

CHAPTER 13 - ACCOUNTS, RECORDS AND E – WAY BILL

Illustration 1

What are the basic accounts required to be maintained by a person at the principal place of business?

Solution

As per **Section 35 of the CGST Act, 2017** read with the CGST Rules, 2017, the following accounts need to be maintained on a true and correct basis:

- a. Production or manufacture of goods;
- b. Inward or outward supply of goods or services of both;
- c. Stock of goods;
- d. Input tax credit availed;
- e. Output tax payable and paid;
- f. Such other particulars as may be prescribed.

Illustration 2

State the consequences on failure to maintain the accounts?

Solution

Where the registered person fails to account for the goods or services or both in accordance with the provisions of **section 35(1)**, the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of **section 73 or section 74**, as the case may be, shall, mutatis, apply for determination of such tax.

Illustration 3

What is an E - way Bill?

Solution

Electronic Way Bill (E - way Bill) is basically a compliance mechanism

- Wherein by way of a digital interface
- The person causing the movement of goods
- Uploads the relevant information prior to the commencement of movement of goods and
- Generates e - way bill on the GST portal

Illustration 4

Explain the relevance of E - Way bill in GST?

Solution

E - way bill is an electronic mechanism to ensure that:

- There is a hassle free movement of goods throughout the country.
- Act as an effective tool to track movement of goods and
- To control tax evasion in the Country.

The e - way bill system is applicable for both interstate transport of goods, however, the applicability of the e - way bills for intra - state movement can be deferred by respective state as per **rule 138(14) (d)**.

Illustration 5

Whether E - way bill may be generated if the consignment value is less than Rs.50,000?

Solution

Yes, the registered person or the transporter, as the case may be may generated E- way bill voluntarily even if the value of consignment is less than Rs.50,000.

Illustration 6

When and who is required to generate an e - way bill?

Solution

1. As per **Rule 138(1) of CGST** rules, every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees:
 - In relation to a supply; or
 - For reasons other than supply; or
 - Due to inward supply from an unregistered person,
2. **E - Commerce operator or courier agency:** A registered person liable to generate e - way bill can authorize the transporter, e - commerce operator or courier agency to furnish the details in Part A of e - way bill.
3. **Job work:** As per **proviso to the rule 138(1)** where goods are being sent by a principal to the job worker located in another state, Principal or the job worker (if registered) shall generate an e - way bill, irrespective of consignment value.
4. **Voluntary generation of e - way bill:** A registered supplier may voluntarily generate on e - way bill even if consignment value is less than Rs. 50,000.
5. **Handicraft Goods:** Where handicraft goods are transported from one State or Union territory to another State or Union territory by a person who has been exempted from the

requirement of obtaining registration under clauses (i) and (ii) of **section 24**, the e - way bill shall be generated by the said person irrespective of the value of the consignment.

Illustration 7

How e - way bill needs to be generated in case of supply of goods by an unregistered person to a registered person?

Solution

Where the supply of goods is made by an unregistered person to a registered person in his own conveyance or a hired one or through a transporter the e - way bill shall be generated by the recipient of such goods or the transporter at their option.

However, for the purpose of this rule it is to be noted that where the goods are supplied by an unregistered supplier to a recipient who is registered, 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.

Illustration 8

Whether any other document needs to be provided to the transporter in addition to E - Way Bill, for movement of goods?

Solution

In accordance with **Rule 55A read with Rule 138A of CGST Rules**, the person incharge of conveyance, along with copy E - way Bill number in physical or electronic format, shall carry the tax invoice or Delivery Challan or Bill of Supply, as the case may be. **E - way Bill is an additional document and not a substitute for tax invoice**, delivery challan or any other prescribed document for the said transaction.

Illustration 9

How will the consignment value of supply for the purpose of e - way bill generation be computed?

