

GST Training Programme  
Hosted by – **WIRC of ICAI**

# GST

Goods &  
Services  
Tax



## CA Pathik Shah

## Topics to be covered

<b>S.No.</b>	<b>Topics</b>	<b>Covered in</b>
1	Time of Supply	Sec 12 & 13
2	Tax Invoice	Sec 31 & 34 & Rules
3	E-way bill	Rules
4	Value of Taxable Supply	Sec 15 & Rules

# Time Of Supply



# Point of Taxation

Excise

- Removal of Goods

VAT

- Transfer of Property in Goods

Service Tax

- As per Point of Taxation

GST

- **Section 12, 13 & 14**

# Point of Taxation

## FAQ

What is Time of Supply?

Fixes the point when the liability to **charge** GST arises

Indicates when a supply is deemed to have been made

## GST ACT

Section 12(1)/13(1)

The liability to **pay** GST on the goods/services shall arise at the time of supply as determined in terms of the provisions of this Section

# Time of Supply of Goods

## Earliest of Following dates

- 1 • Removal of goods by the supplier
- 2 • Goods made available to recipient ( If goods are not required to remove)
- 3 • Issuance of invoice
- 4 • Receipt of payment

Removal of Goods 2(96)

Dispatch of goods for delivery by the supplier or any person on behalf of supplier.

Collection of goods by recipient or any person on behalf of recipient

Goods made Available

Means goods are placed at the disposal of the recipient  
When goods are physically not capable to move  
– Mach embedded in earth, Moulds & dyes Supplied in installed or assembled form  
Lift

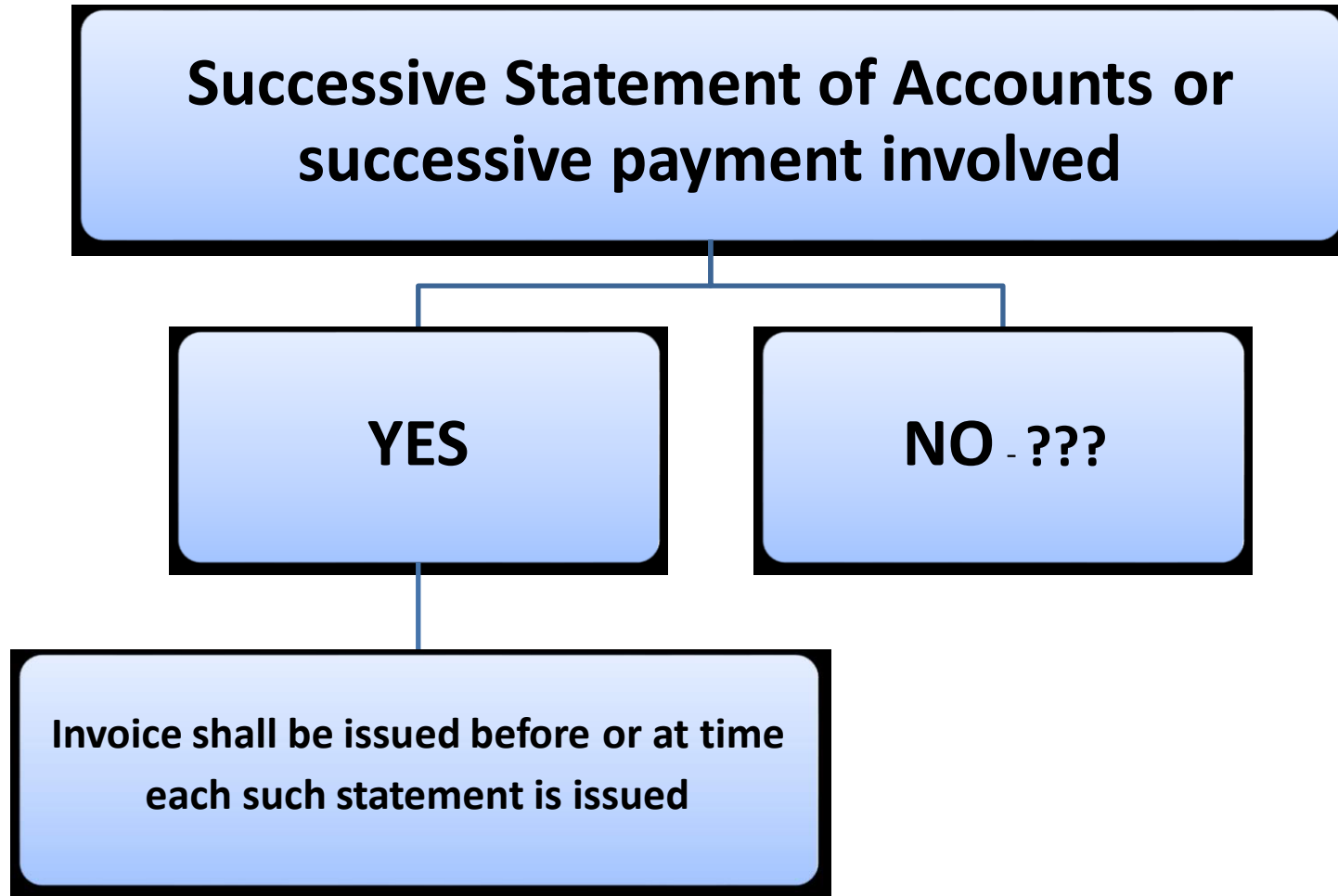
Invoice & Payment

Supply shall be deemed to have been made to the extent covered by invoice or payment

Receipt of Payment

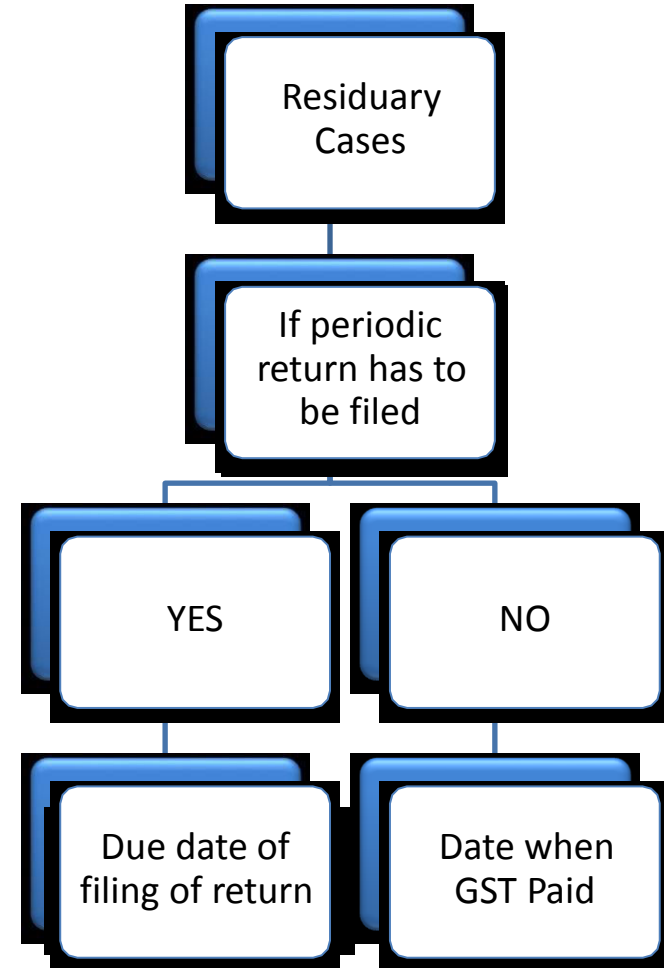
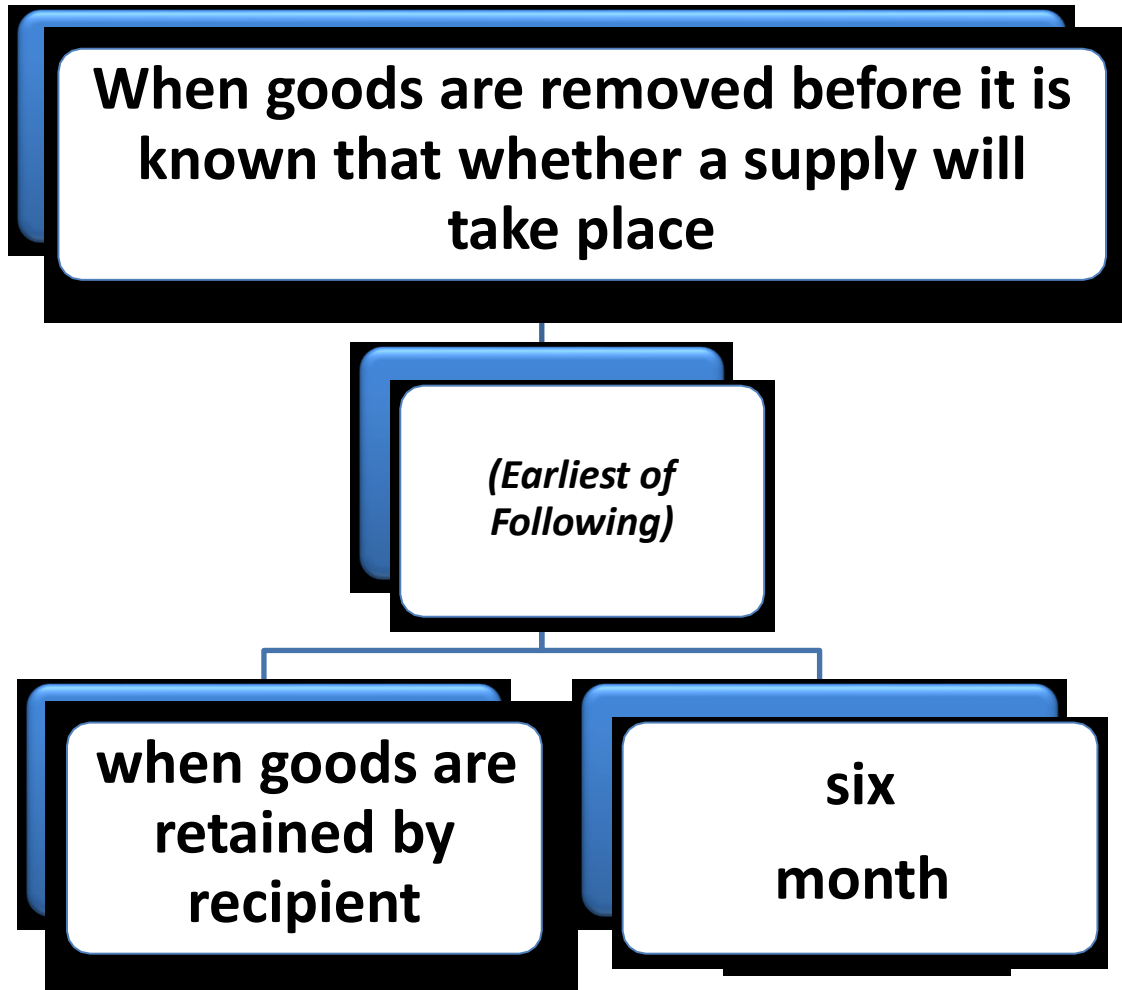
Earliest of Entry of A/Cs Or Credit of Bank A/c

