of the CGST input tax credit can be availed by an assessee only if the persons supplying the goods to the assessee, has actually paid tax to the Government either in cash or through utilization of input tax credit admissible in respect of said supply. Learned counsel submits that as to what happened at the supplier end is not in his control. Learned counsel also submits that in the present case there is no dispute that the immediate/preceding supplier had actually paid the tax and the allegation is that the supplier one removed did not pay or was allegedly a fake entity. Learned counsel contends that this cannot operate to the prejudice of the assessee.

2. Let a copy of this petition be given to Mr. Raghavendra P.Shankar, learned Additional Solicitor General and also to Ms.Nidhi Jaswal, learned counsel for the State.

3. List the matter on 29th May, 2026.

(NIRMALA NEGI)
ASTT. REGISTRAR-cum-PS

(MANOJ KUMAR)
COURT MASTER (NSH)