Solution

As per explanation provided to **Rule 138(1) of CGST rules**, the consignment value of goods shall be the value, determined in accordance with the provisions of section 15,

- Declared in an invoice, a bill of supply or a delivery challan, as the case may be,
- Issued in respect of the said consignment and
- **Also includes** the central tax, state or union territory tax, integrated tax and cess charged, if any, in the document and
- **Shall exclude** the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

Illustration 10

Who is required to generate an E - way bill in the following cases:

- a. Goods transported by road
- b. Goods transported by railways
- c. Goods transported by air or vessel'

Solution

- a. 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 registered person as a consignor or the recipient of supply as the consignee, shall generate the e - way bill in FORM GST EWB - 01 electronically on the common portal after furnishing information in Part B of **FORM GST EWB - 01**.
- b. **Where the goods are transported by railways**, 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 of FORM GST EWB - 01:
Provided that where the goods are transported by railways, the railways shall not deliver the goods unless the e - way bill required under these rules is produced at the time of delivery.
- c. **Where the goods are transported 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 of **FORM GST EWB - 01**.

Illustration 11

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 (subject to relaxation in **Rule 138(14)(d)** for intra state movement of goods). However, it is to be noted that the exemption from generating the e - way bill is granted only in such case where the goods are to be transported up to a distance of 20 kms. from the place of business of the consignor to a weighment bridge or from weighbridge back to the place of such consignor. Further, such exemption is subject to a condition that the movement of such goods is accompanied by a delivery challan. Further, such exemption needs to be differentiated with the relaxation provided under **Proviso to Rule 138(3)**, for updating the Part B (vehicle details) of the **FORM GST EWB - 01**. The relaxation is given only in cases where the goods are to be transported from the place of business of consignor to the business of transporter up to 50 kms 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 goods for such short distance, E - way bill is not required.

Illustration 12

Explain the validity of E - way bill?

Solution

As per **rule 138(10)**, an e - way bill shall be valid for a period as given in table below **from the relevant date**, for distance specified in table below:

Type of cargo	Distance	Validity period
Cargo other than over dimensional Cargo	Up to 100 km	One day
Cargo other than over Dimensional Cargo	For every 100 km or part thereof thereafter	One additional day
Over Dimensional Cargo	up to 20 km	One day
Over Dimensional Cargo	For every 20 km or part thereof thereafter	One additional day

Note:

- For the purposes of this rule, the - “**relevant date**” shall mean the date on which the e - way bill has been generated and the period of validity shall be counted from the time at which the e - way bill has been generated and each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e way bill.
- For the purposes of this rule, the expression - “**Over Dimensional Cargo**” shall mean a cargo carried as a single indivisible unit and which exceeds the dimensional limits prescribed in rule 93 of the Central Motor Vehicle Rules, 1989, made under the Motor Vehicle Act, 1988.

Illustration 13

Specify the cases where e - way bill is not required to be generated?

Solution

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

a. Where the goods being transported are the ones given below:

s. no.	Description of goods
1.	Liquefied petroleum gas for supply to household and non-domestic exempted

	category (NDEC) customers
2.	Kerosene oil sold under PDS
3.	Postal baggage transported by Department of Posts
4.	Natural or cultured pearls and precious or semi - precious stones; precious metals and metals clad with precious metal
5.	Jewellery, goldsmiths' and silversmiths' wares and other articles
6.	Currency
7.	Used personal and household effects
8.	Coral, unworked (0508) and worked coral (9601)

- b. Where the goods are being transported by non - motorised conveyance.
- c. Where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by customs.
- d. In respect of movement of goods within such areas as are notified under of rule 138(14)(d) of the State or Union territory GST Rules in that particular State or Union territory.
- e. Where the goods (other than de - oiled cake), being transported, are exempt from tax vide notification no. 2/2017 CT(R) dated 28.6.2017
- f. Where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel.
- g. Where the supply of goods being transported is treated as no supply under Schedule III of the Act
- h. Where the goods are being transported:
 - a) Under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
 - b) Under customs supervision or under customs seal
- i. Where the goods being transported are transit cargo from or to Nepal or Bhutan.
- j. Where the goods being transported are exempt from tax under Notification 7/2012 CT(R) 28.6.2017 (Supply of goods by the CSD to the Unit Run Canteens or to the authorized customers and supply of goods by the Unit Run Canteens to the authorized customers) and notification no. 26/2017 CT (R) 21.9.2017 (supply of heavy water and nuclear fuels by Department of Atomic Energy to Nuclear Power Corporation of India Ltd. (NPCIL))

- k. Any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee
- l. Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail
- m. Where empty cargo containers are being transported
- n. Where the goods are being transported up to a distance of 20 km from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with rule 55.