

Santosh Mani Mishra (Revenue) v. M/s Islam Trading Company, Baheri, Bareilly

Section 129(3) tax and penalty for transporting iron goods without an e-way bill – whether later production of documents cures the lapse and whether a repeated lapse shows intent to evade.

Date of Order: August 25, 2026
Case Law No: GIB-GSTAT-2026-116
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

On 27.03.2018 the Mobile Squad, Bareilly intercepted iron goods moving under Tax Invoice No. 29 without an e-way bill, and tax of Rs. 47,844 with equal penalty was imposed under Section 129(3). The First Appellate Authority set it aside (24.09.2021), relying on later production of the e-way bill and documents. Revenue appealed, contending that the violation of Rule 138 was not cured afterwards. The respondent did not appear.

Final Verdict

Holding that the e-way bill under Rule 138(1) is an integral part of the statutory mechanism, the Tribunal distinguished the High Court precedents relied upon below (Singh Tyre, KL Industries, Harley Foods, Modern Traders, Rai Prexim). Because the e-way bill is generated online while the invoice is manual, **transporting goods without an e-way bill was held to be substantive non-compliance establishing an intention to evade tax**, reinforced by the short Baheri (UP)-Kichha (Uttarakhand) route. Referring to its own order of 20.08.2026 in Om Prakash v. Islam Trading Co., which involved the same dealer, goods, destination and modus operandi, the Tribunal held that **the repeated lapse, with the e-way bill surfacing only after interception, was a deliberate course of conduct and not a mere technical lapse**. Revenue's appeal was allowed, the appellate order set aside and the original order of 09.03.2018 under Section 129(3) restored.