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Insights Education

Exceptional Education. Exceptional Value.

FINAL – May 2020

[As per Revised Syllabus – Old & New

Scheme]



Insights Education

Exceptional Education. Exceptional Value.

GST (Vol 2) & Customs

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Law stated in this book is as amended upto 31st October, 2019

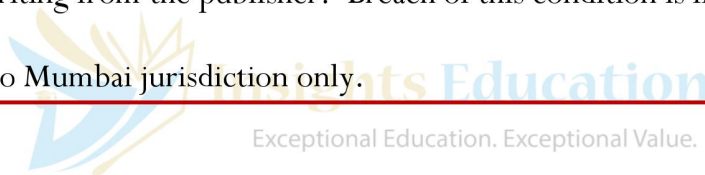
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Preface

From “Indirect taxes” to “Indirect tax” – GST has been a paradigm shift in the field of Taxation. Indirect tax is often thought as one of the core branches of Taxation – specifically, after introduction of GST.

The current trend of evaluating the skills of the examinees is changing from theory - oriented questions to objective / scenario type questions, which tries to gauge the analytical and conceptual skills of the examinees.

One of the first things that attract everyone's attention is the excellent presentation in a clear logical and concise manner involving tabular summaries, charts. The present work is an extract of the knowledge gained by the experience of successful classroom teaching of this subject with utmost devotion. Students will find it highly useful as a comprehensive summary along with question manual. The objective of this book is to provide a fine balance between analytical abilities and quantitative skills. Simple language, systematic introduction of concepts, variety of solved problems and easy to grasp charts are some of the features of this book.

Your approach towards this book

You should first read the summary and the charts associated therewith and mark those charts which are important for you on the last day for revision.

Then, you should try and solve the questions (BEFORE reading the solutions). Mark those questions in which you make error.

It is also advisable to have an ABC approach while you are solving questions [“A” being easiest and “C” being toughest]. Re-do all “C” based questions in your revision and on last day.

Your approach towards studies

It is advisable that you refer Study Module and Bare Act before reading this book. This book is not a replacement for Study Module / Bare Act.

Students should study & prepare for the worst so that worse looks easy. Remember :: Success is sweet, but the secret is sweat.

Any suggestions towards further improvement of this book will be grateful acknowledged and highly appreciated.

Do connect with me on ca.insightsedu.in@gmail.com for any queries.

I wish the students all the best !!

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Chapter 20 – E – Way Bill [Section 68 and Rule 138]

CGST Act	
Section	Summary
68	<u>Inspection of goods in movement</u>
CGST Rules	
Rule 138	<u>Generation of EWB</u>
Rule 138A	<u>Documents & Devices to be carried by PIC</u>
Rule 138B	<u>Verification of documents & conveyance</u>
Rule 138-C	<u>Inspection & verification of goods</u> • <i>Summary Report :within 24 hours</i> • <i>Detailed Final Report : within 3 days (+ Extension of 3 days)</i> • <i>In general, once goods in conveyance has been verified, no second verification will be done.</i> • <i>However, if there is any specific information as to tax evasion, then it can be checked</i>
Rule 138-D	<u>Transporter can upload information – if detained for more than 30 minutes</u>

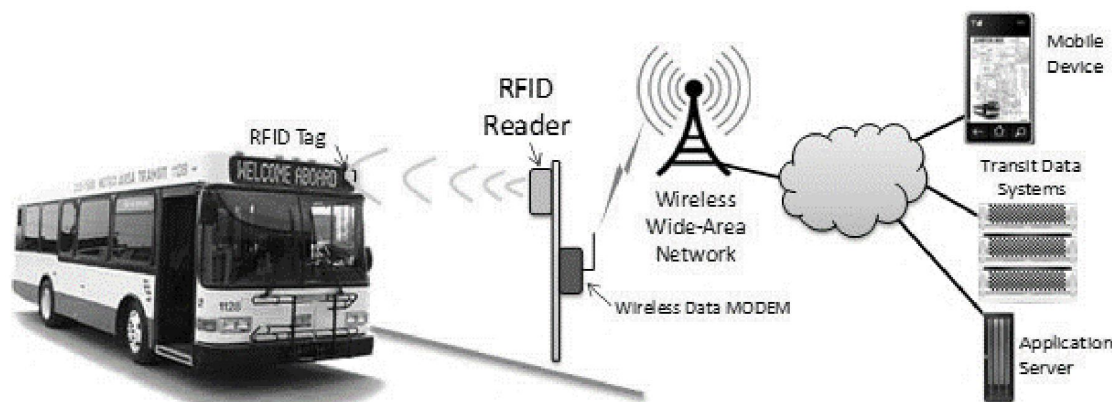
Significance of E-way bill

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

PIC (person-in-charge) of a conveyance = Transporter carrying consignment of goods

Such PIC when carrying goods of value more than Rs 50,000 shall carry with him following:

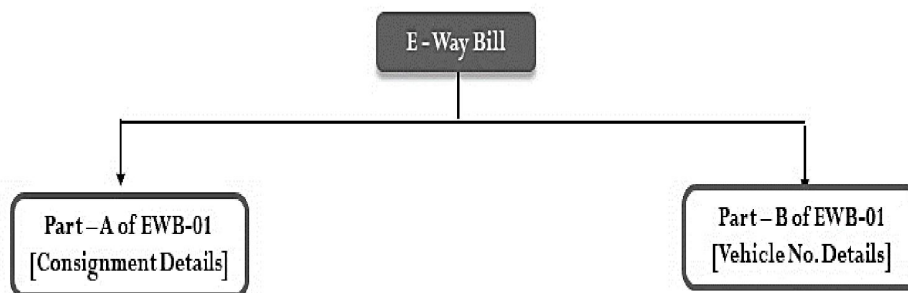
- ➔ **Documents = E-way Bill + Invoice/ Bill of Supply / Delivery Challan**
 - **Inter-State Movement: Central EWB**
 - **Intra-State Movement: State EWB -- All States have also introduced EWB provisions.**
 - **Intra-UT Movement: UT EWB -- All UTs have also introduced EWB provisions.**
- ➔ **Devices = RFID Reader (Radio Frequency Identification Reader) – RFID is to be embedded onto the conveyance**



Reason for introduction of EWB:

