

## HC: Department Was Directed to Invoke Section 76 for Non-remittance of GST by Supplier – ₹1 Lakh Cost Imposed

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**REFER THE DECISION OF THE HON'BLE JHARKHAND HIGH COURT IN THE CASE OF**

**RK Transport & Constructions Ltd. (Assessee) v. State of Jharkhand (Department) — Jharkhand High Court W. P. (T) No. 1624 of 2024; dated 13-Jun-2025**

### Facts of the Case:

The assessee had hired commercial vehicles from a supplier during October 2020 to March 2021 and paid ₹73.34 lakh, which included ₹11.18 lakh towards GST. While the supplier collected GST, he failed to file GSTR-1, leading to the denial of Input Tax Credit (ITC) to the assessee as the transaction didn't reflect in GSTR-2A. The assessee contended that the department had a statutory duty under Section 76(2) of the JGST Act to act against such non-compliant suppliers.

### Hon'ble High Court Judgement:

The Jharkhand High Court held that the department cannot shirk responsibility, as Section 76 of the JGST Act applies to "every person" who collects GST but fails to deposit it. The jurisdictional excuse raised by the department was rejected. **The Court directed the department to initiate proceedings under Section 76 against the defaulting supplier within 8 weeks and further imposed ₹1 lakh as costs, payable by the supplier to the assessee.**