
19.07.2025: MERE MENTION OF WRONG DISPATCH LOCATION IN E-WAY BILL NOT GROUND FOR PENALTY, NO TAX EVASION FOUND; SEIZURE AND PENALTY ORDER TO BE SET ASIDE: ALLAHABAD HIGH COURT



The Allahabad High Court in the case of *M/S SAUMYA THROUGH ITS PARTNER, SHRI GHANSHYAM POPAT VERSUS UNION OF INDIA AND 3 OTHERS* vide *WRIT TAX No. 664 of 2025 dated 14.07.2025*, held that a mere technical error in the dispatch location mentioned in the e-way bill, in the absence of any intent to evade tax or

discrepancy in goods, does not warrant seizure or imposition of penalty under Section 129 of the CGST/SGST Act. The Court found that the authorities failed to record any finding of tax evasion or discrepancy in goods and set aside both the original and appellate orders. It directed that any amount deposited by the petitioner during the proceedings be refunded within one month of producing a certified copy of the judgment. This judgment reinforces that minor or technical discrepancies in e-way bills, in the absence of intent to evade tax or material discrepancies, cannot attract seizure or penalty under Section 129 of the CGST/SGST Act. The ruling underscores the principle that procedural lapses without substantive irregularities should not lead to punitive consequences.

Facts of the case: In this case, the petitioner generated a tax invoice and an e-way bill dated 05.06.2023 for supply of goods from Maharashtra to Himachal Pradesh. The goods were intercepted on 06.06.2023 based on the truck driver's statement that the goods were loaded from Nagpur, while the e-way bill mentioned Chandrapur as the dispatch location.

The petitioner clarified that the principal place of business is Chandrapur and Nagpur is mentioned as an additional place of business in the GST registration. The dispatch from Nagpur occurred due to operational convenience. The discrepancy in the e-way

occurred due to a technical error during generation, where Chandrapur was wrongly filled in place of Nagpur.

Despite this explanation, the authorities passed an order imposing IGST and penalty, which was upheld in appeal vide order. The petitioner challenged both orders in writ proceedings before the High Court.

It was also brought on record that there was no discrepancy in the quantity, quality, value, or taxability of goods, nor was there any evidence of intent to evade tax.

Issue: Whether a mere technical error in mentioning the place of dispatch in an e-way bill, when the actual place of dispatch is a registered additional place of business and no tax evasion is alleged, can justify seizure of goods and levy of tax and penalty under the CGST/SGST Acts.

Held That:

The Court found that sole basis for seizure was the truck driver's statement that goods were loaded from Nagpur instead of Chandrapur. Further, Nagpur was a validly registered additional place of business, and the e-way bill mentioned Chandrapur only due to a technical error.

Cited judgment in *M/s Zhuzoor Infratech Pvt. Ltd.*, wherein a similar mistake was held insufficient to invoke penal provisions in absence of intent to evade tax.

Further, Court stated that the purpose of the e-way bill is to ensure traceability of movement of goods and prevent tax evasion and not to punish bona fide errors where the transaction is otherwise genuine and tax compliant. Thus, the record disclosed no discrepancies in the goods, nor any concealment or fraudulent behavior by the petitioner.

The Court concluded that "Merely on technical ground that in the e-way bill accompanying with the goods in question, the place of shipment has wrongly been mentioned, the seizure or levy of penalty cannot be made".

The Court allowed the writ petition, quashing both the impugned orders. The amount deposited by the petitioner, if any, was directed to be refunded within one month upon submission of a certified copy of the judgment.

To read the complete judgment **[2025 Taxo.online 1520](#)**