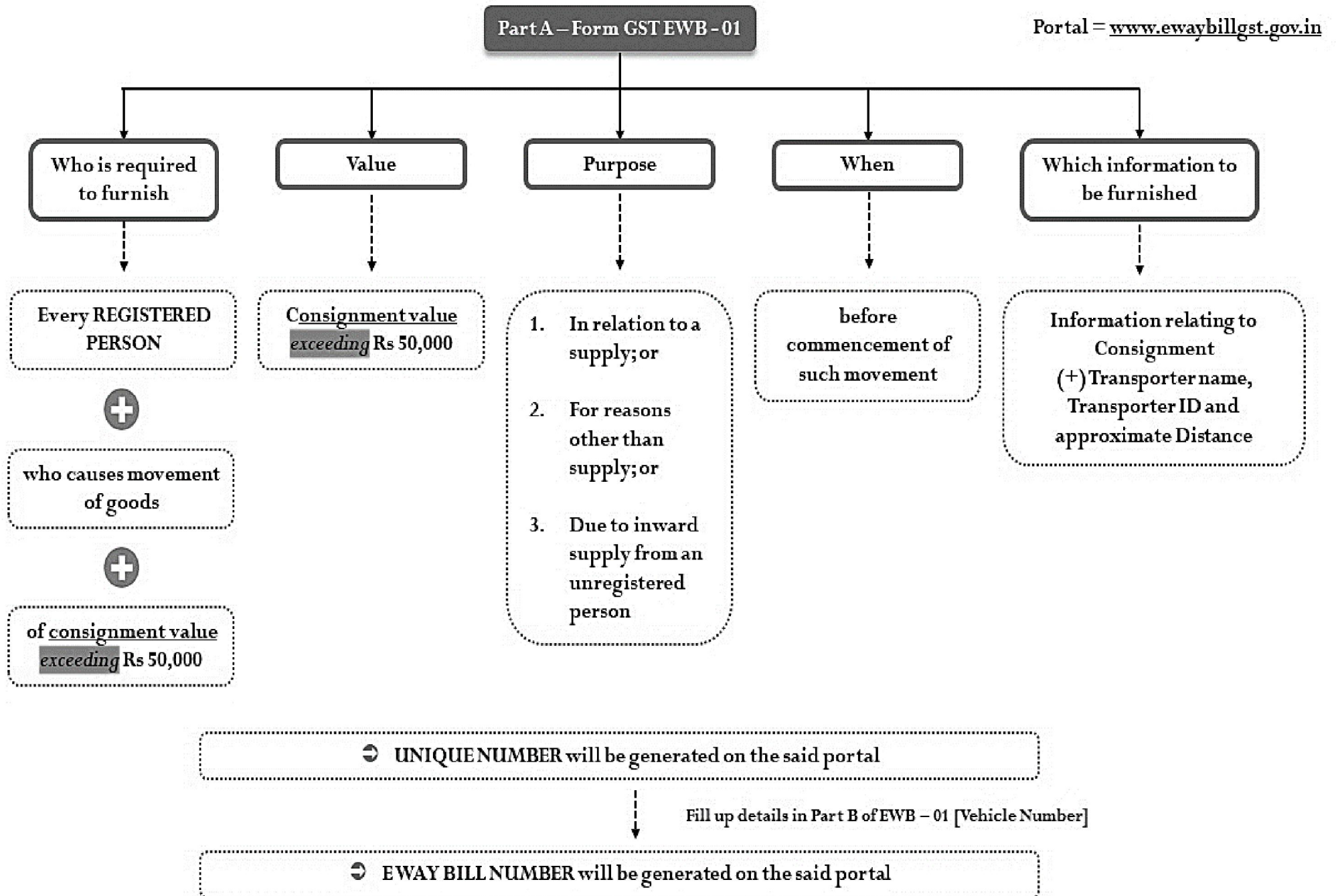
- Suppose, Mr A sends a consignment of goods raising invoice. The invoice accompanying the transport is one issued by the assessee, over which the assessee has absolute control and could be subject to manipulation.
- The assessee having transported the goods with invoice, can tear up the invoice if the transport is undetected in-transit, as also issue an invoice with the same number for the next transport. The intimation regarding the transport of goods to the GST Authorities is not achieved by the mere issuance of an invoice under Section 31. This would be achieved only if there is a declaration under Section 138 and there is no diversion of the goods.
- EWB is meant to create a contemporaneous trail of movement so that it can be verified later as to how the same has been declared as supply or not. Use of EWB limits any possibility of fictitious transactions being recorded or included after lapse of time.
- It shall be noted that EWB is an additional document and not a substitute for Tax Invoice, delivery challan or any other prescribed document for the said transaction.

E-way Portal	www.ewaybillgst.gov.in Common GST Electronic Portal for furnishing E - Way bill
Effective date	1-4-2018 [Note :: Rule 138(7) is not yet effective]



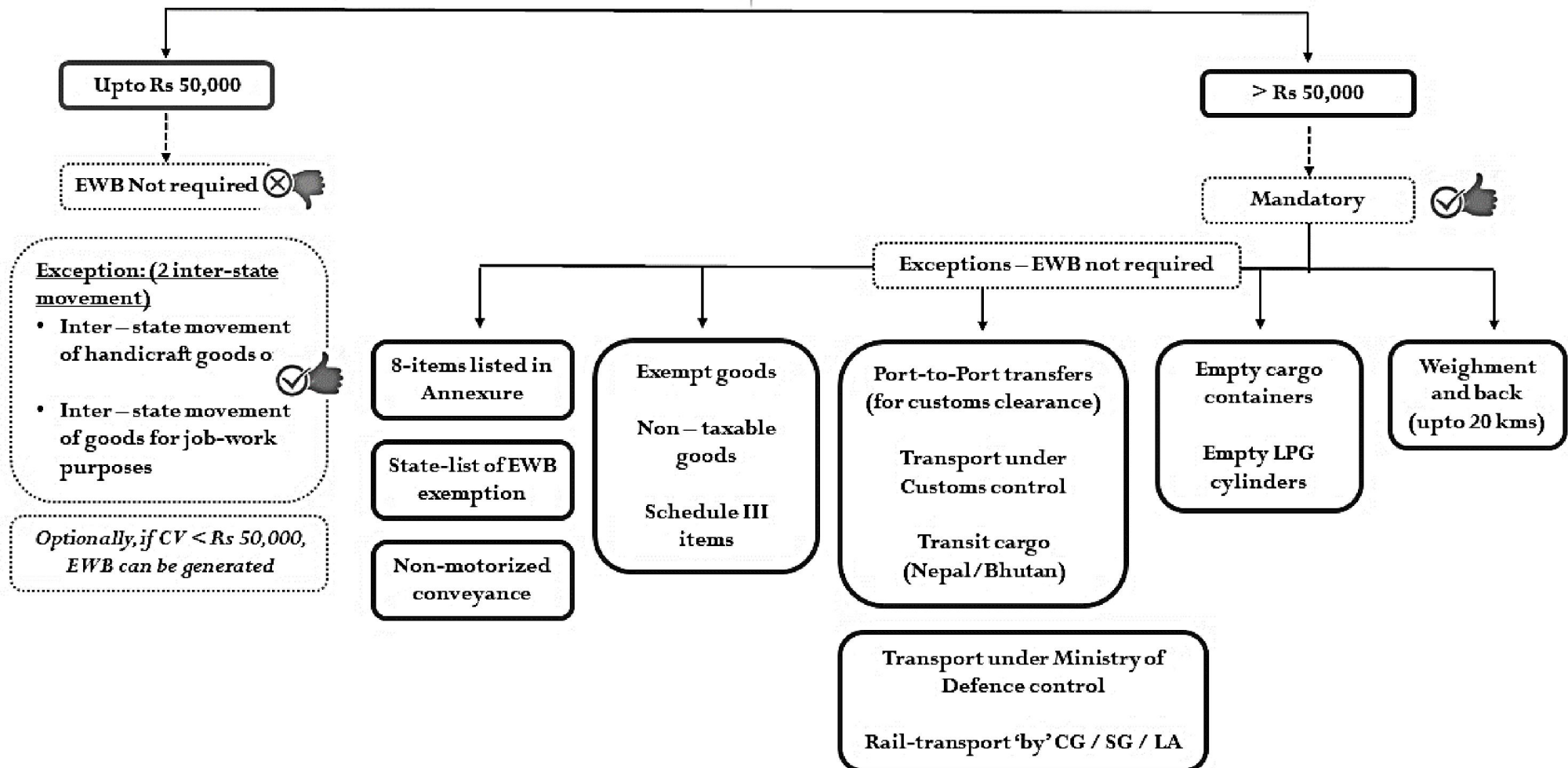
1	Transaction Type	Outward or Inward
2	Transaction Sub type	Select Either of --- Supply, Export/Import, Job Work, SKD/CKD, Recipient Not Known, For Own Use, Exhibition or Fairs, Line Sales, or Others
3	Document Type	Select Either of --- Tax Invoice, Bill of Supply, Bill of Entry, Delivery Challan, or Others
4	Document No.	
5	Document Date	
6	Bill From	Name, GSTIN, State
7	Dispatch From	Address, Place, PIN Code, State
8	Bill to	Name, GSTIN, State
9	Ship to	Address, Place, PIN Code, State
10	Item Details	Product Name, Description, HSN, Quantity, Unit, Value, Tax Rate, Tax Amount, Total Invoice Value
11	Transportation Details	Transporter Name, Transporter ID, Approximate Distance (in KM)

1	Truck No	Vehicle Number for Road
2	Document details	Transport Document Number indicates Goods Receipt Number or Railway Receipt Number issued by railways or Airway Bill Number or Bill of Lading Number



