



**KOTTAYAM BRANCH OF SIRC OF
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Family get together – 03.02.2018





From the chairman's desk

Chairman's Message

Dear Esteemed Professional Colleagues,

The month of February is a time for change. The winter season in Kerala which began by the end of November is paving way for the summer season by the middle of this month. It is also the time for beginning of religious observance in connection with Easter and for Poojas in connection with MAHASIVARATHRI. By the end of this month our children who are studying at class X and XII level are starting to write their Board Examinations.

The main events that occurred in the month of January were the presentation of Union Budget for 2018 -19. It is true that since the inception of GST which subsumed many indirect taxes legislation into one Act, the central budget presentation has lost its past charm. However, middle class people were expecting sops on direct taxes which were not met to their satisfaction. Analysts are of the opinion that the government does not want to loosen up in this particular juncture because it is a crucial period for the economy after the enactment of GST Acts.

Signs of an economic resurgence is now coming which indeed is a welcome sign. In the post GST scenario the overall economic growth expected in Q3 is more than 7% and it gives a more optimistic picture after demonetisation and GST implementation.

The news of PNB scam is definitely to be taken as bell rung for the entire audit profession. If the standards are followed it is only a self protection for our self. But what will prevent ultimately the occurrence of fraud which is created by businessmen and those in political -economical -banking system in the country? I humbly feel a type of professional collective movement is required to face the situation. A cohesive group should attend issues perpetuating at branch levels and reporting should be based on their advices. More system tools may be developed and utilised to precipitate the data which requires the above said attention. Also the time limit for completing assignments such as bank audit may be extended.

Although it matters what I said above, I still feel that CA's in our country have done a magnificent job for the country. It may be noted that tax audit U/s 44 AB required to be done, when the T.O crosses 40 lakhs , while the provision was created early in 1988. Even after 3 decades the limit is 1.00 crore only which shows the reliance that various governments places on our profession. No system can offer such a kind of compliance from the assesses which is the outcome of the discharge of professional duties by CA's of this nation.

Sir, now with folded hands I am stepping down from the office as the Chairman of this illustrious Branch. I thank all the esteemed members for their valuable support given to us for the successful conducting of various programmes at the Branch level. I also thank the managing Committee members, staff members our Regional Council members, Central Council members for their support and guidance. I wish the new chairman Shri. M I Byju all success for his endeavors.

May Garuda the destroyer of evil
Be well disposed towards us
May he who is supremely rich of knowledge protect us

Kottayam

21/02/2018

Best Wishes
CA P ANIL
Chairman

E-WAY BILL UNDER GST

CA. P. SATHEESAN, THRISSUR

Introduction:-

Electronic Way Bill (E-Way Bill) is basically a compliance mechanism wherein by way of a digital interface the person causing the movement of goods uploads the relevant information prior to the commencement of movement of goods and generates e-way bill on the GST portal.

An e-waybill is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods.

Rule 138 of the CGST Rules, 2017 with some amendments as per notification No.3/2018 Dt.23/01/2018 provides for the e-way bill mechanism and in this context it is important to note that “every registered person who causes movements goods and the consignment value exceeds Rs.50000/- (i) in relation to supply or(ii) for reasons other than supply or (iii) due to inward supply from an unregistered persons is to be issued e way bill before commencement of such movements”.

E-Way Bill under GST:-

E-way bill is an electronic document generated on the GST portal evidencing movement of goods. It has two Components-Part A comprising of details of GSTIN of recipient, place of delivery (PIN Code), invoice or challan number and date, value of goods, HSN code, transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and reasons for transportation; and Part B comprising of transporter details (Vehicle number). As per Rule 138 of the CGST Rules, 2017, every registered person who causes movement of goods (which may not necessarily be on account of supply) of invoice value or bill of supply or delivery challan more than Rs. 50000/- is required to furnish above mentioned information in part A of e-way bill. The part B containing transport details helps in generation of e-way bill.

E-way bill is to be generated by the consignor or consignee himself if the transportation is being done in own/hired conveyance or by railways by air or by Vessel. If the goods are handed over to a transporter for transportation by road, E-way bill is to be generated by the Transporter. Where neither the consignor nor consignee generates the e-way bill and the value of goods as per the invoice/bill of supply/delivery challan is more than Rs.50,000/- it shall be the responsibility of the transporter to generate it.