# Continuous Supply of Goods-31-(4)



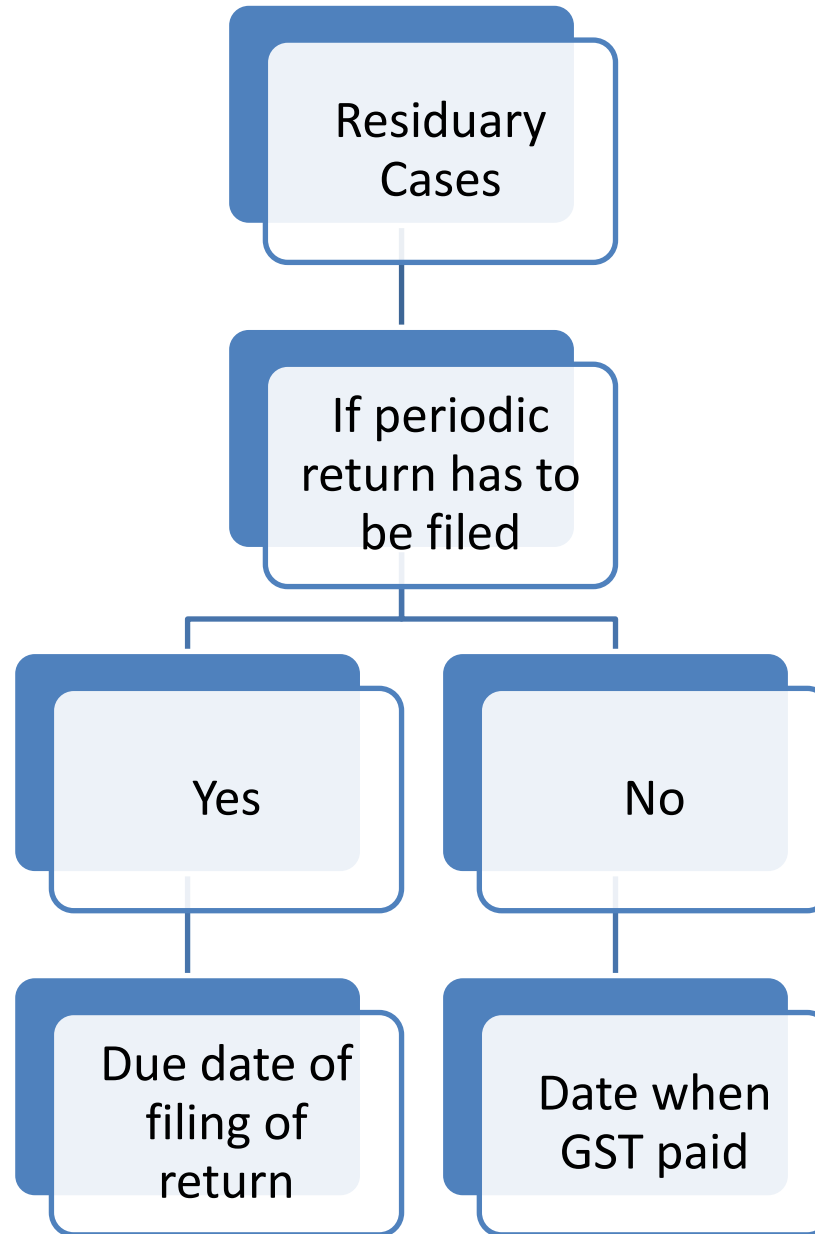
**continuous supply of goods** Sec 2(32) means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, **whether or not** by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis. RMC, Gases through pipeline.

# Goods sent on approval basis





# Residuary cases



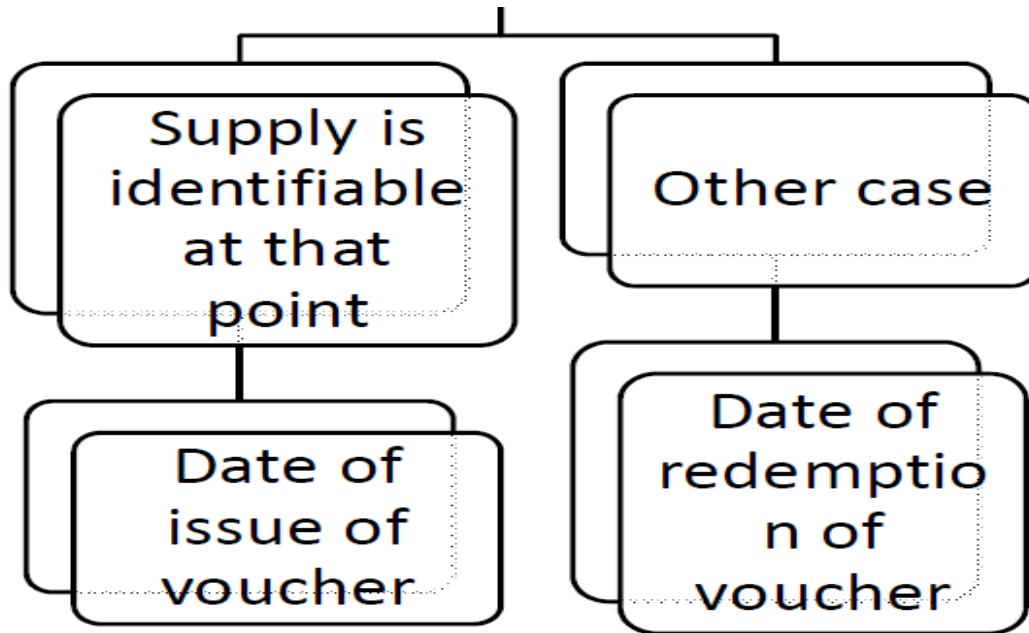
# Time of Supply of Goods under RCM (earliest of the following dates)

- 1 • receipt of goods (by recipient)
- 2 • making payment (to recipient / supplier)
- 3 • Immediately following 30 days from the date of invoice
- 4 • Other case - debit in books

## RCM Means

The liability to pay tax by the person receiving the goods and / or services instead of person supplying goods and / or services in respects of such categories of supplies as the CG may on the recommendation of council, by notification specify.