Consignment Value

Value determined as per section 15 [declared in an invoice, a bill of supply or a delivery challan]	
(+)	GST & GST Cess charged
(-)	Value of EXEMPT SUPPLY of goods, if the invoice is issued in respect of both exempt and taxable supply of goods



Information to be furnished prior to commencement of movement of goods and generation of e-way bill [Rule 138]

Who is required to furnish	⇒ Every REGISTERED PERSON <u>who causes movement of goods</u> of consignment value exceeding Rs 50,000
Value	⇒ of CONSIGNMENT VALUE <u>exceeding</u> Rs 50,000
Purpose	1) In relation to a supply; or 2) For reasons other than supply; or 3) Due to inward supply from an unregistered person
When	⇒ before commencement of such movement
Which information to be furnished	⇒ information relating to Goods / Consignas specified in Part A of FORM GST EWB-01 (+) Transporter name, Transporter ID and approximate Distance
→ a unique number will be generated on the said portal	
⊙ E-way bill (EWB) shall be in two parts - Part A and Part B. ⊙ Information relating to the said goods is required to be furnished in Part A of FORM GST EWB-01 along with such other information as may be required on the common portal. ⊙ Part-A slip = Part-A Slip is a temporary number generated after entering all the details in PART-A. This can be shared or used by transporter or RP later to enter the PART-B and generate the EWB. Thus, Part-B details convert the Part-A slip into EWB. ⊙ After furnishing of such information, a unique number is generated on the said portal. This number remains valid for a period of 15 days for filling details of Part B [Rule 138(9)]	

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When generation of EWB is compulsory regardless of consignment value

When EWB is required to be generated mandatorily	Where goods are sent • by a PRINCIPAL located in one State or UT • to a JOB WORKER located in any other State or UT → EWB shall be generated either by the principal or the job worker, if registered
	Where handicraft goods are transported • from one State or UT to another State or Union territory • by a person who has been exempted from the requirement of obtaining registration u/s 24 [CTP], → EWB shall be generated by the said person.

Points to note

EWB is required even for transactions which may or may not amount to supply at all.

[Thus, EWB will be required for (a) Sending cranes, bulldozers, cement mixers to site (b) Sending construction material to and from site (c) Own use elsewhere (d) Exhibition and fair]

EWB is required even if transaction amounts to supply of goods or supply of services

Movement of goods (intra – state or inter – state) determines the nature of EWB – not nature of Supply (intra – state supply or inter – state supply)

Supply by DTA Unit to SEZ unit within same State = Inter-state supply, but involving intra-state movement of goods

[Applicable EWB = State EWB – Notification under SGST Law of the respective State to determine the requirement of generation of EWB]

Who would prepare EWB

The information in Part A can be furnished by the:

- *Registered person (Supplier or Recipient); or*
- *Transporter (on an authorization received from the registered person); or*
- *By an ECO or Courier agency on an authorization from the consignor where the goods to be transported are supplied through them.*

Mode of Transportation		Person causing movement	Note
Road	Own conveyance	Supplier (RP)	Supplier will fill Part A and Part B details. EWB generated by S
	Hired conveyance or Public conveyance	Recipient (RP)	Recipient will fill Part A and Part B details. EWB generated by R

Mode of Transportation		Person causing movement	Note
Rail Airway Vessel		Supplier (RP)	Supplier will fill Part A and Part B details. EWB generated by S
		Recipient (RP)	Recipient will fill Part A and Part B details. EWB generated by R

However, where the goods are transported by railways, the railways shall not deliver the goods unless EWB is produced at the time of delivery.

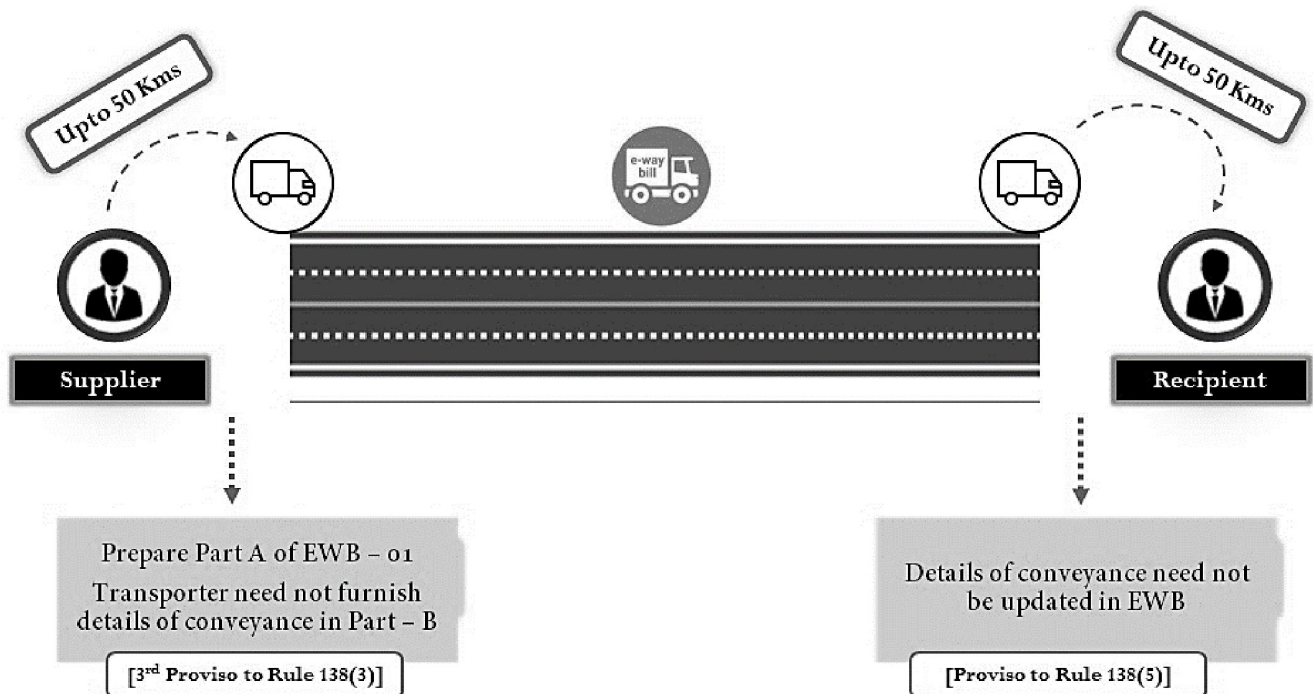
Mode of Transportation		Person causing movement	Note
Road	Transporter (GTA)	Supplier (RP) <i>(whether Recipient is RP or URP)</i>	Supplier will fill Part A details. Transporter will fill Part B details. EWB generated by Transporter
		Recipient (RP) <i>(whether Supplier is RP or URP)</i>	Recipient will fill Part A details. Transporter will fill Part B details. EWB generated by Transporter
		Supplier (URP) (to a RP)	Recipient will fill Part A details. Transporter will fill Part B details. EWB generated by Transporter <i>Explanation 1 to Rule 138(3): Where the goods are supplied by an unregistered supplier to a registered recipient, the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods.</i>



