



2025:AHC:203996

Reserved On: 11.11.2025

Delivered On: 17.11.2025

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT TAX No. - 1469 of 2024

M/S Prostar M Info Systems Limited

.....Petitioner(s)

Versus

State of UP and 3 others

.....Respondent(s)

Counsel for Petitioner(s)	: Akashi Agrawal
Counsel for Respondent(s)	: C.S.C.

Court No. - 7

HON'BLE PIYUSH AGRAWAL, J.

1. Heard Shri Akashi Agrawal, learned counsel for the petitioner and Shri Ravi Shankar Pandey, learned ACSC for the State - respondents.
2. The instant writ petition has been filed against the impugned order dated 22.12.2023 passed by the respondent no. 4 as well as the impugned order dated 07.06.2024 passed by the respondent no. 3.
3. Learned counsel for the petitioner submits that the petitioner is a Company and having GSTIN number. Learned counsel further submits that the petitioner received a purchase order from one M/s Telecommunication Consultant India Limited (TCIL) for delivery of batteries, UPS and its supporting parts to consignee M/s ANA Business Ventures at Lucknow. It is further submitted that the petitioner has two places of business in the State of U.P., one at

Noida and other at Lucknow, which is the principal place of business. For the aforesaid purchase order, some parts were procured from Noida unit of the petitioner; however, the invoices of the goods were only raised by the Lucknow unit of the petitioner and the delivery challan was issued to indicate that these goods were transferred from Noida to Lucknow unit of TCIL. The delivery challan was accompanying with e-way bill issued on the same date valid upto 21.03.2023. The delivery challan and the shipping address was mentioned as TCIL, while billing address was mentioned as principal office at Lucknow. It is further submitted that inadvertently, in the delivery challan, the petitioner also mentioned its own name and GST in the shipping to section, which was corrected by issuing an invoice. E-invoice was also generated by the petitioner and the same was uploaded on the e-invoice portal of the Department on 19.12.2023.

4. It is further submitted by the learned counsel for the petitioner that on 19.12.2023, at 17.37 hours, the consignment was intercepted by the Mobile Squad at Etah and the goods were detained on the ground that manual delivery challan being carried by the driver not having the signature of the official of the petitioner, which is in violation of the GST Rules. Further, the shipment address given in the document was not an additional place of business of the petitioner. On 22.12.2023, a show cause notice under section 129(3) of the GST Act was issued to the petitioner. Since the goods were routinely required, payments were made and thereafter, the goods were got released. Thereafter, an order under section 129(3) of the GST Act was passed. Aggrieved by the said order, the petitioner preferred an application, which has been dismissed by the impugned order.
5. Learned counsel for the petitioner further submits that the goods have merely been seized that the shipping address given in the document was not shown as an additional place of business of the

petitioner. It is further submitted that on the said ground, the goods cannot be seized. In support of his submissions, learned counsel for the petitioner has placed reliance on the judgement of this Court in ***M/s Sleeveco Traders Vs. Additional Commissioner & Another*** [Writ Tax No. 464/2021, decided on 17.05.2022], which has been affirmed by the Apex Court in ***Additional Commissioner Vs. M/s Sleeveco Traders*** [(2023) 8 Centax 173 (SC)] .

6. Per contra, learned ACSC supports the impugned orders and submits that the additional place of business has not been declared by the petitioner and therefore, the proceedings have rightly been initiated.
7. After hearing learned counsel for the parties, the Court has perused the record.
8. The goods in question were accompanying with the delivery challan/e-way bill. The goods were intercepted and seized on the premise that the delivery challan was not having the signature. Further, the additional place of business of the petitioner has not been declared. So far as the additional place of business is concerned, the Commissioner of State GST has issued a circular dated 17.01.2024 providing therein that the proceedings under section 129 of the GST Act cannot be initiated on the ground that the destination address is not declared as its additional place of business of the party to whom the goods are being sent. The said circular is binding upon the authorities.
9. Learned ACSC could not dispute the said fact that merely non-disclosure of place of destination in the registration cannot be a ground for seizure. No authority could be shown by the learned ACSC contrary to the same.

10. Once the goods in question is duly accompanying by e-way bill, which clearly demonstrates the genuineness of the documents and during validity of the said e-way bill, which has not been cancelled, the Department is well aware of the movement of the said goods in question and therefore, no intention to evade payment of tax can be attributed to the petitioner.