# Vouchers Supply



**Sec 2 (118) - voucher** means **an instrument where there is an obligation to accept it as consideration** for a supply of goods or services

and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument;

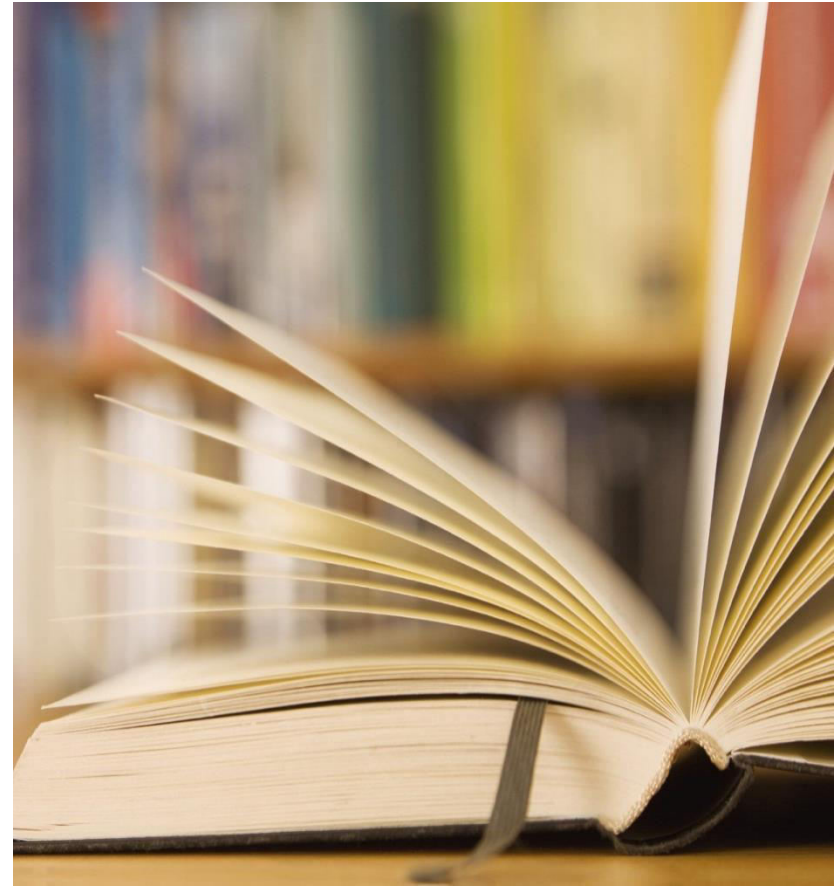
## Interest, Late Fees or Penalty - 12(6)

Q 9. What is the time of supply applicable with regard to addition in the value by way of interest, late fee or penalty or any delayed payment of consideration?

Ans. The time of supply with regard to an addition in value on account of interest, late fee or penalty or delayed consideration shall be the date on which the **supplier received such additional consideration.**



# Time of Supply of Services



# Time of Supply of Services

Invoices is issued in time (whichever is earlier)

date of issue of invoice

date of receipt of payment

Invoices is not issued in time (whichever is earlier)

date of completion of service

date of receipt of payment

Other Case

Recipient shows receipt of services in his books of A/c

Invoice & Payment

Supply shall be deemed to be made to the extent it is covered by the invoice or the payment

Receipt of Payment

Earliest of  
Entry in Books of A/cs  
Credit on Bank A/c

# Continuous supply of Services

Due date of payment is ascertainable

Payment is linked to the completion of an event

Yes

No

date of completion of that event

Date on which payment is liable to be made

*Before or at the time when the supplier of service receive the payment.*

## Continuous supply of Services

2(31)

Provided or agreed to be provided continuously or on recurrent basis, under a contract, for a period **exceeding 3 month** with periodic payment obligation and as may be notified

Supply of services ceases under a contract before completion of supply Sec 31(6)

Invoice shall be issued

At time when supply ceases

To extent supply effected before cessation



# Time Of Supply of Services under RCM

It shall be **earliest of following dates**, namely ;

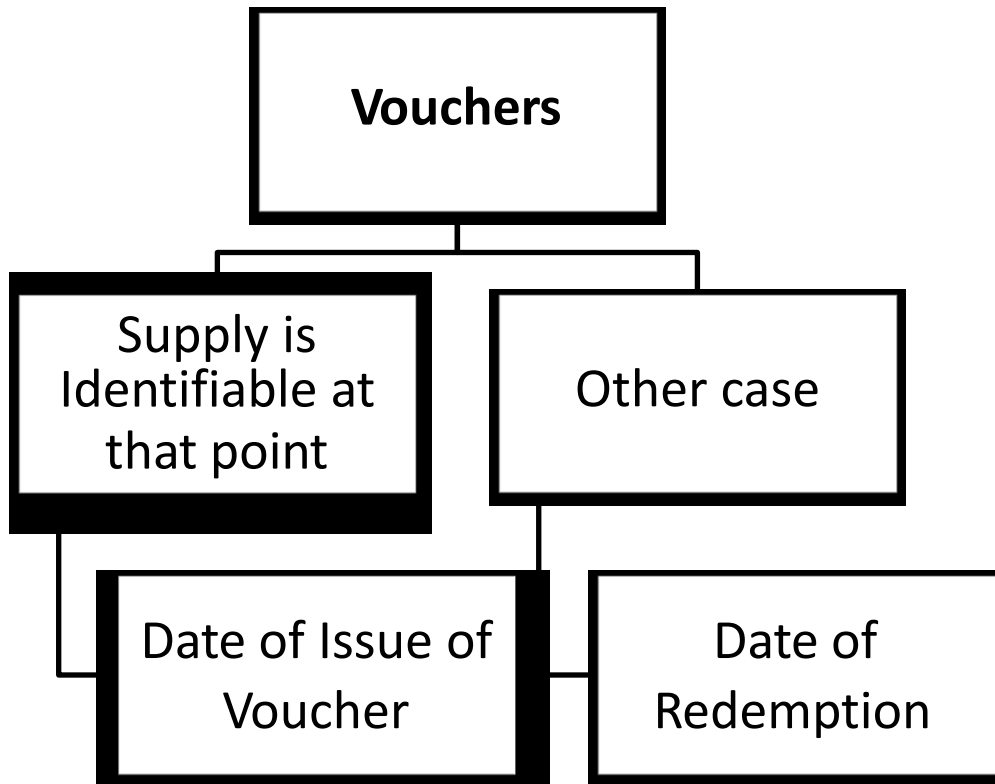
- Date of payment made
- Immediately following 60 days from the date of invoice or bill of supply etc
- Any other case – Debit in books of Accounts
- Associated enterprises, where supplier is located outside India – Entry in books of Accounts.

Date of payment (Earliest of)

Entry in A/c

Credit in Bank  
A/c

# Time Of Supply in case of Vouchers



Residuary Case

If Periodic returns has to be filed

Yes

NO

Due date of filing of return

Date of GST Paid

## Interest, Late Fees or Penalty - 13(6)

- The time of supply to the extent it relates to
- an **addition in the value** of supply by way of
  - *Interest,*
  - late fee or
  - penalty for delayed payment
- shall be the date on which the **supplier receives such addition** in value.

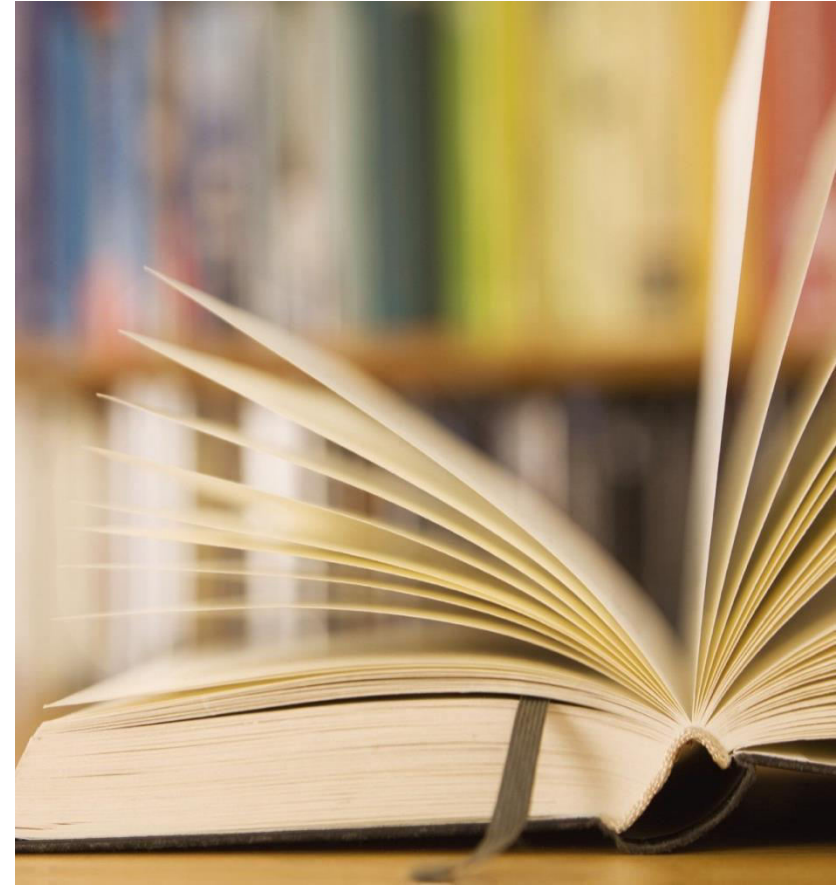
## Sec 14 - Change in Rate of Tax i.r.o Supply of Goods & Services

