

State of Jharkhand & Ors. vs. BLA Infrastructure Private Limited

Refund of statutory pre-deposit paid for maintaining an appeal under Section 107(6) of the Jharkhand GST Act, 2017 — whether governed by Section 107(6) read with Section 115, or by Section 54 of the Jharkhand GST Act.

Date of Order: January 9, 2026
Case Law No: GIB-SC-2026-52
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CASE DESCRIPTION / SUMMARY

BACKGROUND

The assessee had made a statutory pre-deposit under Section 107(6) of the Jharkhand GST Act, 2017 for maintaining an appeal before the appellate authority, in which it thereafter succeeded. The assessee then sought refund of the pre-deposit amount. The High Court of Jharkhand, while granting relief, interpreted and applied Section 54 of the Jharkhand GST Act to order the refund. The State of Jharkhand challenged this before the Supreme Court, contending that the refund of statutory pre-deposit in such a case is governed by Section 107(6) read with Section 115 of the Jharkhand GST Act, and that Section 54 had no application in this context.

CRUCIAL COURT OBSERVATIONS (Verbatim)

"We are in agreement with the submission made by the learned senior counsel that the subject refund was relatable to Section 107(6) read with Section 115 of the Jharkhand GST Act, and to that extent, the exercise undertaken by the High Court with regard to Section 54 thereof was unnecessary."

FINAL VERDICT

The Supreme Court set aside the High Court's interpretation of Section 54 as unnecessary in this context, clarified that refund of statutory pre-deposit on success in appeal is governed by Section 107(6) read with Section 115 of the Jharkhand GST Act, and directed refund of the amount with interest within four weeks. The appeal was disposed of accordingly. ↔

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