		In any other case <i>S (URP) to R (URP)</i> <i>R (URP) to S (URP)</i> <i>R (URP) to S (RP)</i>	E-way bill not required; <i>However, the supplier has an option to generate EWB under “citizen” option on the e-way bill portal</i>
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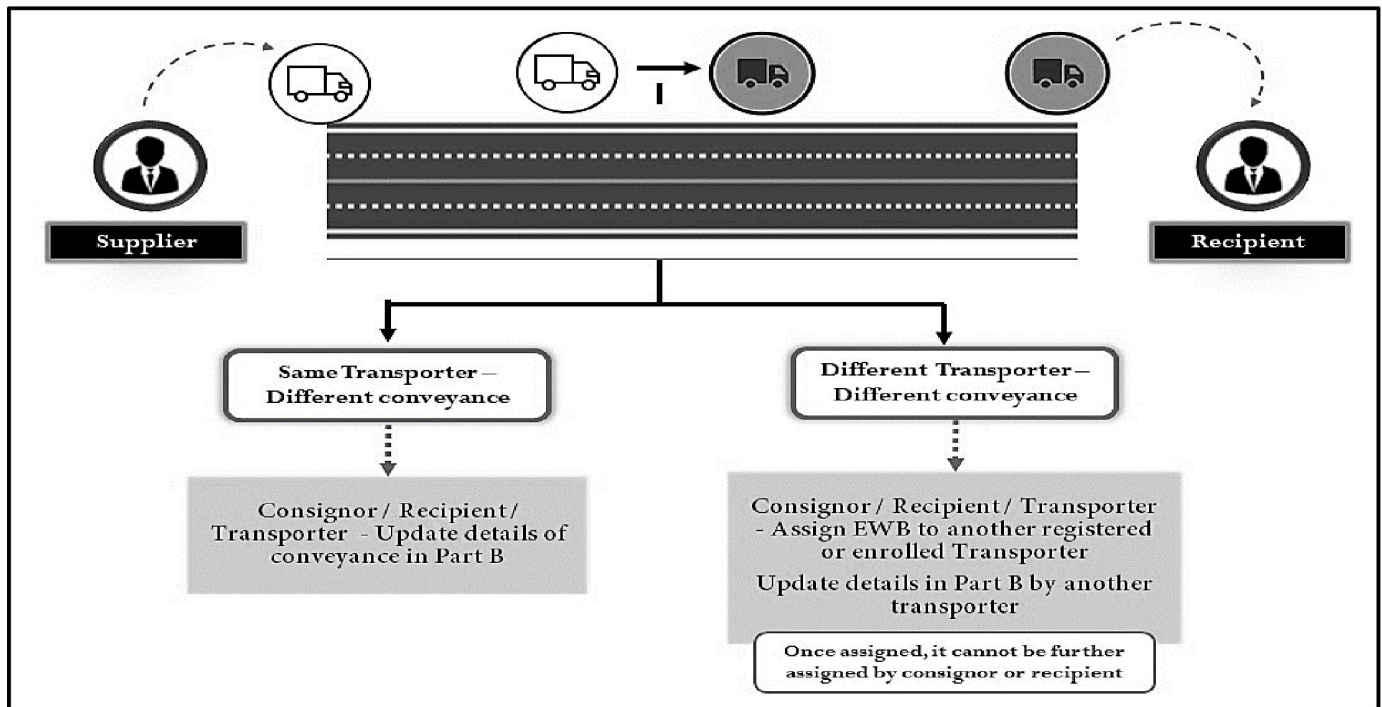
- *RP (consignor / consignee) may authorize transporter to fill Part A of EWB on his behalf.*
- *RP (consignor / consignee) may authorize Courier Agency/ ECO to fill Part A of EWB on his behalf.*
- *EWB is generated after furnishing the details of conveyance in PART B of EWB-01 and a unique EWB number (EBN) is made available to the supplier, the recipient and the transporter on the common portal.*

When details of conveyance in Part B is not required to be furnished:

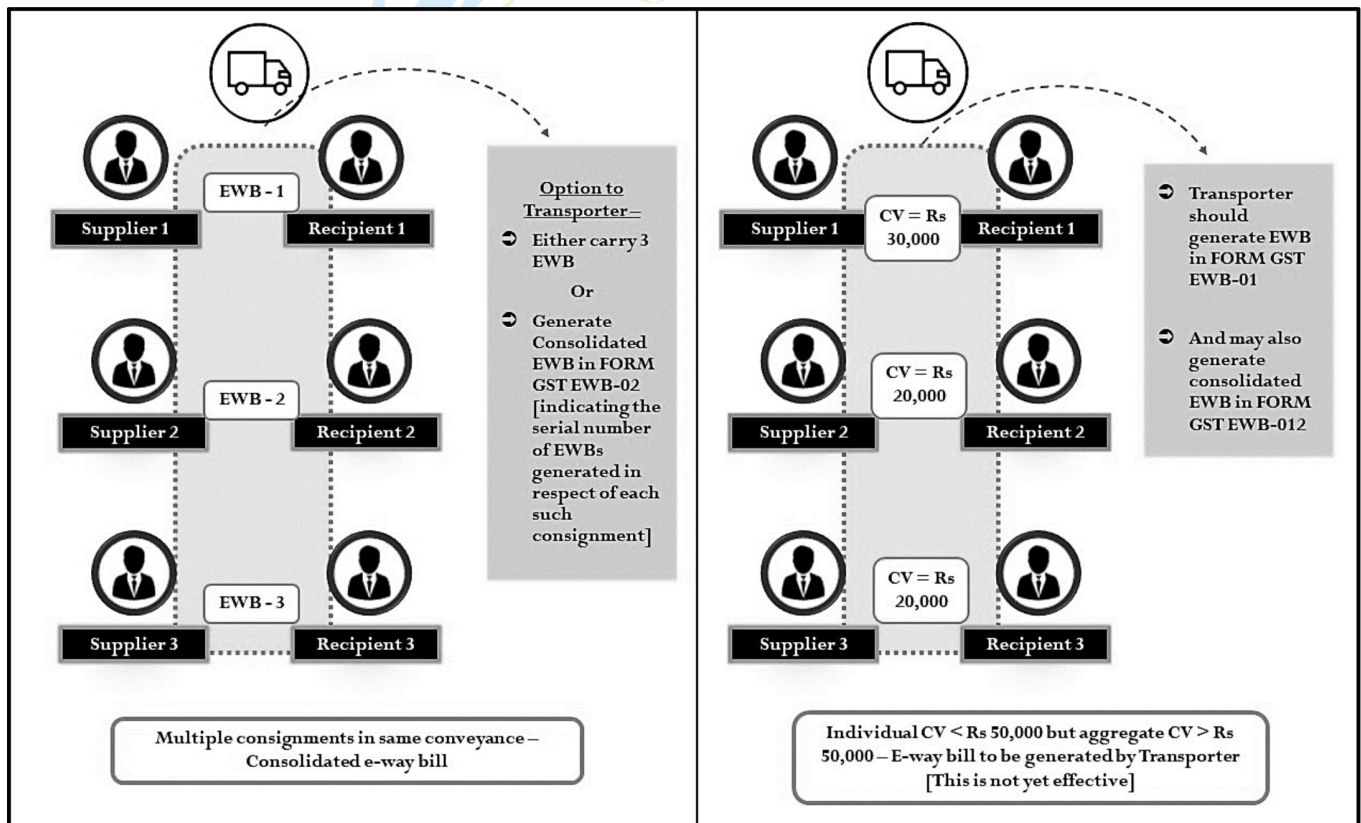


EWB shall not be valid for movement of goods by road unless the information in Part-B of FORM GST EWB-01 has been furnished except in the case of movements as mentioned above

