Section 129 Penalty Cannot Be Invoked For A Typographical Error In The E-Way Bill Without Intent To Evade Tax

Case Reference:

Kamlesh Kumar v. State Tax Officer - High Court of Uttarakhand - 103 TLC(GST) 120 (Judgment dated 15-07-2026)

Facts:

The Department intercepted the petitioner's vehicle transporting aluminum roofing sheets and found that the tax invoices incorrectly mentioned the e-way bill numbers due to a typographical error. All other particulars, including the goods transported and the e-way bills carried by the driver, matched the declared documents. The petitioner contended that the mistake was an inadvertent human error covered by Clause 5 of the CBIC Circular dated 14.09.2018, which prescribes only a nominal penalty u/s 125 for such minor discrepancies. The Department itself admitted that the goods were transported in accordance with the declarations and could not establish any tax evasion or undue benefit gained by the petitioner.

Issue:

Whether a mere typographical error in the e-way bill details mentioned on the tax invoice, without any intention to evade tax or mismatch in the goods transported, justifies detention and penalty u/s 129 of the CGST/SGST Act, 2017.

Decision:

- The High Court quashed the penalty order passed u/s 129, holding:
- The discrepancy was merely a human or typographical error without any intention to evade tax, and therefore invocation of Section 129 was unwarranted.
- Relying on its earlier decision in M/s Sonal Automation Industries v. State of Uttarakhand and the CBIC Circular dated 14.09.2018, only the nominal penalty prescribed under Clause 5 of the Circular (Section 125) was leviable for such a minor discrepancy.
- The Department was directed to refund the amount deposited by the petitioner after deducting only the nominal penalty, thereby allowing the writ petition in favour of the assessee.