

Mukesh Kumar Garg v. Union of India & Ors.

Case number: SLP (C) No. 18178 of 2025; leave granted by this order, with no resulting civil appeal number printed

Citation: Order dated 4 August 2025; no neutral or reporter citation independently verified

Decision date: 2025-08-04

Civil GST penalty recovery under section 122: contentions recorded and recovery stayed subject to a 25% deposit

Court: Supreme Court

Bench: Pankaj Mithal and Prasanna B. Varale, JJ.

Decision stage: Interim order granting leave and conditional stay of recovery; no final merits determination

01 Facts

The petitioner challenged the Delhi High Court's order dated 9 May 2025 in W.P. (C) No. 5737/2025. Two principal contentions were recorded: section 122(1) should not apply to him because he was said to be a non-taxable person; and section 122(1A), stated to have come into force on 1 January 2021, should not operate retrospectively for assessment years 2017-2020. The ROP does not specify the full demand amount or determine those contentions. This is a civil penalty/recovery proceeding, not an arrest or bail order.

Pinpoint: Caption and paragraph 1, official PDF pages 1-2.

02 Court Discussion

The Court recorded the two challenges, granted leave and made a conditional interim recovery order. It gave no final construction of section 122(1), no finding that the petitioner was outside its scope and no final ruling on retrospective application of section 122(1A). A recital of the appellant's contentions must not be converted into the Court's ratio. The order also does not establish a general 25% pre-deposit rule for all GST disputes.

Pinpoint: Paragraphs 1-3, official PDF pages 1-2.

03 Decision

Leave was granted. In the meanwhile, recovery of the amount directed to be deposited was stayed provided the appellant deposited 25% of the demand before the GST Department, either through Electronic Ledger or Cash Ledger, as the order states. The ROP specifies no amount in rupees, no deposit deadline and no final outcome of the appeal. It does not record that the condition was fulfilled.

Pinpoint: Paragraphs 2-3, official PDF page 2.

04 In Favour Of

Mukesh Kumar Garg on conditional interim recovery protection only; substantive section 122 questions left undecided

Interim benefit to Mukesh Kumar Garg on recovery, conditional on the 25% deposit. The demand was not quashed, the legal arguments were not finally accepted and the appeal was not disposed of on merits by this order.

Pinpoint: Paragraphs 2-3, page 2.

05 AKHB REVIEW POINT

AKHB REVIEW POINT: Describe this as leave plus conditional recovery protection. Verify the precise demand, payments and later orders before relying on the stay. Preserve the distinction between a recorded contention and a decided statutory interpretation. The words Electronic Ledger or Cash Ledger are the order's language; this short ROP should not be enlarged into a general rule permitting input-tax-credit utilisation to discharge every penalty or pre-deposit. Current stay status, deposit compliance and later appeal disposal require their own evidence.

Pinpoint: AKHB analysis based on paragraphs 1-3; official PDF pages 1-2.

Sources and limitations

Relevant provisions

Central Goods and Services Tax Act, 2017: sections 122(1) and 122(1A), raised in the appellant's contentions

Statutory note

The commencement date and retrospective-applicability point appear within the recorded contentions. This note does not claim independent verification of all amendments or resolve their effect. No blanket conclusion on section 122 liability, taxable-person status or use of ledger credit follows from this interim ROP.

Treatment note

Official original checked on 12 October 2026. No comprehensive subsequent-docket or treatment search and no deposit-compliance verification have been completed. The original interim wording is reported historically; the note does not certify that the stay remains operative, that the condition was satisfied or that the appeal remains pending today. This AI-assisted AKHB research note is based on identified primary material. It does not evidence human legal review and is not a substitute for professional advice on the facts of a particular case.

Scope of source review

Complete two-page official ROP read: case identity and High Court origin on page 1, paragraphs 1-3 across both pages, operative stay on page 2. The bench and 4 August 2025 hearing date are printed on page 1. No resulting civil appeal number or neutral citation is invented. Count as one dated interim procedural document, not a final merits precedent or an arrest/bail decision.

Primary source

Source description: Supreme Court of India official record of proceedings dated 4 August 2025

Official source: [Open source document](#)

AKHB source PDF: [Open source document](#)

Judges: Pankaj Mithal; Prasanna B. Varale

Outcome type: procedural

Disclosures and source rights

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