

M/s Metalloids India, Pathanamthitta v. Commissioner of State Tax, Kerala

Whether the value of the principal's goods returned by a job worker must be included in the consignment value declared in the e-way bill, and whether Section 129 penalty is sustainable.

Date of Order: September 17, 2026
Case Law No: GIB-GSTAT-2026-122
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

Aluminium colour-coated coils belonging to the appellant (principal), returned by its job worker Roofstyle Industries, were intercepted on 04.05.2023 under a job-work invoice of Rs. 1,841, a return e-way bill showing nil quantity, and the original delivery challan. Penalty of Rs. 2,50,884 was imposed under Section 129(3) for want of a valid delivery challan and e-way bill, and was upheld in first appeal. Before the Tribunal, Revenue argued that the e-way bill had to reflect the Rs. 6,96,900 value of the material.

Final Verdict

The Tribunal found that the SCN rested on facts falsified by the department's own records: the job-work tax invoice, the principal's delivery challan (as required by Circular 38/12/2018) and e-way bill No. 521496456415 were all tendered at interception. The adjudication order impermissibly introduced a new ground of an "invalid" e-way bill and was non-speaking, while the appellate order relied on a ground outside the SCN (an e-way bill from A.S. Metals); Revenue's attempt to improve the SCN at the Tribunal stage was rejected. On the question of law, reading Explanation 2 to Rule 138 with Section 15, it held that **on return after job work the supply is only of job-work services, so the consignment value is the job-work charges plus tax, and the value of the principal's goods is not includable in the e-way bill**. As the consignment value of Rs. 1,841 was below the Rs. 50,000 threshold, **no e-way bill was mandatory and proceedings for a defective or missing e-way bill were void ab initio**. The appeal was allowed with consequential relief.