

Allahabad HC set aside penalty order where assessee was able to generate e-way bills with cancelled GSTIN

Facts of the case - Meera Tent Cloth Supplies v. Additional Commissioner - [2023] (Allahabad)

In the present case, the goods in transit were intercepted and the department detained goods and vehicle on ground that petitioner's GSTIN was not found on website and it had been cancelled. Subsequently, notice was issued, determining value of goods and imposing tax liability with penalty. The petitioner challenged the penalty order and contended that the cancellation of registration was not communicated to petitioner.

Decision of the case :

The Honorable High Court noted that the petitioner purchased the goods on the strength GSTIN number allotted to him and e-way bill was generated from the official portal. Moreover, the petitioner had obtained composition scheme and there could not be any tax evasion since benefit of ITC could not be availed. Therefore, the Court held that the impugned order demanding tax and penalty was liable to be quashed.