Supplied	Issue of Invoice	Receipt of Payment	Time of Supply
Before the change in rate	After	After	(Whichever is earlier) Date of invoice or receipt of payment
Before the change in rate	Before	After	Date of Issue of Invoice
Before the change in rate	After	Before	Date of receipt of payment
After the change in rate	Before	Before	(Whichever is earlier) Date of Invoice or receipt of payment, whichever is earlier
After the change in rate	Before	After	Date of receipt of payment
After the change in rate	After	Before	Date of Issue of Invoice



# Transitional Provision

*(Time of Supply)*



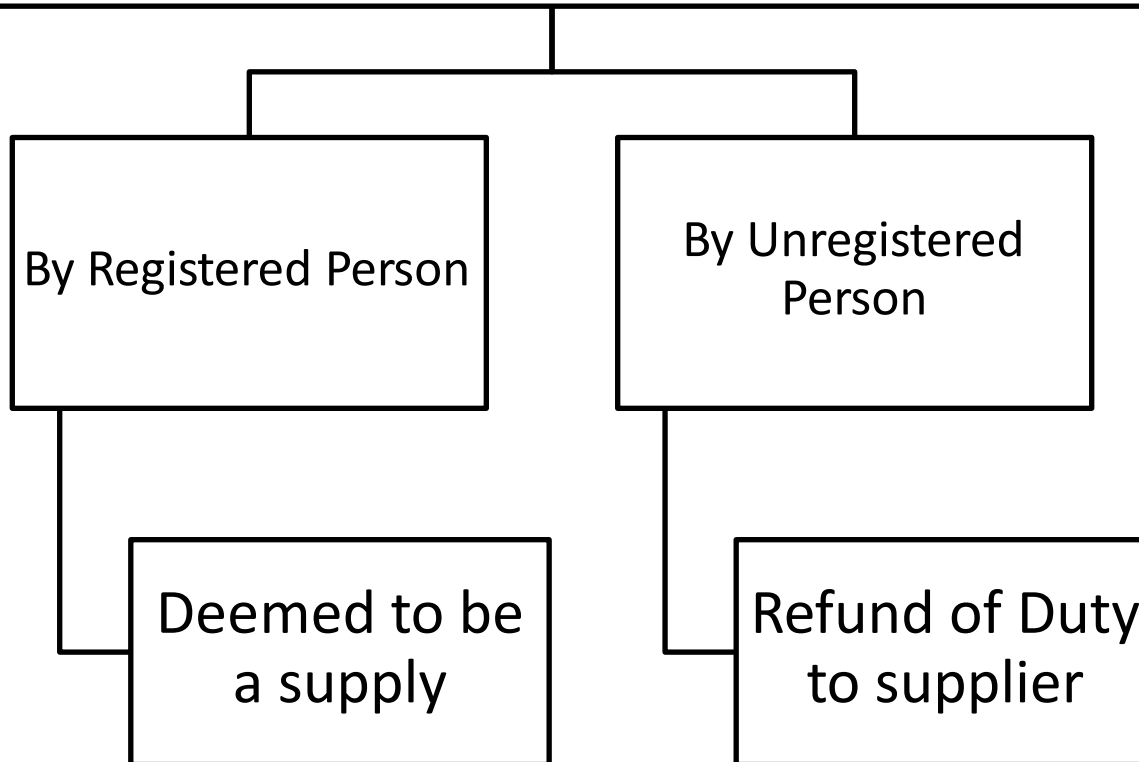
# Transitional Provision (*Return of Goods*)

## Sec 142 (1)

Where any goods on which

**duty had been paid** under the existing law at the time of **removal** thereof,  
not being **earlier than six months** prior to the appointed day,

are **returned to any place of business** on or after the appointed day **within 6 month**,



# Transitional Provision (*Revision of Prices*)

## Sec 142 (2)

contract entered into prior to the appointed day

price of any goods or services or both is revised upwards

Price of any goods or services or both is revised downwards

on or after the appointed day,

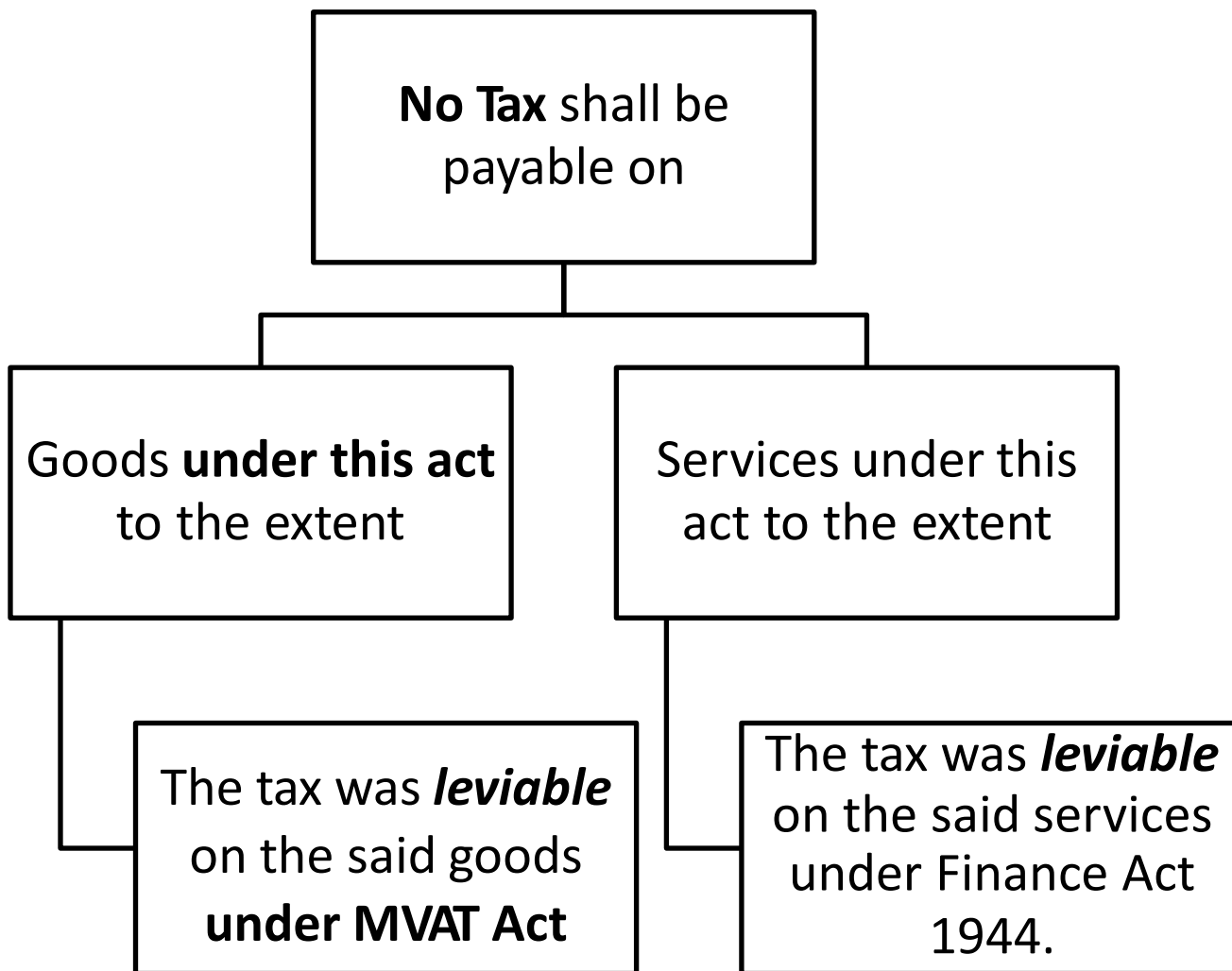
A supplementary Or debit note to be issued to recipient within 30 days

A credit note to be issued to recipient within 30 days

Shall be deemed to be an **outward supply** as per GST Act

# Transitional Provision (*Time of Supply*)

## Sec 142 (11) (a) & (b)





# Transitional Provision (*Time of Supply*)

## Sec 142 (11) (c)

Where tax was *paid*  
on supply of  
Taxable Goods or  
Taxable Services

- tax shall be **leviable under this Act**
- & taxable person shall be **entitled to take credit of taxes paid** under the existing law
- to the extent of supplies made after the appointed day.

# Case Studies

Q : Thomas has given Entry Ticket of “Justin Bieber night” held on 10.07.2017 to Sayali for Rs. 72000/- including unlimited food & beverages, and raised invoice on 16.08.2017 after one month ,

What should be the time of Supply?