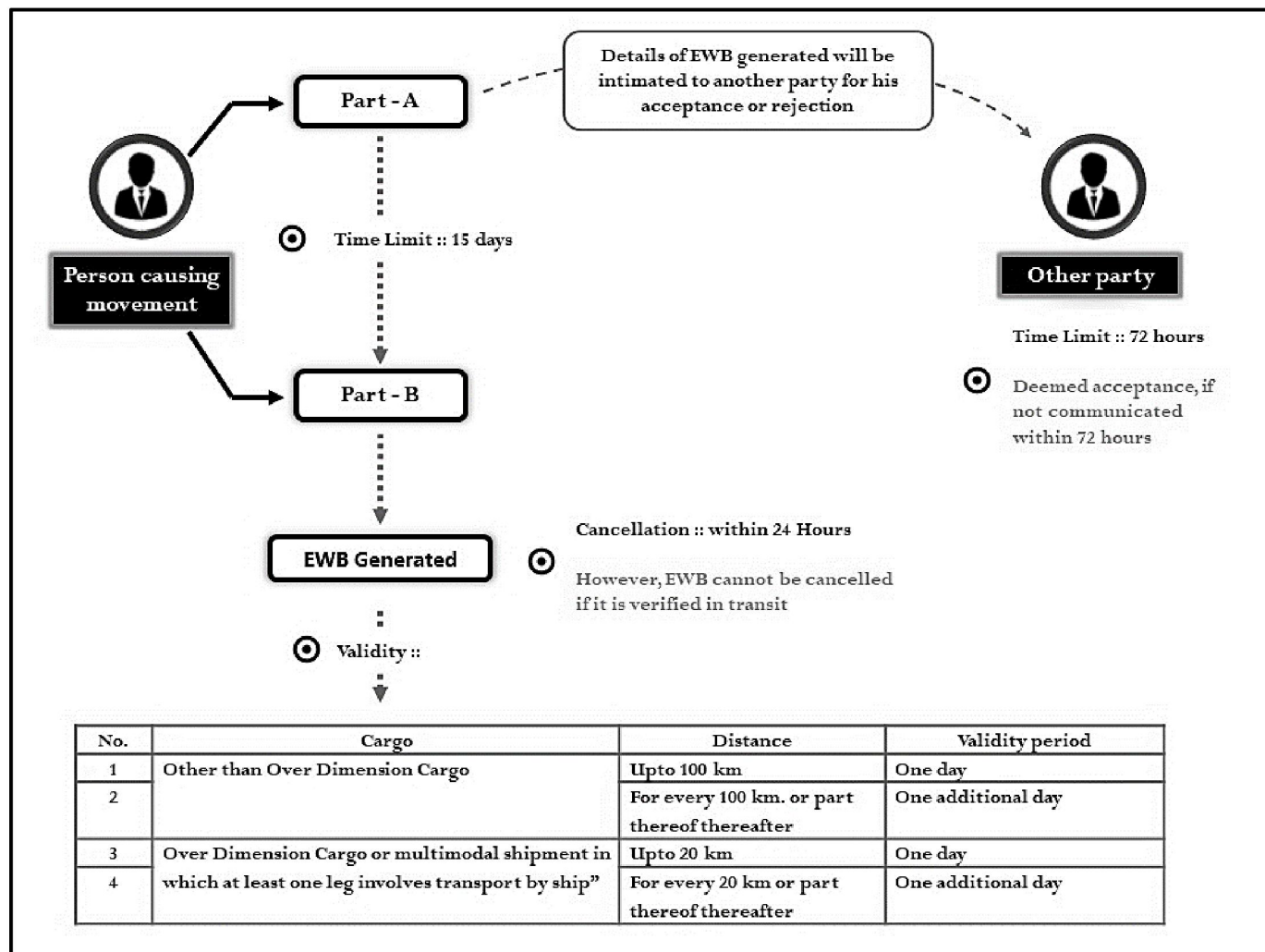
Transfer from one conveyance to another – details to be furnished:



Transportation of multiple consignments in one conveyance



Intimation to other party / Validity for Part A / Cancellation / Validity of EWB ::



Relevant Date	‘Relevant date’ = Date on which the e-way bill has been generated ⦿ and each day shall be counted from the time at which the e-way bill has been generated ⦿ and each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill.			
Illustration -				
<u>Generation of EWB</u>	<u>Day</u>	<u>Time</u>	<u>Expiry of validity period of First day</u>	<u>Expiry of validity period of Second day</u>
Situation 1	14th March	4:00 am	15 th March midnight	16 th March midnight
Situation 2	14th March	11:58 pm.	15 th March midnight	16 th March midnight
Extension of validity period	⇒ Commissioner may extend the validity period of EWB for certain categories of goods as specified in notification, on recommendation of the Council			
Extension of Validity period: by Transporter	⇒ Transporter may extend the validity period of EWB in case of transshipment or circumstances of exceptional nature – by updating EWB (Part B)			
Over Dimensional Cargo (ODC)	ODC is a cargo that protrudes outside the loading deck of the vehicle transporting the cargo.			

	⇒ If a truck with loading platform length of 20 feet is loaded with cargo like TMT bars of length 22 feet, then the TMT bars qualifies as Over-Dimension Cargo. If the same TMT bars were loaded on a vehicle with platform length of 22+ feet, it would have been classified as Normal Cargo rather than ODC.
Validity of EWB	⇒ May be extended within 8 hours from the time of its expiry. ⇒ EWB generated shall be valid across India
Validity of consolidated EWB	⇒ Consolidated EWB does not have any independent validity period. ⇒ However, individual e-way bills in the consolidated EWB should reach the destination as per its validity period.

Portal Registration ::

- ⊙ Registration on www.ewaybillgst.gov.in is not to be understood as a registration u/s 22 of the CGST Act.
- ⊙ It may also be noted that a registration u/s 22 does not automatically create a registration on this portal.
- ⊙ Persons who are already registered u/s 22 are required to register on this portal.

Transporter generating EWB (based on authorization received from RP)

- a) Transporter already registered under GST (having GSTIN): He shall enroll on EWB portal.
- b) Transporter already not registered under GST (not having GSTIN): He shall enroll on EWB portal. TRANSIN (TRANSPORTER Identification Number – 15 digit unique number) shall be assigned to him.
TRANSIN is 15 digits number on similar lines with GSTIN and it is based on state code, PAN and Check digit.
This can be shared by transporter to his clients to enter this number while generating e-way bill

It is advisable for every GSTIN-holder to obtain an enrolment with a TRANSIN ID. This will help in modifying information in Part B of the EWB if and when required, to obtain extension of validity in case of bona fide delay, and most importantly, reporting detention.

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Bar on EWB Facility for Return-default ::

- ⊙ *Where composition taxable person or those availing the benefit of notification No. 02/2019 fails to furnish the statement in FORM GST CMP - 08 for 2 consecutive quarters and a regular taxable person fails to file returns for 2 consecutive two months, the facility of generating EWB will be barred (Rule 138E).*
- ⊙ *Please note that bar on EWB facility will not follow any procedure of giving notice and conducting a hearing.*
- ⊙ *After EWB facility is barred, an application in FORM GST EWB-05 may be made by the registered person requesting to allow this facility and order permitting/rejection the application would be issued in FORM GST EWB-06 following a procedure of personal hearing.*

Documents/devices to be carried by a person-in-charge of a conveyance [Rule 138A] ::

- ⦿ PIC of conveyance shall carry Invoice or Bill of supply or Delivery challan; and Copy of EWB in physical form or EWB number in electronic form or mapped to a RFID embedded on to the conveyance
- ⦿ In case of imported goods, it shall also carry a copy of Bill of Entry (Further, number and date of Bill of Entry shall also be declared in Part A of EWB-01
- ⦿ Requirement to carry EWB - copy or number shall not apply in case of movement of goods by rail or by air or vessel.
- ⦿ RP may obtain an Invoice Reference Number from the common portal by uploading, a tax invoice issued by him in FORM GST INV-1. This can be produced for verification by PO in lieu of tax invoice. Such number will be valid for a period of 30 days from the date of uploading.
- ⦿ Where RP uploads invoice, Part A of Form EWB – 01 will be auto – populated [on the basis of the information furnished in FORM GST INV-1]
- ⦿ Commissioner may, by notification, require a class of transporters to obtain a unique RFID Device and get it embedded on to the conveyance and map the e-way bill to device prior to movement of goods
- ⦿ Commissioner may, by notification, require PIC of conveyance to carry tax invoice or bill of supply or bill of entry or delivery challan instead of the e-way bill.

Verification of documents and conveyance [Rule 138B] ::

- ⦿ Commissioner / Officer empowered by him may authorize PO to intercept any conveyance to verify EWB in physical or electronic form for all inter-State movement of goods
- ⦿ Commissioner shall get RFID readers installed at places where verification of movement of goods is required to be carried out. Verification to be done through such device readers where EWB has been mapped with RFID device.
- ⦿ Physical verification of conveyance should be carried out by PO. It can be carried out by any other officer (after obtaining necessary approval of the Commissioner or an officer authorised by him) on receipt of specific information on evasion of tax

Inspection and verification of goods [Rule 138C] ::

- ⦿ PO shall prepare (Online) a SUMMARY REPORT of Inspection within 24 hours in Part A of FORM GST EWB-03 and FINAL REPORT in Part B of FORM GST EWB-03 within 3 days of such inspection. Where the circumstances so warrant, time limit for preparing Final Report can be further extended for 3 days

Time limit of 24 hours / 3 days will start from midnight of date of interception.
- ⦿ Once physical verification of goods on any conveyance has been done during transit, it should not be physically verified again unless a specific information relating to evasion of tax is made available subsequently.

