Union of India & Ors. vs. Shantanu Sanjay Hundekari & Anr. Etc.

Challenge to Bombay High Court judgment quashing show cause notices imposing penalty under Sections 122(1A) and 137 of the CGST Act on an employee for alleged GST evasion by the company.

Date of Order: January 24, 2025
Case Law No: GIB-SC-2025-05
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Court Decision

The Supreme Court dismissed the Special Leave Petitions filed by the Union of India against the judgment of the Bombay High Court.

The Court noted that the High Court had quashed the show cause notices seeking recovery of ₹3731 crores from the respondent, holding that:

- The basic jurisdictional requirements were not attracted for invoking Section 122(1A) and Section 137 of the CGST Act.
- No principle of vicarious liability could be read into Sections 122 and 137.
- The respondent was merely an employee and could not be fastened with the liability alleged against the company.

The Supreme Court held that it saw no good reason to interfere with the common impugned orders passed by the High Court.

However, the Court clarified that the question of law regarding the interpretation of Sections 122(1A) and 137 of the CGST Act was kept open.

Accordingly, the Special Leave Petitions were dismissed and pending applications were disposed of.

Cases Referred by the Court

- *Shantanu Sanjay Hundekari vs. Union of India & Ors.,* WPL Nos. 30198/2023, 30199/2023,

30200/2023 & 30241/2023 (Bombay High Court, judgment dated 28 March 2024)

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