# Case Studies

**Q 13. Time of supply in case of supply of goods through e-commerce entities?**

**Ans.** The CGST Act, 2017 do not provides separate provisions for ascertaining time of supply of goods by e-commerce entities. Here the supplier of goods is a person who make the supply through an e commerce entity. Accordingly, in terms of Section 12 time of supply shall be the earliest of the following:

- (a) Date of issue of invoice; or
- (b) Due date of issue of invoice; or
- (c) Date on which supplier receives the payment; or
- (d) Date on which payment is entered in books of accounts of the supplier; or

# Case Studies

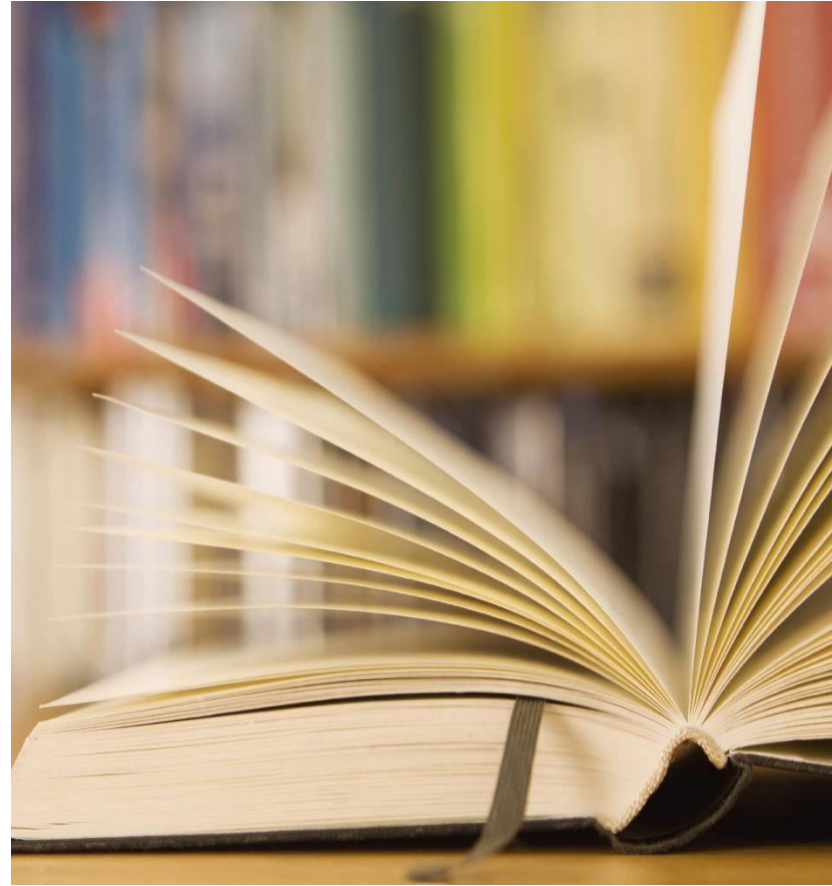
**Q 24. What would be the time of supply in case of works contract?**

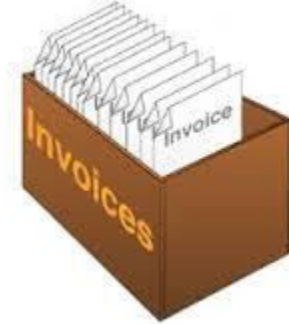
Ans. In terms of entry (a) to clause 6 of schedule II, the works contract in relation to immovable property under the GST regime should be treated as supply of service. Accordingly, in terms of Section 13, the time of supply of services shall be the earliest of the following:

- (a) Date of issue of invoice; or
- (b) Due date of issue of invoice under Section 31; or
- (c) Date when the payment entry in relation to supply of services is recorded in books of accounts; or
- (d) Date on which the payment is credited to suppliers bank account



# Tax Invoice





## Issuance of Tax Invoice [Section 31]

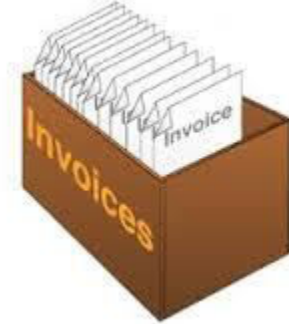
- For supplying taxable goods :

Tax invoice shall be issued , **before or at the time of-**

- i. removal of goods for supply to the recipient, where the supply involves movement of goods; or
- ii. delivery of goods or making available thereof to the recipient, in any other case.

- For supplying taxable services :

Tax invoice shall be issued within **30** days ( **45** days for insurer or a banking company or a financial institution including a non-banking financial company) **from the date of provision of service**



## Issuance of Tax Invoice for Specified Distinct persons

### Supplier of service

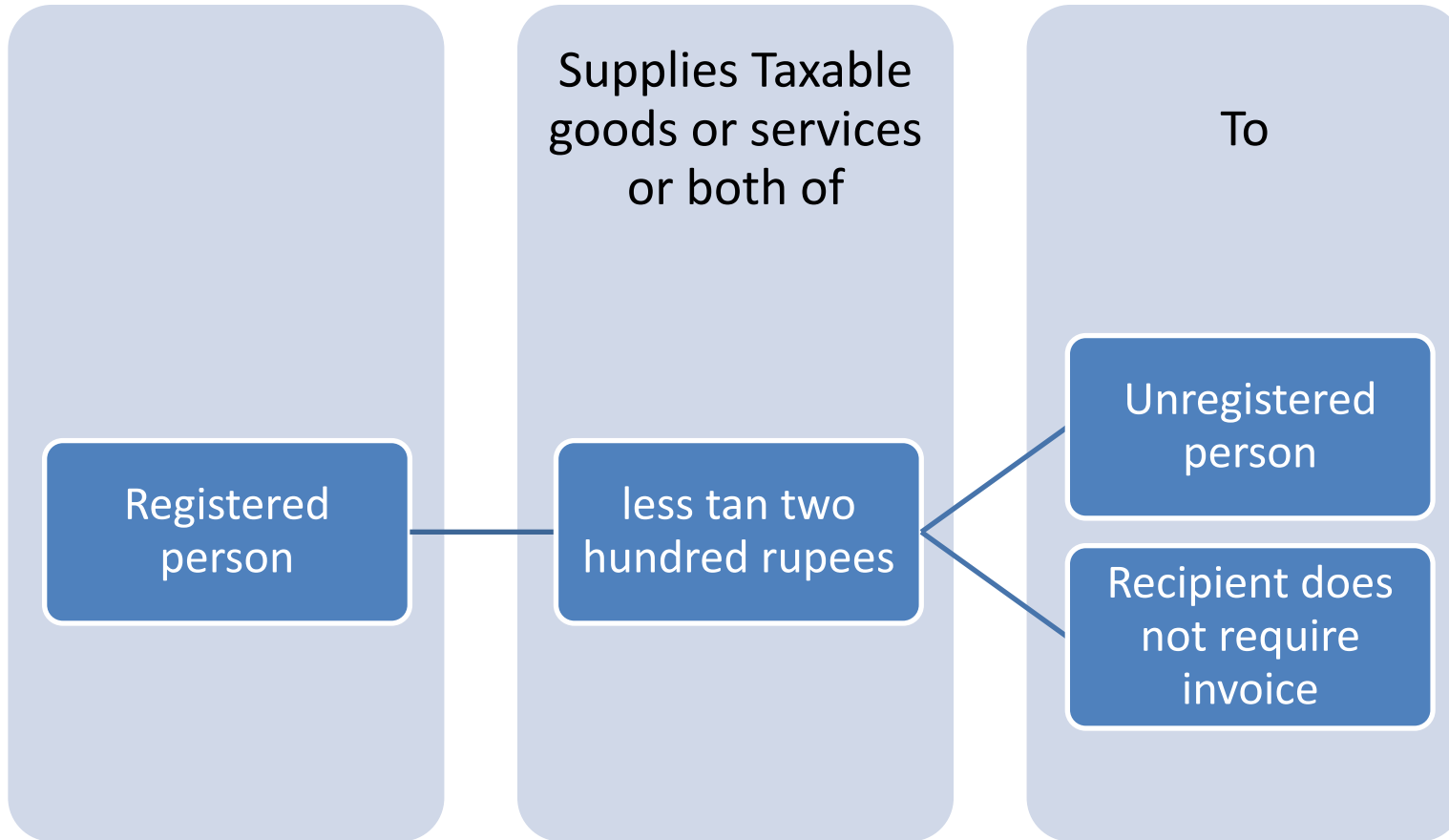
- Insurer
- Banking company
- Financial Institution
- Non-Banking financial Company
- Telecom operator
- Any other class notified by the Government

**Supplies services to a distinct person**



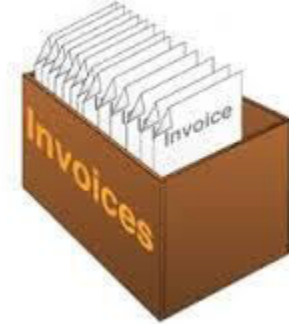
Issue invoice  
Before or at the time, supplier records the transaction in books of account or  
Before expiry of the quarter during which such supply is made.

