

6 Day refresher course on GST (20)

Hosted by – **WIRC of ICAI**

Tuesday, 11th July 2017

At : ICAI Tower, Plot No.C-40, 'G' Block, BKC , Bandra (E), Mumbai – 51

GST

Goods &
Services
Tax



CA Gopal Kedia

Topics to be covered

S.N o.	Topics	Covered in
1	Time of Supply	Sec 12 & 13
2	Tax Invoice	Sec 31 & 34 & Rules
3	Value of Taxable Supply	Sec 15 & Rules

Time Of Supply



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

Separate provision for time of supply of Goods & Services contained in sec 12 & 13

Why it is important , loss of interest if paid early or loss of interest if paid after due dates

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**

Time of Supply of Goods

Earliest of Following dates

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 or
sale/return**

Time of Supply – 12(2)

Illustrations

	Section 12(2)	Invoice date	Invoice due date	Payment entry in supplier's books	Credit in bank account	Time of supply
1	Invoice raised before removal	10-Oct-17	20-Oct-17	26-Oct-17	30-Oct-17	10-Oct-17
2	Advance received	30-Oct-17	20-Oct-17	10-Oct-17	30-Oct-17	10-Oct-17

Time of Supply – 12(2)

Illustrations

	Supply involves movement of goods Section 12(2) r/w Section 31(1)(a)	Invoice/ document date	Removal of goods	Delivery of goods	Receipt of payment	Time of supply
3	Delayed issue of invoice	26-Oct-17	20-Oct-17	26-Oct-17	26-Oct-17	20-Oct-17
4	Inter-State stock transfer	10-Oct-17	20-Oct-17	26-Oct-17	-	10-Oct-17
5	Advance received, invoice for full amount issued on same day (40% advance, 60% post supply payment)	30-Oct-17	10-Nov-17	14-Nov-17	30-Oct-17 20-Nov-17	30-Oct-17

Time of Supply – 12(2)

Supply otherwise than by involving movement of goods Section 12(2) r/w Section 31(1)(b)		Invoice date	Receipt of invoice by recipient	Delivery of goods	Receipt of payment	Time of supply
6	Delayed issue of invoice	30-Oct-17	05-Nov-17	26-Oct-17	10-Nov-17	26-Oct-17
7	Invoice issued prior to delivery	20-Oct-17	10-Nov-17	26-Oct-17	10-Nov-17	20-Oct-17
Continuous supply of goods Section 12(2) r/w Section 31(4)		Invoice date	Removal of goods	SoA/ payments due date	Receipt of payment	Time of supply
8	Contract provides for successive statements of account/ successive payments	01-Nov-17	15-Oct-17 25-Oct-17	05-Nov-17	01-Nov-17	01-Nov-17
9		11-Dec-17	08-Nov-17 30-Nov-17	05-Dec-17	11-Dec-17	05-Dec-17
10		08-Jan-18	14-Dec-17 23-Dec-17	05-Jan-18	01-Jan-18	01-Jan-18

Time of Supply – 12(2)

	Sale on approval basis Section 12(2) r/w Section 31(7)	Removal of goods	Issue of invoice	Accepted by recipient	Receipt of payment	Time of supply
11	Acceptance communicated within 6 months of removal	01-Nov-17	25-Nov-17	15-Nov-17	25-Nov-17	15-Nov-17
12	Amount paid to supplier before informing acceptance	01-Nov-17	25-Nov-17	15-Nov-17	12-Nov-17	12-Nov-17
13	Acceptance not communicated within 6 months of removal	01-Oct-17	15-May-18	15-May-18	02-May-18	01-Apr-18



Time of Supply of Services

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

such services as may be notified

Time of Supply – 13(2)

	Section 13(2)	Invoice date	Invoice due date	Payment entry in supplier's books	Credit in bank account	Time of supply
1	Invoice raised before completion of service	10-Oct-17	20-Oct-17	26-Oct-17	30-Oct-17	10-Oct-17
2	Advance received	30-Oct-17	20-Oct-17	10-Oct-17	30-Oct-17	10-Oct-17

Time of Supply – 13(2)