Facility for uploading information regarding detention of vehicle [Rule 138D] ::

- ⦿ In case a vehicle has been intercepted and detained for a period exceeding 30 minutes, the transporter may upload the said information in FORM GST EWB-04 on the common portal.
- ⦿ Once physical verification of goods on any conveyance has been done during transit, it should not be physically verified again unless a specific information relating to evasion of tax is made available subsequently.

Leasing of parcel space in railways – Railways not liable

- ⦿ For the purpose of this Chapter, the expressions 'transported by railways' transportation of goods by railways 'transport of goods by rail' and 'movement of goods by rail' does not include cases where leasing of parcel space by Railways takes place.

Common Enrolment Number for Transporter [Rule 58(1A)]

- ⦿ Transporter who is registered under GST in more than one State or UT with the same PAN may apply for a Unique Common Enrolment Number in E-way bill system by submitting the details in FORM GST ENR-02 using any one of GSTINs.
[Common enrolment number is valid throughout the country]
- ⦿ This common enrolment number can be used by the tax payer in the e-way bill system and use it as Transporter-number in the e-waybill system. Once the transporter has obtained a unique common enrolment number, he cannot use any of the GSTIN for the purposes of e-way bill generation or updation of Transporter number in the e-way bills.
- ⦿ Transporter needs to communicate this common enrolment number to his clients for updating as transporter number while generating e-way bills.

Reason :: One of the requests of the transporters was that they have to be allowed to use one registration number for updation of e-way bills throughout the country. That is, once the e-way bill generated with one of GSTIN of its company, the system should enable to update the Part-B using any of their GSTINs without again updating the transporter number. Hence, the Rule 58A has been inserted.

Circular No. 47/21/2018-GST Dated: 8th June, 2018

Clarification on certain issues relating to EWB

In case of transportation of goods by railways, whether goods can be delivered even if the e-way bill is not produced at the time of delivery?

- ⊙ **Clarification:** As per proviso to rule 138(2A) of the CGST Rules, 2017, the railways shall not deliver the goods unless the e-way bill is produced at the time of delivery.

Whether e-way bill is required in the following cases-

- (i) Where goods transit through another State while moving from one area in a State to another area in the same State.
 - ⊙ **Clarification:** It may be noted that e-way bill generation is not dependent on whether a supply is inter-State or not, but on whether the movement of goods is inter-State or not. Therefore, if the goods transit through a second State while moving from one place in a State to another place in the same State, an e-way bill is required to be generated.
- (ii) Where goods move from a DTA unit to a SEZ unit or vice versa located in the same State.
 - ⊙ **Clarification:** Where goods move from a DTA unit to a SEZ unit or vice versa located in the same State, there is no requirement to generate an e-way bill, if the same has been exempted under rule 138(14)(d) of the CGST Rules

Circular No. 61/35/2018-GST Dated: 4th Sept, 2018

Clarification on certain issues relating to E-way bill in case of storing of goods in godown of transporter

Storing goods in godown of transport after goods reach destination

- In some cases, the recipient uses godown of transporter for storage of goods after goods reach destination. This may be for reasons like want of storage space or weak financial position.
- In such cases, the recipient should declare the place of godown as additional place of business.
- EWB is required for storing goods in transporter's godown.
- The delivery of goods will be deemed to be terminated when goods reach the godown of transporter. Thus, the e-way bill will expire.
- When goods are transported from place of transporter to the place of recipient, fresh e-way bill is required (as such transport cannot be on basis of earlier e-way bill). Transporter to maintain records as warehouse – keeper. Recipient taxpayer also to maintain records

Interception of conveyance for inspection of goods in movement, and detention, release and confiscation of such goods and conveyance – procedure

Motor Vehicle carrying multiple consignments – few are without EWB

⇒ Only consignments without EWB shall be liable to detention and seizure.

Illustration:

A conveyance carrying 25 consignments is intercepted.

PIC of such conveyance produces valid EWB [+ other relevant documents] for 20 consignments, but is unable to produce the same with respect to the remaining 5 consignments,

Then, detention / confiscation can be made only with respect to the 5 consignments and not 25 consignments.

Circular No. 64/38/2018-GST Dated 14th Sep, 2018

Consequences as to non-conformance to EWB provision

⇒ 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 (1) (xiv) 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 thereunder, 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.

Errors not leading to detention:

- Spelling mistakes in the name of the consignor or the consignee but the GSTIN, wherever applicable, is correct;
- Error in the pin-code but the address of the consignor and the consignee mentioned is correct, subject to the condition that the error in the PIN code should not have the effect of increasing the validity period of the e way bill;
- Error in the address of the consignee to the extent that the locality and other details of the consignee are correct;
- Error in one or two digits of the document number mentioned in the e-way bill;
- Error in 4 or 6 digit level of HSN where the first 2 digits of HSN are correct and the rate of tax mentioned is correct;
- Error in one or two digits/characters of the vehicle number.

⇒ Officers can levy penalty upto Rs. 500 CGST + Rs 500 SGST u/s 125 in FORM GST DRC-07.

⇒ Officer should a record of all such consignments where proceedings u/s 129 have not been invoked in view of the situations listed above to his controlling officer on a weekly basis.

Interception of conveyance for inspection of goods in movement, and detention, release and confiscation of such goods and conveyance – procedure

E-way Bill in case of 'Bill To Ship To' Model Exceptional Education. Exceptional Value.

In a "Bill To Ship To" model of supply, there are three persons involved in a transaction, namely:

'A' is the person who has ordered 'B' to send goods directly to 'C'.

'B' is the person who is sending goods directly to 'C' on behalf of 'A'.

'C' is the recipient of goods.

In this complete scenario. two supplies are involved and accordingly two tax invoices are required to be issued:

Invoice -1: which would be issued by 'B' to 'A'.

Invoice -2: which would be issued by 'A' to 'C'.

It is clarified that as per the CGST Rules, 2017, either A or B can generate the e-Way Bill but it may be noted that only one e-Way Bill is required to be generated [Press Release dated 23.04.2018]

Case -1: Where e-Way Bill is generated by 'B', the following fields shall be filled in Part A of GST FORM EWB-01:

1.	Bill From:	In this field details of 'B' are supposed to be filled.
2.	Dispatch From:	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of 'B'.
3.	Bill To:	In this field details of 'A' are supposed to be filled.
4.	Ship to:	In this field address of 'C' is supposed to be filled.
5.	Invoice Details:	Details of Invoice-1 are supposed to be filled

Case -2: Where e-Way Bill is generated by 'A', the following fields shall be filled in Part A of GST FORM EWB-01:

1.	Bill From:	In this field details of 'A' are supposed to be filled.
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2.	Dispatch From:	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of 'B'.
3.	Bill To:	In this field details of 'C' are supposed to be filled.
4.	Ship to:	In this field address of 'C' is supposed to be filled.
5.	Invoice Details:	Details of Invoice-2 are supposed to be filled.

RTP – May 2019

Question - - -

Sindhi Toys Manufacturers, registered in Punjab, sold electronic toys to a retail seller in Gujarat, at a value of Rs 48,000 (excluding GST leviable @ 18%). Now, it wants to send the consignment of such toys to the retail seller in Gujarat.

You are required to advise Sindhi Toys Manufacturers on the following issues:

- Whether e-way bill is mandatorily required to be generated in respect of such movement of goods?
- If yes, who is required to generate the e-way bill?
- What will be the consequences for non-issuance of e-way bill?