## RELAXATION TO ISSUE TAX INVOICE



**Note : Consolidated invoice of above supplies is required to be prepared at the end of the day**





## ➤ **Registered Person**

- Supplying exempted goods or services or both
- Paying tax under composition scheme

**shall issue Bill of supply.**

However, no need to issue Bill of Supply if value of supply is less than two hundred rupees.

➤ Tax invoice shall contain particulars as prescribed in Rule 1 of Invoice Rules [Annexure-1](#).

➤ Bill of supply shall contain particulars as prescribed in Rule 4 of Invoice Rules [Annexure – 2](#)

➤ **No of copies of invoice to be issued :**

1. The invoice shall be prepared in **triplicate, in case of supply of goods**, in the following manner:-
  - a) the original copy being marked as ORIGINAL FOR RECIPIENT;
  - b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
  - c) the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
2. The invoice shall be prepared in **duplicate, in case of supply of services**, in the following manner:-
  1. the original copy being marked as ORIGINAL FOR RECIPIENT;
  2. the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
3. The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in **FORM GSTR – 1**.

## Issue of invoice in specified cases

➤ **Revised Invoice**- option to issue revised invoice against invoice already issued for the period beginning with effective date of registration till the date of issuance of certificate of registration.

➤ **Receipt voucher** - On receipt of advance payment.

However, subsequently if there is no supply of goods or services and no tax invoice is issued , then the supplier shall issue refund voucher.

➤ Receipt Voucher shall contain particulars as prescribed in Rule 5 of Invoice Rules [Annexure-3](#).

➤ **Invoice** – Supplier liable to pay tax on Reverse Charge Mechanism on notified transactions or purchase from unregistered person or transaction , shall issue invoice on the date of receipt of goods or services or both.

➤ **Payment voucher**- Payment voucher shall be issued at the time of making payment to supplier on whose transaction tax is paid under reverse Charge Mechanism.

## Issue of invoice in specified cases

➤ **Revised Invoice**- option to issue revised invoice against invoice already issued for the period beginning with effective date of registration till the date of issuance of certificate of registration.

➤ **Receipt voucher** - On receipt of advance payment.

However, subsequently if there is no supply of goods or services and no tax invoice is issued, then the supplier shall issue refund voucher.

➤ Receipt Voucher shall contain particulars as prescribed in Rule 5 of Invoice Rules [Annexure-3](#).

➤ Invoice –With respect to purchase from unregistered person, invoice shall be issued on the date of receipt of goods or services or both.

- In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, **the invoice shall be issued before or at the time each such statement is issued or each such payment is received.**
- In case of continuous supply of services,-
  - a) Where the **due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;**
  - b) Where the **due date of payment is not ascertainable from the contract,** the invoice shall be issued before or at the time when the supplier of **service receives the payment;**
  - c) Where the payment **is linked to the completion of an event,** the invoice shall **be issued on or before the date of completion of that event.**

- Where the supply of services ceases under a contract before completion of the supply, the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of supply made before such cessation.
- **Sale of goods on Return or Approval** : Invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier.
- Unregistered person shall not collect tax under this Act in respect of any supply of goods or services or both.
- In case of supply for consideration tax amount have to be indicated separately.

- **Credit and Debit Notes [Section 34]:**

1. In case of **excess amount charged in invoice** or goods are returned or goods/services are found deficient, supplier may **issue credit note to the recipient.**
2. Supplier has to declare such credit note in the return for the month during which such credit note has been issued but not **later than September** following the end of the financial year in which such supply was made or the date of furnishing of the **relevant annual return**, whichever is earlier.

Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.



- **Credit and Debit Notes [Section 34]:**

3. In case where short amount is charged in the invoice, supplier may issue a debit note to the recipient.
4. The person issuing the debit note shall declare the details of the same in the return for the month during which the debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.

The expression “debit note” shall include a supplementary invoice.

The particulars of supplementary tax invoice and credit and debit notes are given in [Annexure – 4](#).

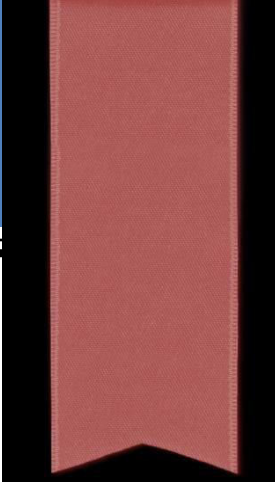


- **Transportation of Goods without issue of Invoice:**

In the following cases the consigner may issue a delivery challan in lieu of invoice at the time of removal of goods for transportation:

- a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
- b) transportation of goods for job work,
- c) transportation of goods for reasons other than by way of supply, or
- d) such other supplies as may be notified by the board.

The delivery challan shall consist of details as per [Annexure-5](#).



# Value of Supply



# Value of Taxable Supply – Sec 15

The value of a supply of goods or services or both

- shall be the **transaction value**,
- which is the **price actually paid or payable for the said supply** of goods or services or both
- where the supplier and the recipient of the supply are **not related**
- and the **price is the sole consideration** for the supply.

## 3 Components

**Transaction Value**  
price actually paid or payable for the said supply

**Price is sole consideration**

**Unrelated parties**

# Consideration – Sec 2 (31)

## Includes

any payment made in money or otherwise (settlement of debts)

the monetary value of any act or forbearance,

## Doesn't Include

subsidy given by the Government

Deposit, (whether refundable or not) unless adjust against supply

# Inclusion in Valuation

- Any taxes,
  - other than the GST,
  - **if charged separately** by the supplier to the recipient.

(Municipal Taxes paid by the tenant, Entertainment tax paid collected by local authority , APMC cess etc)
- Any amount that the
  - **supplier is liable to pay in relation to such supply**
  - **but which has been incurred by the recipient** of the supply
  - and not included in the price actually paid or payable for such supply

Result into cascading of taxes

# Inclusion in Valuation

- **Incidental expenses**, such as
  - **Commission**
  - **packing**
  - **any amount charged for anything done by the supplier in respect of the supply** at the time of, or before delivery  
( Warranty Charges, )
- **Interest**
  - late fee
  - **penalty for delayed payment**
  - of any consideration for any supply.
- **Subsidies directly linked to the price** excluding subsidies provided by the Central and State Government.

# Case Studies

**Q 27. Can the transaction value be questioned if supplier and recipient's relationship come into existence after entering into a contract/arrangement to supply goods or services?**

Ans. The laws assume that the relationship between the contracting parties prima facie has influenced the price at which the transaction is being carried out. Since the relationship did not exist on the date the prices were finalized (i.e., entering into the contract), the transaction value should be accepted in case of supplies effected prior to the forming of such relationship. However, for supplies effected after the two persons becomes related person so for the purpose of the GST law, the transaction value cannot be accepted and reference must be made to the valuation rules.

# Case Studies

**Q 23. Will the flight tickets booked by client for travel of Chartered Accountants to facilitate an outstation audit be liable to GST, even if the engagement contract provides that any travel expenses incurred by the supplier in this behalf will be reimbursable to the chartered accountants?**

Ans. The law provides that expenses incurred by the recipient in relation to supplies made by supplier of goods / services is to be included in the transaction value, only where such expenses were to be borne by the supplier. However, in the instant case, it cannot be said that the suppliers are liable to incur the cost of booking of flight tickets or that the cost was incurred by the recipient on behalf of the supplier. Hence, the value of flight tickets booked are not required to be included by the Chartered Accountants on their invoice, for computation of transaction value of audit service.



# Case Studies

**Q ABC Limited is a broker registered with Bombay Stock Exchange Limited. Their client, PQR executes trades for purchase as well as sale of securities through ABC Limited. For each transaction of sales / purchase of securities undertaken, the exchange through which the transaction is carried out is required to collect the stamp duty from the respective clients via broker and deposit with the respective stamp duty authority. Similarly, there is also a STT which is applicable on the value of securities transacted.**

**Whether such stamp duty / STT is required to be included in the brokerage?**

# Discount

## a) Before or at the time Supply

Discount has been recorded in invoice  
(**No MRP** based Valuation under GST)

## a) After supply has been effected

Such discount as per the **terms of agreement**

- known at or before the time of supply and
- where such discount specifically **linked to the relevant invoice**
- and the recipient has reversed input tax credit attributable to such discount

# Reference to Valuation Rules- 15(4)

**Qust** Is reference to Valuation Rules required in all cases?

**Ans. No.** Reference to Valuation Rules is required only **when the supply is between related persons** (including different registrations of the same PAN and principal-agent supplies), or where the **consideration payable is not wholly in money.** However, in **specific cases** where the categories of goods and services are notified in this regard (such as money changing), the valuation rules must be referred to, irrespective of the fact that the supplier and recipient are unrelated and price is the sole consideration.

