

## **Implementation of GST E-way Bills**

### **Why in news?**

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Union government has announced introduction GST E-way bills from April 1,2018.

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### **What is e-way bill?**

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- The E-way bill is a document to be generated online under the GST system, when goods of the value of more than Rs.50,000 are shipped inter-State or intra-State.

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- The E-way bill must be raised before the goods are shipped and should include details of the goods, their consignor, recipient and transporter.

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- The transporter has to carry the invoice and the copy of E-way bill as support documents for the movement of goods.

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- Though check-posts have been abolished under GST, a consignment can be intercepted at any point for the verification of its E-way bill, for all inter-State and intra-State movement of goods.

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- If a consignment is found without an E-way bill, a penalty of Rs.10,000 or tax sought to be evaded, whichever is greater, can be levied.

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- Whether goods are transported on one's own or hired conveyance, by air, rail or road, the E-way bill has to be generated.

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### **What is the significance of E-way bills?**

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- GST has the ability to unify India as a market and do away with bothersome

inter-State check-posts.

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- Ministry of Road Transport and Highways reports that a typical truck in India spends 20 per cent of its time in inter-state check points.

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- Both the GST levy and the E-way bill were expected to root out such transit delays, while at the same time plugging tax evasion.

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- Every E-way bill generated by a sender or buyer of goods is to be automatically updated in the outward sales return (GSTR1) of the supplier, leaving little scope for tax evasions on shipments.

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- In the previous tax regime, tax officials had to manually cross-check the way bill with the tax returns filed, to verify if all the consignments came within the tax net.

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### **What are the recent decision on E-way bills?**

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- E-way bills has been planned for a reintroduction on April 1, which was earlier planned on February 2018 for inter-State transactions.

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- The intra-State transactions may be brought into the ambit from June 1, although Karnataka has implemented it already.

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- It has now been clarified that the value of Rs.50,000 will apply to a single consignment and not to an assortment of goods from different parties.

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- The minimum distance allowed for movement of goods without the requirement of an e-way bill within a state has been increased from 10 km to 50 km.

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### **What are the areas needs to be taken care?**

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- Business community is apprehensive that with GST collections falling short of the monthly norm of over Rs.1-lakh crore in 2017-18 the e-way bill may

turn into a revenue-raising measure in 2018-19.

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- In effect, this could lead to viewing every moving truck with suspicion, thus government ensure e-way bill as an alternative way to verify tax credit claims.

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- Thus the original objective of replacing check post hold-ups, dubious paperwork and efficient system should not be lost sight of.

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- For a flawless implementation errors and mismatches of compliance must be rooted out, the software backbone of the system need to be strengthened.

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- In the event of an e-way bill lapsing if a vehicle breaks down in transit, there could be documentation challenges, regulations to resolve this needs to be made.

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**Source: Business Line**

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