Solution - - -

(a) Consignment value = Transaction Value and includes CGST, SGST/UTGST, IGST and cess charged, if any, but excludes value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods. Thus, $CV = Rs\ 48,000 \times 118\% = Rs\ 56,640$. Thus, EWB required (as there is movement of goods in relation to supply and the consignment value exceeds Rs 50,000)

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

Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or a public conveyance, by road, the said person shall generate the e-way bill on the common portal after furnishing information in Part B [Rule 138(2)].

Where the goods are transported by railways or by air or vessel, the e-way bill shall be generated by the registered person, being the supplier or the recipient, who shall, either before or after the commencement of movement, furnish, on the common portal, the information in Part B [Rule 138(2A)].

Where the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter 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 [Rule 138(3)].

Where the consignor or the consignee has not generated the e-way bill and the aggregate of the consignment value of goods carried in the conveyance is more than Rs 50,000/-, the transporter, except in case of transportation of goods by railways, air and vessel, shall, in respect of inter-State supply, generate the e-way bill on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill on the common portal prior to the movement of goods [Rule 138(7)].

(c) As per section 122(1)(xiv) of 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.

Moreover, as per section 129(1) 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 thereunder, 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.

Question - - -

Power Electricals Ltd., a registered supplier of air-conditioners, is required to send from Mumbai (Maharashtra), a consignment of parts of air-conditioner to be replaced under warranty at various client locations in Gujarat. The value of consignment declared in delivery challan accompanying the goods is Rs 70,000. Power Electricals Ltd. claims that since movement of goods to Gujarat is caused due to reasons other than supply, e-way bill is not mandatorily required to be generated in this case.

You are required to examine the technical veracity of the claim made by Power Electricals Ltd.

Solution - - -

The goods to be moved to another State for replacement under warranty is not a 'supply'. However, rule 138(1) of the CGST Act, 2017, inter alia, stipulates that every registered person who causes movement of goods of consignment value exceeding Rs 50,000:

- (i) in relation to a supply; or
 - (ii) for reasons other than supply; or
 - (iii) due to inward supply from an unregistered person,
- shall, generate E-way Bill before commencement of such movement.

Thus, in the given case, since the consignment value exceeds Rs 50,000, e-way bill is required to be mandatorily generated.

Question - - -

Beauty Cosmetics Ltd. has multiple wholesale outlets of cosmetic products in Mumbai, Maharashtra. It receives an order for cosmetics worth Rs 1,20,000 (inclusive of GST leviable @ 18%) from Prasannaa, owner of a retail cosmetic store in Delhi. While checking the stock, it is found that order worth Rs 55,000 can be fulfilled from the company's Dadar (Mumbai) store and remaining goods worth Rs 65,000 can be sent from its Malad (Mumbai) store. Both the stores are instructed to issue separate invoices for the goods sent to Prasannaa. The goods are transported to Prasanna in Delhi, in a single conveyance owned by Radhey Transporters. You are required to advise Beauty Cosmetics Ltd. with regard to issuance of e-way bill(s).

Solution - - -

If multiple invoices are issued by the supplier to one recipient, that is, for movement of goods of more than one invoice of same consignor and consignee, multiple e-way bills have to be generated. In other words, for each invoice, one e-way bill has to be generated, irrespective of the fact whether same or different consignors or consignees are involved.

Multiple invoices cannot be clubbed to generate one e-way bill. However, after generating all these e-way bills, one consolidated e-way bill can be prepared for transportation purpose, if goods are going in one vehicle.

Thus, Beauty Cosmetics Ltd. would be required to prepare two separate e-way bills since each invoice value exceeds Rs 50,000 and each invoice is considered as one consignment for the purpose of generating e-way bills.

Question - - -

M/s Gyaan Publishing House, registered under GST in Delhi is engaged in printing and selling of books as well as trading of stationery items. He has provided following information of a consignment which is to be supplied to Mumbai: -

- (i) Taxable value of supplies indicated on tax invoice: Rs. 35,000/-
 - (ii) Value of exempted supplies: Rs. 8,000/-
 - (iii) Value of goods to be sent to job worker (intra-state) on delivery challan: Rs. 15,000/-
- Calculate the consignment value for the purpose of generating e-way bill for inter-State supply of goods. Assume rate of tax on taxable goods to be 18%.

Solution - - -

[Rs 35,000 + 18% on Rs 35,000] + Nil + 15,000 = Rs 56,300 [EWB required]



Question - - -

Happy company is a registered supplier of electric goods. It has three stores for electric goods in Jodhpur (Rajasthan) namely Ram Store, Shyam Store, Mohan store. It receives in order for supply of electronic goods worth Rs. 1,40,000 (exclusive of GST @18%) from Kishan sons of Bhopal (Madhya Pradesh). Happy Company found that order worth Rs. 43,000 can be fulfilled from the Company's Ram Store, order worth Rs. 45,000 can be fulfilled from its Shyam Store and remaining goods worth Rs. 52,000 can be sent from its Mohan store. All three stores are instructed to issue separate invoices for the goods sent to Kishan sons. The goods are transported to Kishan sons in Bhopal, in a single conveyance owned by Shiv transporters. You are required to advise Happy Company with regard to issuance of E-way bills as per the provisions of the CGST Act, 2017.

Solution - - -

If multiple invoices are issued by the supplier to one recipient, multiple e-way bills have to be generated - one EWB for each invoice.

Consignment Value – 1 - Rs 50,740 [$\text{Rs } 43,000 \times 118\%$]

Consignment Value – 2 - Rs 53,100 [$\text{Rs } 45,000 \times 118\%$]

Consignment Value – 3 - Rs 61,360 [$\text{Rs. } 52,000 \times 118\%$]

Question - - -

Whether EWB is required in following cases (Presume consignment value is more than Rs 50,000):

- Stock-transfer of goods (Head Office to Branch / Branch to Branch);
- Goods are sent for job-work (job-worked goods are brought back within 3 months);
- Goods sent on approval (supply will take place if consignee accepts the goods);
- Goods are taken to exhibition for display
- Imported goods moved from port to Inland Container Depot
- Movement of Petroleum
- Movement of Cash
- Transport of used household TV valuing Rs 2 Lakh
- Movement of goods for weightment at weigh-bridge located 40 kms away.

Solution - - -

- (a) EWB required (b) EWB required (irrespective of Consignment Value) c) EWB required (there is movement for reasons other than Supply) d) EWB required e) f) g) h) EWB not required (Exempt) (i) EWB required (exemption from EWB is for distance upto 20 kms)

Question - - -

Whether EWB is required in following cases (Presume consignment value is more than Rs 50,000):

- Where goods are supplied on “as is-where is” basis, whether e-way bill is required to be generated?
- Supply of goods through pipeline, whether oil, petroleum, gases, water etc. whether EWB is required to be generated?
- A person has been shifting his households from one state to another on account of job change. He has availed services of a transport company. Whether EWB is required to be generated?
- Whether EWB is required to be generated in case of movement of Vegetables (exempt goods under GST)?
- Whether E-way bill is required to be generated in case of movement of jewellery (taxable goods under GST)?
- Whether EWB is required to be generated to capture the movement of empty cylinders that are being transported for packaging of liquefied petroleum gas?
- An outdoor catering company is transporting utensils and other accessories for catering outside the kitchen, interstate or intra state. Whether E way bill is necessary?

Solution - - -

- (a) EWB not required (as there is no movement) (b) EWB not required (as no motorized conveyance) (c) EWB not required (Exempt) d) EWB not required (Exempt) e) EWB not required (Exempt – Jewellery is notified goods) f) EWB not required (Exempt) (g) EWB required (as there is movement of goods for purpose other than supply)

Question - - -

Discuss who is required to furnish details in Part – A and Part – B of EWB - 01

Presume consignment value is more than Rs 50,000):

- (a) Goods are transported by supplier (consignor) in his own vehicle
- (b) Goods are transported by supplier (consignor) in a hired vehicle or railways or by Air or Vessel
- (c) Goods are transported by recipient (consignee) in a hired vehicle or railways or by Air or Vessel
- (d) Supplier (Registered) hands over the goods to a transporter
- (e) Supplier (unregistered) hands over the goods to a transporter. This is to be supplied to a Registered dealer

Solution - - -

- (a) Both Part-A and Part-2 needs to filed by Supplier
- (b) Both Part-A and Part-B needs to filed by Supplier
- (c) Both Part-A and Part-B needs to filed by Recipient
- (d) Supplier will furnish the details in PART-A and Transporter will furnish PART-B.
- (e) Recipient will furnish the details in PART-A and Transporter will furnish PART-B.