Further, it has been provided that where goods are sent by a principal located in one State to a job worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment.

Also, where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration, the e-way bill shall be generated by the said person irrespective of the value of the consignment.

Generation of E-way bill:-

An e-way bill contains two parts- Part A to be furnished by the person who is causing movement of goods of value exceeding Rs.50,000/- per invoice and part B (transport details) to be furnished by the person who is transporting the goods. Where the goods are transported by a registered person

whether as consignor or recipient, the said person shall have to generate the e-way bill by furnishing information in part B on the GST common portal. Where the e-way bill is not generated by registered person and the goods are handed over to the transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in **Part A of FORM GST EWB-01**. A unique E-way Bill Number (EBN) will be available to the supplier, recipient and the transporter.

The registered person or the transporter, as the case may be, at his option generate and carry the e-way bill even if the value of consignment is less than Rs.50000/-

If the goods are moved by an unregistered person, either in his own conveyance or hired vehicle or through a transporter, he or the transporter may, at their option generate the e-way bill in **FORM GST EWB-01**

If the goods are transported for a distance of less than 10 Km within the state or Union Territory from a business place of consignor to the business place of the transporter for further transportation, the supplier or the recipient, as the case may be, the transporter may not furnish the details in **Part B of FORM GST EWB-1**

If there is any change in the Conveyance in between the movements the consigner or recipient who has provided the information in Part A of **FORM GST EWB-1** or the transporter shall before change of the conveyance and further movement of goods update the details in common portal in **FORM GST EWB-1**. Also if the distance from the transporter to the business place of consignee is less than 10 Km within the state or UT then there is no need of e way bill.

A registered person may obtain an Invoice Reference Number from the common portal by uploading, on the said portal, a tax invoice issued by him in **FORM GST INV-1** and produce the same for verification by the proper officer in lieu of the tax invoice and such number shall be valid for a period of thirty days from the date of uploading. In the above case, the registered person will not have to upload the information in Part A of FORM GST EWB-01 for generation of e-way bill and the same shall be auto populated by the common portal on the basis of the information furnished in FORM GST INV-1. (This facility is not available now in online. We can only generate the form in e-way bill portal. It may come later to fill in on line.)

The details of e-way bill generated shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill. In case, the recipient does not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.

Purpose of E-Way Bill:-

E-way bill is a mechanism to ensure that goods being transported comply with the GST Law and is an effective tool to track movement of goods and check tax evasion.

Period of validity of E-Way Bill:-

The validity of e-way bill depends on the distance to be travelled by the goods. For a distance of less than 100 Km the e-way bill will be valid for one day from the preparation of the e way bill. For every 100 Km thereafter, the validity will be additional one day from the relevant date. The "relevant date"

shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty-four hours. In general, the validity of the e-way bill cannot be extended. However, Commissioner may extend the validity period only by way of issue of notification for certain categories of goods which shall be specified later.

Further, if under circumstances of an exceptional nature, the goods cannot be transported within the validity period of the e-way bill, the transporter may generate another e-way bill after updating the details in **Part B of FORM GST EWB-01**.

Cancellation of E-Way Bill:-

Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the e-way bill. However, an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B of the CGST Rules, 2017. The facility of generation and cancellation of e-way bill will also be made available through SMS.

Finer Points:-

An e-way bill has to be prepared for every consignment where the value of the per invoice exceeds Rs.50,000/-. Where multiple consignments of varying values (per consignment) are carried in a single vehicle, e-way bill needs to be mandatorily generated only for those consignments whose invoice value exceeds Rs.50,000/-. This does not however preclude the consignor/consignee/transporter to generate e-way bills even for individual consignments whose value is less than Rs.50000/- per consignment. For multiple consignments being carried in the same vehicle, the transporter has to prepare a consolidated e-way bill by indicating serial number of each e-way bill, on the common prior to commencement of transport of goods.