Illustrations

Based on due date for invoicing
Section 13(2) r/w
Section 31(2) r/w
Invoice Rule - 2

	Invoice date	Commencement of service	Completion of service	Receipt of payment	Time of supply
3	26-Dec-17	20-Oct-17	16-Nov-17	28-Jan-18	16-Nov-17
4	30-Oct-17	30-Oct-17	30-Dec-17	30-Oct-17	30-Oct-17
				04-Dec-17	30-Oct-17

Time of Supply – 13(2)

	Continuous supply of services Section 13(2) r/w Section 31(5)	Invoice date	Date as per contract	Receipt of payment	Entry of provision of services in books	Time of supply
5	Section 31(5)(a) Contract provides for payments monthly on the 10th of succeeding month	02-Nov-17	10-Nov-17	15-Nov-17	31-Oct-17	02-Nov-17
		17-Dec-17	10-Dec-17	15-Dec-17	30-Nov-17	10-Dec-17
		10-Jan-18	10-Jan-18	06-Jan-18	31-Dec-17	06-Jan-18
6	Section 31(5)(c) Contract provides for payments on completion of event. Recipient to pay within 1 month from date of completion	12-Nov-17	10-Nov-17	25-Nov-17	12-Nov-17	10-Nov-17
		24-Apr-18	24-Apr-18	20-Apr-18	24-Apr-18	20-Apr-18

Supply of Services Ceases under a contract before completion of supply Sec 31(6)

Invoice shall be issued

at the time when the supply ceases

to the extent supply effected before cessation



Time of Supply of Goods / Services - Reverse Charge – Sec 12(3) / 13(3)

Case Study :

Q : What happen is payment to supplier covered under sec 9(3) & (4) not paid within specified time of 180 days?

Time of Supply of Goods / Services -

	Reverse charge Section 12(3)	Date of invoice issued by supplier	Removal of goods	Receipt of goods	Payment by recipient	Time of supply
1	General	31-Oct-17	31-Oct-17	20-Nov-17	30-Nov-17	20-Nov-17
2	Advance paid	31-Oct-17	31-Oct-17	20-Nov-17	05-Nov-17	05-Nov-17
3	No payment made for the supply	31-Oct-17	30-Dec-17	05-Jan-18	-	30-Nov-17

Time of Supply of Goods / Services -

Reverse charge Section 13(3)	Date of invoice issued by supplier	Date of completion of service	Payment by recipient	Entry of receipt of services in recipient's books	Time of supply
4 General	31-Oct-17	31-Oct-17	20-Nov-17	30-Nov-17	20-Nov-17
5 Advance paid	31-Oct-17	31-Oct-17	05-Nov-17	31-Oct-17	05-Nov-17
6 Delay in payment (Max. 60 days from date of invoice)	31-Oct-17	31-Oct-17	10-Jan-18	31-Oct-17	31-Dec-17
7 Service by unregistered person, no payment made	-	30-Nov-17	-	05-Dec-17	05-Dec-17

Vouchers Supply

Eg : Mr. A buys vouchers from Lifestyle of worth Rs. 1,000/- for a shirt dated December 01, 2017. Mr. A gifts such vouchers to Mr. B who redeems such vouchers with Amazon India on January 31, 2018. – Time of supply is the date of issue of vouchers viz., December 01, 2017.

Paytm wallet balance

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

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 in payment of consideration*
- shall be the date on which the **supplier receives such addition** in value.
- **Above is illustrative only any amount for delay payment**
- **Penalty for delayed payment includes here not otherwise**
- **Is Interest a consideration ?**

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)

If not returned
within 6 month,
Registered
person shall pay
tax under RCM

Transitional Provision (*Revision of Prices*)

Sec 142 (2)

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*)

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

Sec 142 (11) (c)

- 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?



Tax Invoice

Tax Invoice 31(3)

No invoice, if value is less than Rs. 200/-



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.

Consideration – Sec 2 (31)

- Barter transactions
- Monetary value of any act or tolerance
- Irrelevant as to who makes the payment
- Excludes Government subsidies like Urea Subsidy, PSI Subsidy, Electricity Subsidy
- Food at subsidised rates in Office canteens – to be included
- Deposits for Rentals
- Advance yearly fees for Coaching classes which is refundable

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
- (Buying commission. Selling Commission)

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.