## Related Persons- 15

Q . If related persons transact at arm's length price, can valuation still be questioned?

Ans. The law mandates a reference to valuation rules where the supply is between related persons. However, since supply is at arm's length price, **the fact that price assigned to transaction is an open market value should be established.**

# Valuation Rules

Supply of goods or services where the consideration is not wholly in money

Value of supply of goods or services or both between distinct or related persons, other than through an agent

Value of supply of goods made or received through an agent

Value of supply of goods or services or both based on cost (Rule 4)

Residual method for determination of value of supply of goods or services or both (Rule 5)

Determination of value in respect of certain supplies

Value of supply of services in case of pure agent

Rate of exchange of currency, other than Indian rupees, for determination of value

# (Rule – 1) Non Monetary Consideration

**1. Value of supply of goods or services where the consideration is not wholly in money the value of the supply shall,**

- (a) be the **open market value** of such supply;
- (b) if open market value is not available, be the sum total of consideration in money and any such further amount not in money if such amount is known at the time of supply;
- (c) if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of **like kind and quality**;
- (d) if value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by **application of rule 4 or rule 5** in that order.

# Valuation Rules - Related Party

When are parties to be treated as related ? – Explanation to Section 15

(a) persons shall be deemed to be related person if–

(i) such persons are officers or directors of one another's businesses;

(ii) such persons are legally recognised partners in business;

(iii) such persons are employer and employee;

(iv) any person directly or indirectly owns, controls or holds twenty-five per cent or more of the outstanding voting stock or shares of both of them;

(v) one of them directly or indirectly controls the other;

(vi) both of them are directly or indirectly controlled by a third person;

(vii) together they directly or indirectly control a third person; or they are members of the same family;

(b) the term persons also includes legal persons;

(c) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.

# Valuation Rules - Related Party

## **Applicable for both goods as well as services**

Including transaction with distinct persons (**Branches of the same entity across states or within same state having separate vertical specific registration**)

## **Value shall be:**

- 1. Open Market Value**
- 2. If Open Market Value not available, value of supply of like kind / quality goods / services**
- 3. Cost plus 10%**
- 4. Residuary method** – determination of value using reasonable means consistent with the principles & general provision of Section 15 & Rules

**Above options shall be applicable in the order mentioned, except in case of services, where option 4 can be opted for without considering option 3**



# Valuation Rules – Transaction through agents

Applicable only for goods

Value shall be:

- Open Market Value

or

90% of the price charged for supply of like kind / quality goods / services to a non-related recipient for further supply, at the option of supplier

- Cost plus 10%
- Residuary method – determination of value using reasonable means consistent with the principles & general provision of Section 15 & Rules

# Value of Services – Money changing Services (Option I )

Dealing in respect of INR  
(i.e., either converting FC into INR or INR into FC)

1. RBI reference rate for currency exchanged available	Difference in Buying / Selling rate and RBI reference rate multiplied by total units of currency
2. RBI reference rate for currency exchanged not available	1% of gross amount of INR provided/ received
Not dealing in respect of INR (i.e., converting from one FC into another FC)	1% of lesser of two amounts that would have been received by converting the currency at the RBI reference rate on that date

# Value of Services – Money changing Services (Option II)

Amount of Currency Exchanged	Value of Service as per Slab	Conditions
Is less than Rs. 100,000	1% of amount exchanged	Minimum Rs. 250/-
Is less than Rs. 10,00,000	Rs. 1,000/- plus 0.5% of the amount exchanged in excess of Rs. 100,000/-	
Beyond Rs. 10,00,000	Rs. 5,000/- plus 0.10% of amount exchanged in excess of Rs. 10,00,000	Maximum Rs. 60,000/-

# **Value of Supply – Trading in Second hand goods**

**Value of Supply shall be the gross profit from the trading activity**

**Not Applicable in following cases:**

- 1. If the trader has undertaken any minor process on the goods before resell resulting in change in nature of the goods**
- 2. No input tax credit should have been availed on purchase of goods**

**In case of gross loss, the value shall be taken as nil.**

# Value of Supply – Other cases

Air Travel Agents	Domestic Bookings	5% of Basic Fare
	International Bookings	10% of Basic Fare
Life Insurance Business	General Cases	Gross Premium Charged less amount allocated for investment or savings on behalf of the policy holder intimated at the time of supply
	Single Premium Annuity Policy	10% of Single Premium Charged
	All other cases	1 <sup>st</sup> year - 25% of premium charged Subsequent year – 12.5% of premium charged
Vouchers / token / stamp / coupon		Money value of goods / services redeemable against such instruments

# Value of Supply – Pure Agent

**Pure agent means a person who -**

- (a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs** in the course of supply of goods or services or both;
- (b) neither intends to hold** nor holds any **title to the goods** or services or both so procured or provided as pure agent of the recipient of supply;
- (c) does not use for his own interest** such goods or services so procured; and
- (d) receives only the actual amount incurred** to procure such goods or services.

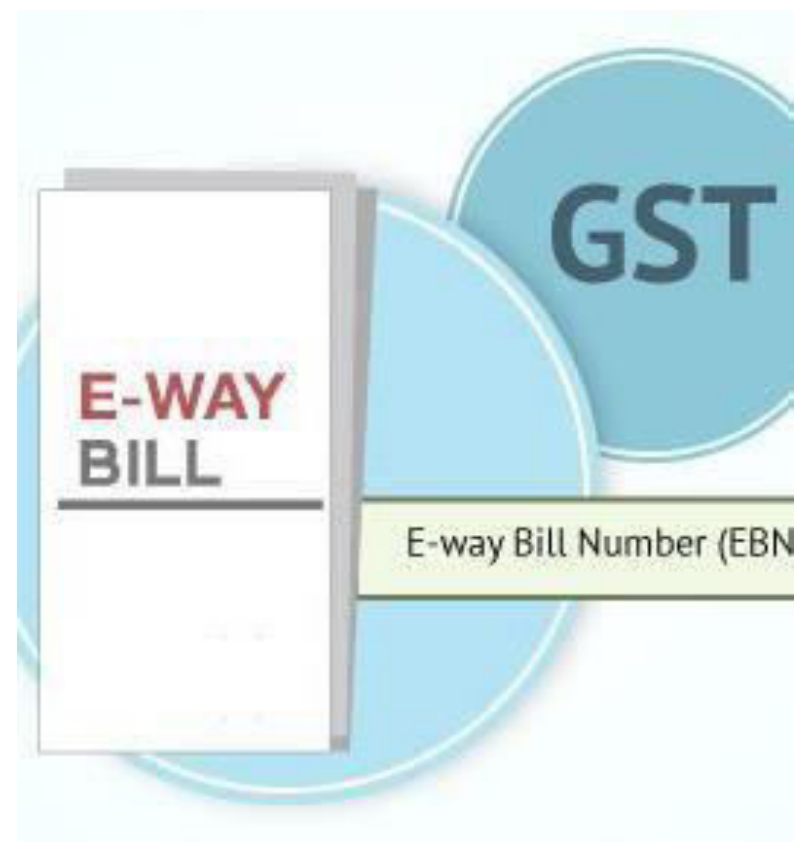
**Illustration.** Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to Registrar of the Companies. The fees charged by the Registrar of the companies registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment of those fees. Therefore, A's recovery of such expenses is a disbursement and not part of the value of supply made by A to B.

# Value of Supply – Pure Agent

Expenses incurred by the supplier as a pure agent of recipient of service if following conditions are satisfied:

1. The supplier acts as a pure agent of the recipient of the supply, when he makes payment to the third party for the services procured as the contract for supply made by third party is between third party and the recipient of supply
2. The recipient of supply uses the services so procured by the supplier service provider in his capacity as pure agent of the recipient of supply;
3. The **recipient of supply is liable to make payment to the third party;**
4. The **recipient of supply authorises the supplier to make payment on his behalf;**
5. The **recipient of supply knows that the services** for which payment has been made by the supplier shall be **provided by the third party;**
6. The payment made by the supplier on behalf of the recipient of supply has been **separately indicated in the invoice** issued by the supplier to the recipient of service;
7. The supplier **recovers** from the recipient of supply **only such amount as has been paid by him** to the third party; and
8. The services procured by the supplier from the third party as a pure agent of the recipient of supply are in addition to the supply he provides on his own account.

# E-way bill





# What is an e-way bill?

E-way bill is

- an electronic way bill
- for movement of goods
- which can be generated on the [GSTN](#) (common portal).
- A 'movement' of goods **of more than Rs 50,000** in value cannot be made

**by a registered person** without an e-way bill.

- E-way bill will also be allowed to be generated or cancelled through SMS.
- When an e-way bill is generated a unique e-way bill number (EBN) is allocated and is available to supplier, recipient, and the transporter.

