



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH AT NAGPUR

WRIT PETITION NO. 4045 OF 2026

(Shri Girish Kumar Raval Vs. Union of India & Ors.)

Office Notes, Office Memoranda
of Coram, Appearances, Court's
orders or directions and
Registrar's orders

Court's or Judge's orders

Mr. Bharat Raichandani, Advocate (VC) a/w Mr. S.S. Malode, Advocate for the
Petitioner.

Mrs. Ketki Jaltare Vaidya, Advocate for the Respondent Nos. 1, 3 & 4.

Mr. M.J. Khan, AGP for the Respondent No.2/State.

CORAM: URMILA JOSHI-PHALKE AND
NIVEDITA P. MEHTA, JJ.

DATED : 08th MAY, 2026

1. By this Petition, the Petitioner had challenged the imposition of penalty and submitted that the issue is covered by the judgment of this Court in ***Shantanu Sanjay Hundekari Vs. Union of India, (2024) 17 Centax 18 (Bom.)***, which is confirmed by the Hon'ble Apex Court in the case of ***Union of India Vs. Shantanu Sanjay Hundekari, (2025) 27 Centax 14 (S.C.)*** and pointed out para 3, 4 and 5 of the judgment of the Hon'ble Apex Court, which covers the issue.

"3. The High Court while allowing the Writ Petitions filed by the respondents, quashed the show cause notices issued by the Revenue seeking recovery of Rs.3731 Crore holding as under in Paras 32 and 33 respectively:-

"32. For the aforesaid reasons, it is clear from the relevant contents of the show cause notice that the basic jurisdictional requirements/ingredients, are not attracted for issuance of the show cause notice under Section 74 of the COST Act so as to inter alia invoke Section 122(1-A) and Section 137 against the petitioner. Even otherwise, it is ill-conceivable to read and recognize into the provisions of Section 122 and

Section 137, of the CGST Act any principle of vicarious liability being attracted. There could be none. Thus, Respondent no. 3 clearly lacks jurisdiction to adjudicate the show cause notice in its applicability to the petitioner. Thus qua the petitioner, the impugned show cause notice is rendered bad and illegal, deserving it to be quashed and set aside.

33. The foregoing discussion would also lead us to conclude that it is highly unconscionable and disproportionate for the concerned officer of the Revenue to demand from the petitioner an amount of Rs.3731 crores, which in fact is clearly alleged to be the liability of Maersk, as the contents of the show cause notice itself would demonstrate, The petitioner would not be incorrect in contending that the purpose of issuing the show cause notice to the petitioner who is merely an employee, was designed to threaten and pressurize the petitioner."

4. The issue before the High Court was one relating to the interpretation of Section 122(1-A) and Section 137 of the GST Act.

5. The High Court after assigning cogent reasons took the view that the respondent - herein was merely an employee of the Company and he could not have been fastened with the liability of Rs.3731 Crore."

2. We have gone through the said observations of the Hon'ble Apex Court.

3. Learned Counsel for the Respondent wants to seek instructions on that.

4. In the meantime, no coercive action shall be taken by the Respondents to recover the amount towards the penalty till filing of the reply.

5. List the matter **after Summer Vacation.**

(NIVEDITA P MEHTA, J.)

(URMILA JOSHI-PHALKE, J.)