



2025:AHC:228245

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT TAX No. - 6706 of 2025

M/S Rc Sales And Services

.....Petitioner(s)

Versus

State Of Uttar Pradesh And 2 Others

.....Respondent(s)

Counsel for Petitioner(s) : Pranjali Shukla
Counsel for Respondent(s) : C.S.C.

Court No. - 7

HON'BLE PIYUSH AGRAWAL, J.

1. Heard Mr. Dhiraj Dwivedi, holding brief of Mr. Pranjali Shukla for the petitioner and Mr. R.S. Pandey, learned ACSC for the State-respondents.

2. By means of present petition, the petitioner is assailing the orders dated 22.6.2023 and 30.7.2024.

3. Learned counsel for the petitioner submits that the petitioner is a proprietorship firm registered under the GST Act having GSTIN 09BSEPR8572D1ZB and involved in the business of threshing machinery, including screening or separating washing, crushing or grinding; machines crushing machinery produce, other than machinery of heading 8474. He submits that in the normal course of business, the petitioner received an order from M/s Baba Hans Construction Pvt. Ltd. and in this regard Tax Invoice No. RC/23-24/TI-057 dated 14.6.2023 Rs. 15,71,674/- and E-way bill No. 451345301943 were prepared and the goods were loaded in Truck No. UP14GT3383 but the same were intercepted on 19.6.2023 and after physical verification, the order of the seizure was passed in Form MOV 06 on the ground that goods were transported at different place of delivery. Thereafter, show cause notice was issued in Form DRC -01 on 22.6.2023 and proceedings under Section 129 (3) were initiated against the petitioner in which the impugned orders have been passed.

4. Learned counsel for the petitioner further submits that at the time of interception of the goods in question, all the requisite documents were

accompanying with the goods i.e. tax invoice, e-way bill and GRs and the goods were found as per the description mentioned in the tax invoice. He further submits that the transaction was 'bill to ship to' of which all due entries were specifically made in the tax invoice as well as in the e-way bill but due to some inadvertent mistake in the e-way bill, the address of ship to Samastipur, Patna, Bihar was mentioned but PIN code of Patna Bihar was wrongly mentioned instead of PIN code of Samastipur. He further submits that there is no discrepancy with regard to quality and quantity of the goods. He submits that the delivery address was correctly mentioned as per the tax invoice, indicating 'bill to' Patna Bihar and 'ship to' Samastipur, Bihar but PIN code of Patna was wrongly entered under the head of 'ship to' and this clerical error occurred without mala fide intention and is covered under protective scope of Section 126 of CGST Act, 2017, which provides relief from penalty in the cases of minor errors or procedural lapses.

5. He further relied upon Clause 5 (b) of the circular no. CBEC/20/16/03/2017-GST dated 14.9.2018 and submits that proceedings under Section 129 of the CGST Act may not be initiated, if error in the pin code but the address of the consignor and consignee mentioned is correct, subject to the condition that the error in the PIN code should not have the effect of increasing the validity period of the e-way bill.

6. In support of his submissions, he has placed reliance on the judgement of this Court in the case of **M/s Ashok Kumar Maganbhai Patel Vs. State of UP and others (Writ Tax No. 947 of 2025) Neutral Citation No. 2025:AHC:211470.**

7. Per contra, learned ACSC supports the impugned orders but could not dispute the aforesaid circular.

8. After hearing learned counsel for the parties, the Court has perused the record.

9. It is not in dispute that the consignment was bill to ship to and the goods in question were accompanying with all requisite documents i.e. tax invoice, e-way bill, GR etc. but on the e-way bill under the head of ship to, the details were mentioned as Samastipur, Patna, Bihar but PIN

code of Patna district has wrongly been mentioned instead of mentioning the pin code of Samastipur and on that premise, the proceedings were initiated in which the impugned orders have been passed.

10. This Court in the case of **M/s Ashok Kumar Maganbhai Patel (supra)** has held that if the address of consignor or consignee is correct and pin code has wrongly been mentioned, the proceedings under Section 129 may not be initiated. The relevant paragraphs of the said judgement is quoted hereunder:

"10. It is not in dispute that the goods in question were moving from Gujrat to West Bengal and the transaction in question was bill to ship to but on the tax invoice PIN code in the address of ship to party was wrongly mentioned though the address was correct. But on the said premise, the goods in question were seized, whereas in view of the circular dated 14.9.2018, the goods were not liable to be seized.

11. Clause 5 (b) of the circular issued by Govt. of India, Ministry of Finance (Department of Revenue), Central Board of Indirect Taxes and Customs, New Delhi dated 14.9.2018 (C.B.I.&C. Circular No. 64/38/2018 -GST) is quoted hereunder:-

5. Further, in case a consignment of goods is accompanied with an invoice or any other specified document and also an e-way bill, proceedings under Section 129 of the CGST Act may not be initiated, inter alia, in the following situations:-

(a).....

(b) Error in the pin-code but the address of the consignor and the consignee mentioned is correct, subject to the condition that the error in the PIN code should not have the effect of increasing the validity period of the e-way bill.

12. On perusal of the aforesaid circular, it shows that if the address of consignor or consignee is correct and PIN code has wrongly been mentioned, the proceedings under Section 129 may not be initiated.

13. Hon'ble the Apex Court in the case of Usha Martin Industries (supra)

has held that circulars issued by the higher authorities are binding upon the subordinate authorities. Hence, the initiation of present proceedings, itself, is bad and against the intent of statute.

14. Further, the record shows that no other discrepancy, has been pointed out by any of the respondent authorities. The goods in question was accompanied with all proper and prescribed documents. Once the goods in question were accompanied with all proper document and no discrepancy has been pointed out except wrong mentioning of PIN code and further there was no intent to evade the payment of tax, the proceedings are not justified in the eyes of law."

11. In view of the aforesaid facts & circumstances of the case, the impugned orders cannot be sustained in the eyes of law and same are hereby quashed.

12. The writ petition succeeds and is **allowed**.

13. Any amount deposited by the petitioner shall be refunded to him in accordance with law.

(Piyush Agrawal,J.)

December 18, 2025

Rahul Dwivedi/-