

LAW WINDOW

An Initiative by: **Adv. Minakshi Jain**

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CASE No. 50 dated 27.01.2025

Particulars	Details
Name of Petitioner	Union Of India & Ors.
Name of Respondent	Shantanu Sanjay Hundekari & Ors.
Case No.	Special Leave Petition (Civil) Diary No. 55427 / 2024
Court	Supreme Court
Date of Judgement	24.01.2024
Decision	Petition Dismissed

This is a legal case summary, primarily dealing with the interpretation and application of Sections 122(1-A) and 137 of the Central Goods and Services Tax (CGST) Act

"Section 137 sub section (1)- *Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.*

Section 122(1A)- *Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on."*

High Court Decision: The High Court quashed a show cause notice issued by the Revenue for recovering ₹3,731 crores. It ruled that the jurisdictional requirements under Sections 122(1-A) and 137 were not satisfied.

It emphasized that **vicarious liability** (liability for another's actions) could not be imposed under these sections. It found the show cause notice against the respondent, an employee of the company, to be unlawful and disproportionate.

Supreme Court Ruling: The Supreme Court upheld the High Court's decision, finding no reason to interfere. However, it left the broader legal question regarding the interpretation of Sections 122(1-A) and 137 open for future adjudication.

The Special Leave Petitions were dismissed, and any pending applications were disposed of.

Regards,

Minakshi Jain, Advocate

Author and founder of Law Window

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