# When should an e-way bill be generated?

## When should an e-way bill be generated?

E-way bill will be generated when there is movement of goods –

- In relation to a ‘supply’
- For reasons other than a ‘supply’ ( say a return)
- Due to inward ‘supply’ from an unregistered person

## What is a ‘supply’ in case of e-way bill?

A supply may be –

- Supplied for a consideration (means payment) in the course of business
- Supplies made for a consideration (payment) which may not be in the course of business
- Supplies without consideration ( without payment)

# When should an e-way bill be generated?

supply means –

- Sale – sale of goods and payment made
- Transfer – say branch transfers
- Barter/Exchange – Payment by goods instead of money.

Therefore, e-way bills must be generated on the common portal for all types of movements.

# Who can generate e-way bill?

- E-way bill must be generated when there is a movement of goods of more than Rs 50,000 in value to or from a **Registered Person**. Registered person or the transporter may choose to generate and carry e-way bill even if value of goods is less than Rs 50,000.
- Unregistered persons or his transporter may also choose to generate e-way bill. Which means e-way bill can be generated by both registered and unregistered persons. However, where a supply is made by an unregistered person to a registered person, the receiver will have to do all the compliances as if he's the supplier.

# Who can generate e-way bill?

Who	When	Part	Form
Every Registered person under GST	Before movement of goods	Fill Part A	Form GST INS-1
Registered person is consignor or consignee (mode of transport may be owned or hired) OR is recipient of goods	Before movement of goods	Fill Part B	Form GST INS-1
Registered person is consignor or consignee and goods are handed over to transporter of goods	Before movement of goods	Fill Part A & Part B	Form GST INS-1
Transporter of goods	Before movement of goods	Fill form GST INS-1 if consignor does not.	
Unregistered person under GST and recipient is registered.	Compliance to be done by Recipient as if he is the Supplier.		

# GENERATION OF E-WAY BILL UNDER GST

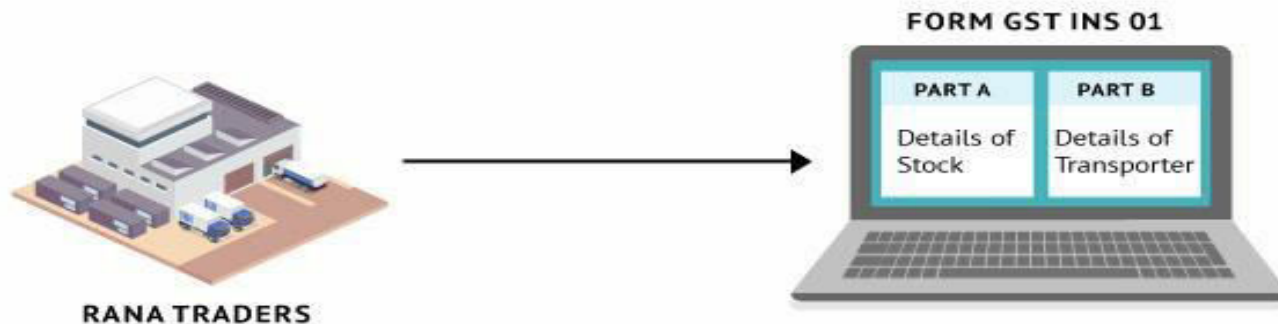
1

Rana Traders hands over the goods to Speed Transports for delivering it to Shiva Traders



2

Rana traders furnishes the details of stock in Part - A and transporter details in Part - B of Form GST INS 01



3

Based on the details furnished in PART-A of Form GST INS 01, Speed Transports will generate e-way bill

SPEED  
TRANSPORTS



4

On generation of the e-way bill, a unique e-way Bill Number (EBN) will be sent to Rana Traders, Speed Transports and Shiva Traders.



E-way Bill Number (EBN)



RANA TRADERS



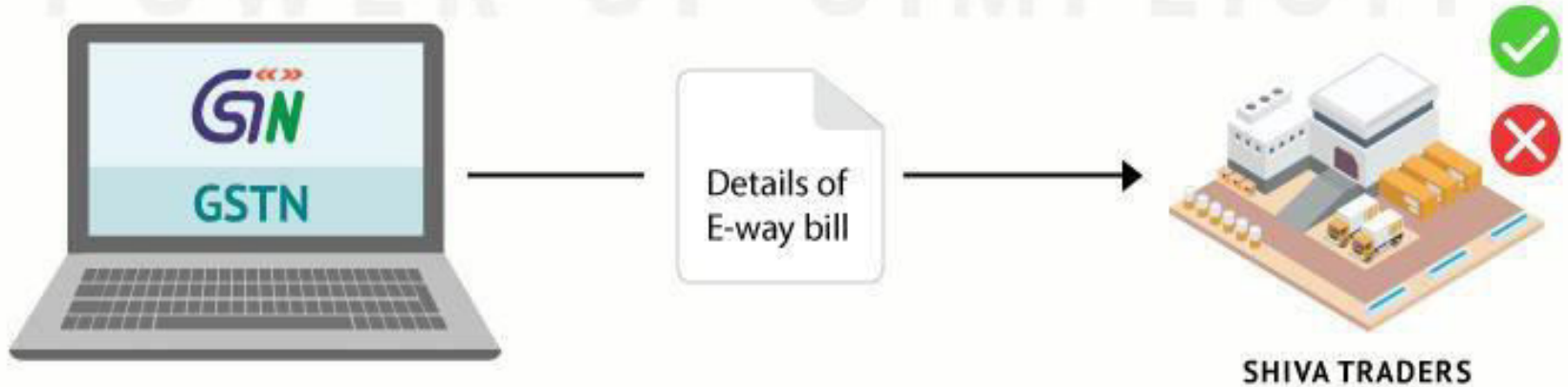
SPEED TRANSPORTS



SHIVA TRADERS

5

The details of e-way bill will be sent to Shiva Traders for their acceptance.





# Validity of an e-way bill

	<b>Distance</b>	<b>Valid from</b>	<b>Valid for</b>
	Less than 100km	Date & time at which e-way bill is generated	1 day
	100km to 300km	Date & time at which e-way bill is generated	3 days
	300km to 500km	Date & time at which e-way bill is generated	5 days
	500km to 1000km	Date & time at which e-way bill is generated	10 days
	1000km or more	Date & time at which e-way bill is generated	15 days

The Commissioner may extend the validity period of e-way bill for certain categories of goods.

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

Person in charge of a conveyance shall carry

- (a) the invoice or bill of supply or delivery challan, as the case may be; and
- (b) E-way bill or the e-way bill number, either physically or mapped to a (RFID)

The Commissioner may, by notification, require a class of transporters to **obtain a unique RFID** and get the said device embedded on to the conveyance and map the e-way bill to the RFID prior to the movement of goods:

# Verification of documents and conveyances

- (1) The **Commissioner** or an empowered officer can **intercept any conveyance** to verify the e-way bill for all inter-State and intra-State movement of goods.
- (2) The Commissioner shall  
Get installed **RFID** reader at places where verification of movement of goods is required and movement shall be verified through such **RFID** readers where the e-way bill has been mapped with **RFID**.
- (3) **Physical verification** of conveyances shall be **carried out** by the **proper officer as authorized by the Commissioner** or an officer empowered by him in this behalf:

In case of specific information of evasion of tax, physical verification shall be carried out only after obtaining necessary approval from the Commissioner or an officer authorized by him in this behalf.

# Inspection and verification of goods

- (1) A **summary report of every inspection** shall be **recorded online by the proper officer** in Part A of FORM GST INS - 03 **within twenty four hours of inspection** and the **final report in Part B** of FORM GST INS - 03 shall be recorded **within three days** of the inspection.
- (1) Once physical verification on any conveyance has been done
- within the State or in any other State,
  - **no further physical verification**
  - **unless specific information** relating to evasion of tax is made available subsequently.

# Facility for uploading information regarding detention of vehicle

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

# Failure to comply

**Notwithstanding** anything contained in this Act, where any person transports any goods in contravention of the provisions of this Act or the rules made there under, then

Such goods,

Vehicle &

Documents related to such goods and vehicle

Liable for Detention or seizure and will be released after payment

Type of Goods	Owner Available	Owner not Available
Taxable Goods	Tax + penalty 100%	(50% of value of Goods – tax amt paid thereon)
Exempted Goods	<u>(least of )</u> 2% of Value of Goods or Rs. 25000/-	<u>(least of )</u> 5% of Value of Goods or Rs. 25000/-

**upon furnishing a security equivalent to the amount payable under clause (a) or clause (b)**

# GST

What we thought



What we received



*Arise, Awake,  
Stop not  
Until  
Your Goal is  
Achieved.*



*Thank you*

**CA Pathik Shah**