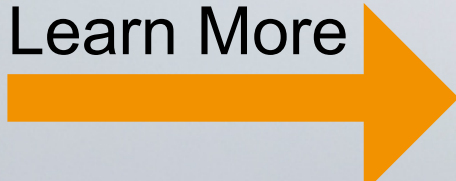




**Worried about
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Indirect Taxes - Court Room Highlights IDT 112305

High Court Grants Relief: No Penalty for e-Way Bill Expiry as Transit Woes Beyond Assessee's Control



Summary of recent High Court Ruling:

No penalty is imposed on the expiration of the e-Way Bill due to circumstances outside the Assessee's control and without intention to evade payment of tax. (M/S Sun Flag Iron And Steel Company Limited- WRIT TAX No. - 837 of 2023, TS-576-HC(ALL)-2023-GST)

The Petitioner, engaged in the manufacturing and sale of basic iron and steel, dispatched a **consignment from Maharashtra to the recipient in Rajasthan**. The consignment included a Tax invoice (e-invoice), GR, and e-Way Bill.

During the journey, the **vehicle got stuck in mud and required assistance from a crane for extraction**.

Subsequently, the vehicle underwent repairs, and the journey resumed. However, the e-Way Bill had expired by then. Upon interception of the vehicle by the GST Authorities, a Show Cause Notice was issued demanding payment of Penalty under GST Laws. The Petitioner had filed an Appeal before the Appellant Authorities which was also rejected.

Best Regards

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Following this, the Petitioner filed a Writ Petition before the Allahabad High Court (“Hon’ble HC”) seeking relief from the Penalty demand.

Taking into account that the vehicle could not reach its destination within the **time mentioned in e-Way Bill** due to circumstances beyond the control of the Petitioner and also that the lower Authorities had not found any intention to evade tax, the Hon’ble HC deemed the penalty unjustified by law.

Consequently, the Writ Petition was granted, nullifying the orders issued by the GST Authorities. The lower authorities were instructed to reimburse any tax, if applicable, deposited by the petitioner within 30 days.

Best Regards

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