Exclusion in Valuation

a) Before or at the time Supply

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

b) 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
- **E.g. Quantity 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.

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 become 'related persons' 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?

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 – 27) 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**;

(Rule – 27) Non Monetary Consideration

(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 30 or rule 31** in that order.

Illustration:

(1) Where a new phone is supplied for twenty thousand rupees along with the exchange of an old phone and if the price of the new phone without exchange is twenty four thousand rupees, the open market value of the new phone is twenty four thousand rupees.

(2) Where a laptop is supplied for forty thousand rupees along with the barter of a printer that is manufactured by the recipient and the value of the printer known at the time of supply is four thousand rupees but the open market value of the laptop is not known, the value of the supply of the laptop is forty four thousand rupees.

Valuation Rules - Related Party

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

(a) persons shall be deemed to be “related persons” 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 “person” 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 Rule 28

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

Where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of goods or services

Related Persons- 15

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

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

Valuation Rules – Transaction through

Every supply through agent is not a taxable supply.

agents Rule 29

Applicable only for goods not for services

Value shall be:

- Open Market Value
or
90% of the price charged for supply of goods of “like kind & quality” by the agent,
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

Valuation Rules – Rule (30) & (31)

Cost plus Method : Cost + 10 %

(Costing can be arrived based on cost accounting principal)

In respect of supply of service, the supplier is permitted to apply rule 31 instead of rule 4

Residual Valuation :

Where value can not be determine under above rules, same shall be determine using **reasonable means consistent with the principal** and general provisions of section 5 and these 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 –

Value of Supply shall be the gross profit (the difference between the selling price and purchase price) from the trading activity

Buying and selling of 2nd hand goods

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	1st 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

Notwithstanding anything contained in this rules, Expenses incurred by the supplier as a pure agent of recipient of service shall be excluded from the value of supply

Conditions :

1. Contract of supply subsists between a 3rd party & beneficiary
2. Actual recipient uses the supply for the purpose of the beneficiary
3. Bbeneficiary of supply liable to pay third party (due to contract)
4. The recipient of supply authorises the supplier to make payment on his behalf;
5. The recipient of supply knows that the services shall be provided by the third party;
6. The payment has been separately indicated in the invoice
7. Rrecipient claims actual only from beneficiary
8. actual recipient supplies (goods or services or both) independent of the reimbursement-supplies

Case Studies

Q1.

Mrs. Jaya purchases a Samsung television set costing Rs. 85,000 from Giriyas, in exchange of her existing TV set. After an hour of bargaining, the shop manager agrees to accept Rs.78,000 instead of his quote of Rs.81,000, as he would still be in a profitable position (the old TV can be sold for Rs. 8,000).

Case Studies

Q2. Mr. Mohan located in Manipal purchases 10,000 Hero ink pens worth Rs.4,00,000 from Lekhana Wholesalers located in Bhopal. Mr. Mohan's wife is an employee in Lekhana Wholesalers. The price of each Hero pen in the open market is Rs.52. The supplier additionally charges Rs.5,000 for delivering the goods to the recipient's place of business.

Case Studies

Q3. Sriram Textiles is a registered person in Hyderabad. A particular variety of clothing has been categorised as non-moving stock, costing Rs.5,00,000. None of the customers were willing to buy these clothes in spite of giving big discounts on them, for the reason that the design was too experimental. After months, Sriram Textiles was able to sell this stock on an online website to another retailer located in Meghalaya for Rs. 2,50,000, on the condition that the retailer would put up a poster of Sriram Textiles in all their retail outlets in the State.

Case Studies

Q4. Rajguru Industries stock transfers 1,00,000 units (costing Rs.10,00,000) requiring

further processing before sale, from Karnataka to its branch in Nagpur. The branch, apart from processing units of its own, engages in processing of similar units by other persons who supply the same variety of goods, and thereafter sells these processed goods to wholesalers. There are no other factories in the neighbouring area which are engaged in the same business as that of its Nagpur unit. Goods of the same kind and quality are supplied in lots of 1,00,000 units each time, by another manufacturer located in Nagpur. The price of such goods is Rs.9,70,000.