The person in charge of a conveyance has to carry the invoice or bill of supply or delivery challan, as the case may be; and a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner. However, where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill : (a) Tax invoice or bill of supply or bill of entry; or (b) A delivery challan, where the goods are transported for reasons other than byway of supply.

It is also be noted that the Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Device prior to the movement of goods.

E-Way bill to be issued whether for supply or otherwise:-

E-way bill is to be issued irrespective of whether the movement of goods is caused by reasons of supply or otherwise. In respect of transportation for reasons other than supply, movement could be in view of export/import, job-work, recipient not known, line sales, sales returns, exhibition or fairs, for own use, sale on approval basis etc. But even now it is not clear how the e-way bill be used for

the VAN sales, may we can use the line sales provisions for this. As per the SGST Rules of Kerala even now it is said that the old method of stock register with the stock details has to follow.

Exceptions to e-way bill requirement:-

No e-way bill is required to be generated in the following cases:

(a) Transport of goods as specified in Annexure to Rule 138 of the CGST Rules, 2017; (b) goods being transported by a non-motorised conveyance; (c) goods being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; (d) in respect of movement of goods within such areas as are notified under Rule 138(14)(d) (of the SGST Rules, 2017 of the concerned State; and Consignment value less than Rs. 50,000/-); (e) where the goods, other than de-oiled cake, being transported are specified in the Schedule appended to notification No. 2/2017- Central tax(Rate) dated the 28 June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i) vide number G.S.R 674(E) dated 28 June, 2017 as amended from time to time; (f) where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel; and (g) where the goods being transported are treated as no supply under Schedule III of the Act.

Documents and devices to be carried by a person-in-charge of a conveyance:-

The person in charge of the conveyance shall carry (a) the invoice or bill of supply or delivery challan, as the case may be; and (b) a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification device embedded on to the conveyance as may be notified by the Commissioner.

The Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Device prior to the movement of goods.

The Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill-(a) tax invoice or bill of supply or bill of entry; or (b) a delivery challan, where the goods are transported for reasons other than by way of supply.

Consequences of non-conformance to E-way bill rules:-

If e-way bills, wherever required, are not issued in accordance with the provisions contained in Rule 138 of the CGST Rules, 2017, the same will be considered as contravention of rules. As per Section 122 of the CGST Act, 2017, a taxable person who transports any taxable goods without the cover of specified documents (e-way bill is one of the specified documents) shall be liable to a penalty of Rs.10,000/- or tax sought to be evaded (wherever applicable) whichever is greater. As per Section 129 of CGST Act, 2017, where any person transports any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the rules made there under, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure.

Enforcement:-

The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intra-State movement of goods.

The physical verification of conveyances may also be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf. Physical verification of a specific conveyance can also be carried out by any officer, on receipt of specific information on evasion of tax, after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.

A summary report of every inspection of goods in transit shall be recorded online by the proper officer in **Part A of FORM GST EWB-03** within twenty-four hours of inspection and the final report in Part B of FORM GST EWB-03 shall be recorded within three days of such inspection.

Once physical verification of goods being transported on any conveyance has been done during transit at one place within the State or in any other State, no further physical verification of the said conveyance shall be carried out again in the State, unless a specific information relating to evasion of tax is made available subsequently.

Where a vehicle has been intercepted and detained for a **period exceeding thirty minutes**, the transporter may upload the said information in **FORM GST EWB-04** on the common portal.

Conclusion:-

The e-way bill provisions aim to remove the ills of the erstwhile way bill system prevailing under VAT, which was a major contributor to the bottlenecks at the check posts. Moreover different states prescribed different e-way bill rules which made compliance difficult. The e-way bill provisions under GST will bring in a uniform e-way bill rule which will be applicable throughout the country. The physical interface will pave way for digital interface which will facilitate faster movement of goods. It is bound to improve the turnaround time of vehicles and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs. Also the professional has to take care for the proper preparation of e way bills of their clients. Even though it is implemented from 1st February 2018 now it is optional and with effect from 1st April 2018 it will be mandatory as per the present information.

Views expressed are the personal views of the author

SEMINAR ON UNION BUDGET 2017 – 09.02.2018



CA. B. Ganesh Prabhu speaking



CA. P. Anil, Chairman, speaking



Cross section of the audience