Complications in GST and e-way bills

Click hereto know more about e-way bill

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Why in news?

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Recently GST Council decided e-way bills will be introduced in a phased manner by March 2018.

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What is the recent decision on e-way bill?

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- The e-way bill can be electronically generated (on the government portal) either by the supplier or recipient of the consignment, before the movement of goods.
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- The transporter needs to carry an electronically generated way bill or a permit, with every consignment having value exceeding INR 50,000.
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- The person can carry the invoice book with him and issue the invoice once the supply is delivered.
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- All such supplies will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.
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- Till this completely gets implemented, the states have been allowed to follow their own way bill/road permit system, including the ones used prior to GST.
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- Recent decisions are based on communications received particularly from the suppliers of jewellery regarding issue of invoices when goods are sent on approval basis.
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What are the complications in the decisions?

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- **Numerical challenge -**Under the GST law, invoices are supposed to be serially numbered.
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- If invoice books are sent through transporters, maintaining serial numbers could pose a numerical challenge during invoice uploading and subsequent assessments since one set of invoices will be at the head office and the other in a remote location.
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- **State taxes -**This would create confusion when a truck starts its journey in one State, travels through three other States before completing its journey in a Union Territory.
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- **Approval slips -**Complications can arise if the goods are sent on approval basis since there would be no invoice.
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- The circular assumes that acceptance or rejection of goods sent on approval will be done instantaneously.
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- A machining part sent by a supplier to a first time customer would take a few weeks to be approved,some parts may be approved while others rejected.
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- **Jewellery based -**Clarification would be applicable to all goods supplied under similar situations, it appears that the draftsman has kept only jewellers in mind.
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- To how many suppliers (apart from, maybe, jewellers) can send the invoice book along with the vehicle in which the goods are transported is not specified.
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Source: Business Line

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