Case Studies

Q4. Rajguru Industries stock transfers 1,00,000 units (costing Rs.10,00,000) requiring

further processing before sale, from Karnataka to its branch in Nagpur. The branch, apart from processing units of its own, engages in processing of similar units by other persons who supply the same variety of goods, and thereafter sells these processed goods to wholesalers. There are no other factories in the neighbouring area which are engaged in the same business as that of its Nagpur unit. Goods of the same kind and quality are supplied in lots of 1,00,000 units each time, by another manufacturer located in Nagpur. The price of such goods is Rs.9,70,000.

Case Studies

Q5. M/s. Monalisa Painters owned by Vasudev is popularly known for painting the interiors of banquet halls. M/s. Starry Night Painters (also owned by Vasudev) is engaged in painting machinery equipment. A factory contracts M/s. Monalisa Painters for painting its machinery to keep it from corrosion, for a fee of Rs.1,50,000. M/s. Monalisa Painters sub-contracts the work to M/s. Starry Night Painters for Rs.1,00,000, and ensures supervision of the work performed by them. Generally, M/s/ Starry Night Painters charges a fixed sum of Rs.1,000 per hour to its clients; it spends 120 hours on this project.

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

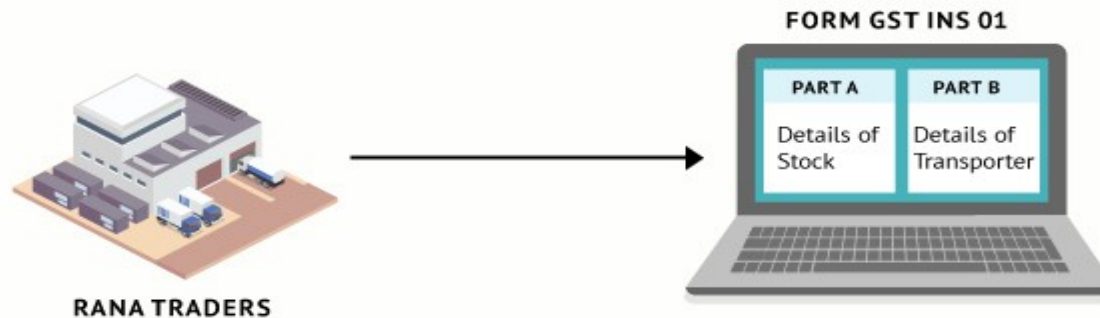
1

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



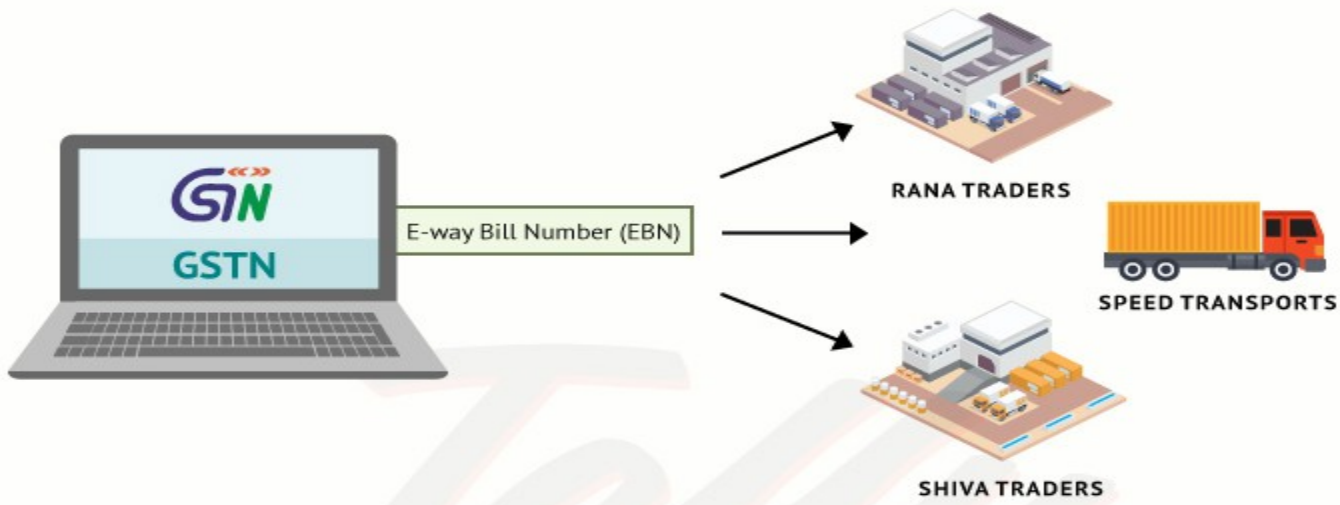
3

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



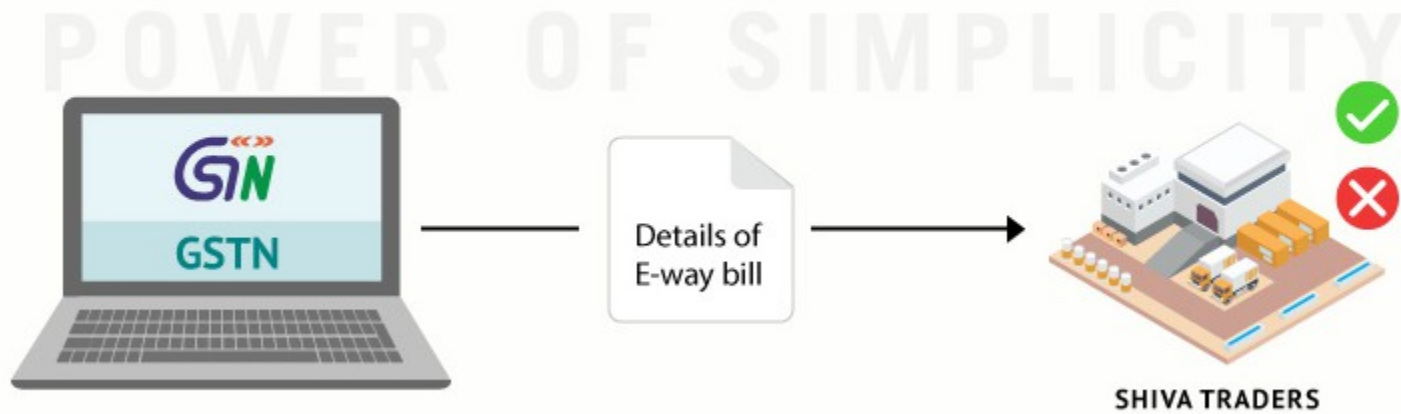
4

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.



5

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



Validity of an e-way bill

	Distance	Valid from	Valid for
	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.**

- (2) **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

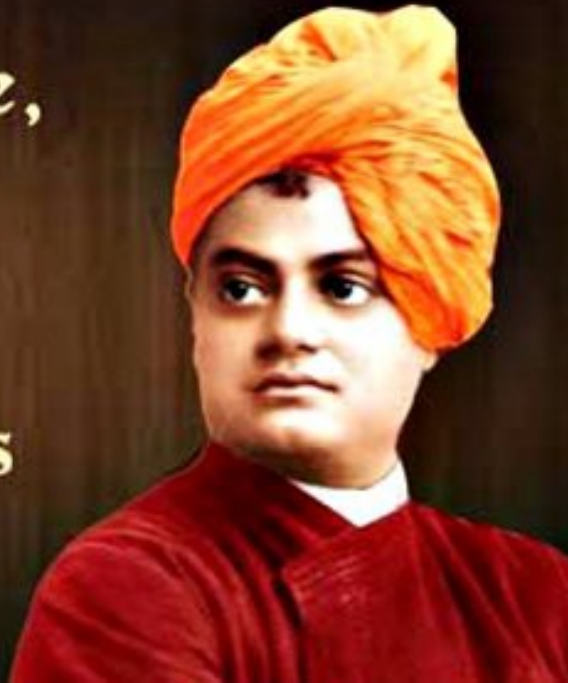


18/05/2017

CA Gopal Kedia

79

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



Thank you

CA Gopal Kedia,