Question - - -

Mr A (GST registered supplier) is causing movement of goods upto the place of his recipient. EWB has been generated on 15th April, 2019. The cargo is normal cargo and to be travelled for a distance of 120 km. What shall be the validity period of EWB?

Presume: Consignment value is more than Rs 50,000. Transportation is road transportation.

Solution - - -

Validity period will end on midnight of 17th April, 2019.

FAQ - CBIC

Question - - -

Determine the nature of EWB to be prepared in the following cases –

- a) Goods imported from China arrive at Mumbai port. These goods are transported from Mumbai port to factory in Pune.
- b) Goods are sold from Lucknow by Supplier to Customer in Delhi with instructions for these goods to be delivered to job-worker in Noida.
- c) Generator installed in basement of building being sold to Landlord on termination of lease agreement.
- d) Contractor carrying portable crane to customer site, both located in same State, as part of the works to be undertaken.
- e) Laptop carried by an employee of a Company in Delhi, having no other branches, to client-location in Bangalore on business
- f) LPG cylinders transported from dealership to bottling plant of Oil Company

Solution - - -

- a) State EWB required (though this is an inter-State supply from China to Pune, but it is an intra-State movement from Mumbai to Pune)
- b) State EWB required (though this is an inter-State supply from Lucknow to Delhi, but it is an intra-State movement within UP)
- c) EWB will NOT BE REQUIRED (as there is 'no movement' in this supply)
- d) EWB will be required (as there is movement of goods during provision of services)
- e) EWB will NOT BE REQUIRED for this movement (as movement is not supply but is incidental to 'services of employee to employer' under schedule III)
- f) EWB will NOT BE REQUIRED (excluded from requirement of EWB) [Note :: EWB will be required for movement of cylinders supplied by fabricator to Oil Company]

FAQ - CBIC

Question - - -

Determine whether there is any requirement to prepare EWB in the following cases –

- Goods supplied from Baroda to intermediate in Chennai but directly delivered to Kolkata.
- Car sold by Dealer in Bangalore to Bank in Mumbai but delivered to Lessee in Bangalore.
- Water cans supplied by Dealer in Road no.1 to Caterer registered in Road no.2 and delivered to central Kitchen in Road no.10 and then carried to marriage hall in Road no.12.

Solution - - -

- EWB-1 to be generated 'before' commencement of movement with "Bill to Chennai" and "Ship to Kolkata" and the GSTIN of original supplier (Baroda) and intermediate (Chennai). EWB-2 to be generated simultaneously with "Bill from Chennai", "Ship from Baroda" and "Ship to Kolkata".
- EWB to be issued 'before' commencement of movement with 'bill to Mumbai' and 'ship to Bangalore'.
- EWB to be issued 'before' commencement of movement with 'bill to Road no.2' and 'ship to Road no.10'. Since there is an interval of time after delivery of water cans from Dealer to central Kitchen, this is not a transaction that is inter-linked in two movements. Subsequent movement of entire catering articles involves another EWB independent of the earlier EWB.

Question - - -

Determine whether EWB is required to be prepared in the following cases –

- Value of Goods excluding taxes = Rs 42,380. Taxes @ 18% = Rs 7,628. Total Consignment Value = Rs 50,008
- Taxable Goods = Rs 40,000. Exempt Goods = Rs 15,000. Tax on Taxable Goods @ 18% = Rs 7,200
Total Value of Invoice = Rs 62,200

Solution - - -

- E-Way Bill is required because although value of goods is lesser than 50,000 consignment value including taxes is more than Rs 50,000
- Although the value of invoice is Rs 62,200, but consignment value excluding exempt goods is Rs 47,200/- which is lesser than the threshold limit of Rs 50,000/-. Hence E way Bill is not required.

Question - - -

Whether an e-way bill is required to be generated for movement of goods from one unit of the company to another unit through own vehicle located within 10 km?

Solution - - -

- Yes, e-way bill is required to be generated even in case of movement of goods within 10 km.
- The relaxation updating part B (vehicle details) is given only in cases of movement of goods from the place of business of consignor to the business of transporter for further movement of such goods.
- Therefore, in all other cases, e-way bill needs to be generated even if the distance to be covered is less than 10 km.
- However, if the motorized vehicle is not used for transportation of vehicle, E-way bill is not required

Question - - -

Whether an e-way bill is required for Imports and Exports?

Solution - - -

- Imports require EWB but by the Consignee who causes the movement of goods from the port to the final location.
- Exports will require EWB but with Recipient as 'unregistered person'.



Question - - -

In case any information is wrongly submitted in e-way bill. Can the e-way bill be modified or edited?

Solution - - -

- EWB once generated cannot be edited or modified. Only Part-B can be updated to it.
- Further, even if Part A is wrongly entered and submitted, even then the same cannot be later edited.
- In such a situation, e-way bill generated with wrong information has to be cancelled and generated afresh again.
- The cancellation is required to be done within 24 hours from the time of generation.

Question - - -

Consignor hands over his goods for transportation on Friday to transporter. But, the assigned transporter starts the movement of goods on Monday. How would the validity of e-way bill be calculated in such situations?

Solution - - -

- It is clarified that the validity period of e-way bill starts only after the details I PART B of FORM GST EWB-01 are updated by the transporter for the first time.
- In the given situation, Consignor can fill the details in PART A of FORM GST EWB-01 on Friday and handover his goods to the transporter.
- When the transporter is ready to move the goods, he can fill the PART B of FORM GST EWB-01 i.e. the assigned transporter can fill the details in PART B of FORM GST EWB-01 on Monday and the validity period of the e-way bill will start from Monday.

Question - - -

A consignor is required to move goods from City X to City Z. He appoints Transporter A for movement of his goods. Transporter A moves goods from City X to City Y. For completing the movement of goods i.e from City Y to City Z. Transporter A now hands over the goods to Transporter B. Thereafter, the goods are moved to the destination i.e from City Y to City Z by Transporter B. How would the e-way bill be generated in such situations? Clarification: It is clarified that in such a scenario, only one e-way bill would be required.

Solution - - -

- PART A of FORM GST EWB -01 can be filled by the consignor and then the e-way bill will be assigned by the consignor to Transporter A. Transporter A will fill the vehicle details, etc. in PART B of FORM GST EWB-01 and will move the goods from City X to City Y.
- On reaching City Y. Transporter A will assign the said e-way bill to the Transporter B. Thereafter, Transporter B will be able to update the details of PART B of FORM GST EWB -01 Transporter B will fill the details of his vehicles and move the goods from City Y to City Z.

Question - - -

In case of multimodal transport, where for first mile it is required to generate an e-way bill for road, second, mile by train and last mile by road. These transporters could be same service providers or different service providers. How to generate an e-way bill in this situation?

Solution - - -

- Where the e-way bill is generated and goods are to be transported from one conveyance to the other in course of transit, the transporter causing further movement of goods shall be required to update its details in Part – B of the e-way bill before the movement of such goods commences.
- Therefore, even in case of multi-modal transport initially, e-way bill must be generated giving the details of the vehicle carrying the goods by road.
- Once the goods are unloaded from this vehicle and loaded in the train, part B of E-way bill needs to be updated. Upon final transit of goods from rail to truck at last mile, part B must be further updated with the details of the vehicle carrying the goods for final delivery

"YOUR **FUTURE** IS CREATED BY WHAT
YOU DO { **TODAY** }
NOT { **TOMORROW** }



WILL IT BE EASY?
NOPE. WORTH IT?
ABSOLUTELY.