11. This Court in ***M/s Sleeveco Traders*** (supra) has held as under:-

“12. The record further reveals that the e-way bill generated by the Maharashtra party where the name of the petitioner and for delivery of the goods was to be made to the buyer of the petitioner i.e. K.R. Industries, Sandila, U.P. was specifically mentioned. In other words e-way bill clearly mentions the name of the buyer i.e. petitioner and ship to K.R. Industries, Sandila (U.P.). The e-way bill, generated by the Maharashtra party was valid up to 15.2.2020, copy of which has been filed as Annexure no. 1 to the present petition. It is not a case of the department that the goods which were coming in pursuance of the purchase order of the petitioner from Maharashtra which were to be delivered to the buyer of the petitioner i.e. K.R. Industries, Sandila, U.P. is different than the goods mentioned in the tax invoice given by the petitioner. Once the goods in question i.e. PVC Resin which was coming from Maharashtra and was to be delivered at Sandila to K.R. Industries, tax invoice on which I.G.S.T. was charged has not been disputed, therefore, no contravention of the provisions of the Act can be attributed. Once before starting the journey e-way bill was generated from Maharashtra and ending at Sandila, at the place of ultimate purchaser i.e. K.R. Industries was mentioned, it can not be said that there was any contravention of the provisions of the Act. The department was well aware of the fact that the goods in question was to be delivered at Sandila (U.P.). It is

not the case of the department at any stage that the goods which were coming from Maharashtra, the delivery of the same was taken from Transporter and the goods were unloaded in the business premises of the petitioner and thereafter the goods were again sent from the business premises of the petitioner to its ultimate buyer i.e. K.R. Industries, Sandila. Once the delivery of the goods which has not been taken by the petitioner, has not been disputed by the Revenue as well as validity of the e-way bill generated by Maharashtra party, which was valid up to 15.2.2020 i.e. the date of detention and passing of the order under Section 129 (3) of the G.S.T. Act, there cannot be any violation or contravention of the provisions of G.S.T. Act as well as the Rules framed thereunder. The purpose of Rule 138 A is that the information should be given to the department in respect of movement of the goods having value of more than Rs. 50,000/-. The Revenue has neither disputed the e-way bill generated by Maharashtra party nor the goods in question were found different than mentioned in the e-way bill of the Maharashtra party and the tax invoices issued by the petitioner. Some difference of value has been mentioned which occurs only on charges of C.G.S.T. and S.G.S.T. on the tax invoice issued by the petitioner cannot suggest any contravention of the provisions of the Act read with Rule 138 A of G.S.T. Rules. Once the valid document i.e. e-way bill was accompanying with the goods, the authorities ought to have release the vehicle.

13. On identical set of fact, the Apex Court in the case of Assistant Commissioner (S.T.) and others Vs. M/s Satyam Shivam Paper Pvt. Limited and another in Special Leave to Appeal (c) No. 21132 of 2021 decided on 12.1.2022, while dismissing the appeal of State has enhanced the cost and observed as under:-

"The analysis and reasoning of the High Court commends to us, when it is noticed that the High Court has meticulously examined and correctly found that no fault or intent to evade tax could have been inferred against the writ petitioner. However, as commented at the outset, the amount of costs as awarded by the High Court in this matter is rather on the lower side. Considering the overall conduct of the petitioner No.2 and the corresponding harassment faced by the writ petitioner we find it rather necessary to enhance the amount of costs.

Upon our having made these observations, learned counsel for the petitioners has attempted to submit that the questions of law in this case, as regards the operation and effect of Section 129 of Telangana Goods and Services Tax Act, 2017 and violation by the writ petitioner, may be kept open. The submissions sought to be made do not give rise to even a question of fact what to say of a question of law. As noticed hereinabove, on the facts of this case, it has precisely been found that there was no intent on the part of the writ petitioner to evade tax and rather, the goods in question could not be taken to the destination within time for the reasons beyond the control of the writ petitioner. When the undeniable facts, including the traffic blockage due to agitation, are taken into consideration, the State alone remains responsible for not providing smooth passage of traffic.

Having said so; having found no question of law being involved; and having found this petition itself being rather misconceived , we are constrained to enhance the

amount of costs imposed in this matter by the High Court.

The High Court has awarded costs to the writ petitioner in the sum of Rs. 10,000/- (Rupees Ten Thousand) in relation to tax and penalty of Rs.69,000/- (Rupees Sixty-nine Thousand) that was sought to be imposed by the petitioner No.2. In the given circumstances, a further sum of Rs. 59,000/- (Rupees Fifty-nine Thousand) is imposed on the petitioners toward costs, which shall be payable to the writ petitioner within four weeks from today. This would be over and above the sum of Rs. 10,000/- (Rupees Ten Thousand) already awarded by the High Court.

Having regard to the circumstances, we also make it clear that the State would be entitled to recover the amount of costs, after making payment to the writ petitioner, directly from the person/s responsible for this entirely unnecessary litigation.

This petition stands dismissed, subject to the requirements foregoing.

Compliance to be reported by the petitioners"

14. In view of above facts as stated above, the Court finds that there is neither any intention to evade the payment of tax nor any fault nor any contravention of the Act as all valid documents were accompanying with the goods as required under the Act, therefore, the proceedings initiated against the petitioner cannot sustain and are hereby quashed."

- 12.** In the case in hand, once the valid document, i.e., e-way bill, was also accompanying the goods, which has not been disputed, the

authority concerned ought not to have dragged the petitioner in an unnecessary litigation.

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

14. The writ petition succeeds and is allowed.

(Piyush Agrawal,J.)

November 17, 2025

Amit Mishra