

Ans. (c) Joint Commissioner

Q2. In how many days, the officer shall return the seized goods / documents which are not relied upon while issuing notice?

- (a) 15 days
- (b) 30 days
- (c) 60 days
- (d) 90 days

Ans. (b) 30 days

Statutory provision

68. Inspection of goods in movement

The Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed.

The details of documents required to be carried under sub-section (1) shall be validated in such manner as may be prescribed.

Where any conveyance referred to in sub-section (1) is intercepted by the proper officer at any place, he may require the person in charge of the said conveyance to produce the documents prescribed under the said sub-section and devices for verification, and the said person shall be liable to produce the documents and devices and also allow the inspection of goods.

E-Way Rules

[138. Information to be furnished prior to commencement of movement of goods and generation of e-way bill. -

(1) Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees—

(i) in relation to a supply; or

(ii) for reasons other than supply; or

(iii) due to inward supply from an unregistered person,

shall, before commencement of such movement, furnish information relating to the said goods in Part A of FORM GST EWB-01, electronically, on the common portal.

[Provided that where goods are sent by a principal located in one State to a job-worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment:

Provided further that where handicraft goods are transported from one State to another 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.

Explanation. – For the purposes of this rule, the expression “handicraft goods” has the

meaning as assigned to it in the Government of India, Ministry of Finance, notification No. 32/ 2017-Central Tax dated 15.09.2017 published in the Gazette vide number G.S.R 1158 (E)]

(2) 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 by railways or by air or by vessel, the said person or the recipient may 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.

(3) Where the e-way bill is not generated under sub-rule (2) and the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01:

Provided that the registered person or, as the case may be, the transporter may, at his option, generate and carry the e-way bill even if the value of the consignment is less than fifty thousand rupees:

Provided further that where the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter, he or the transporter may, at their option, generate the e-way bill in FORM GST EWB-01 on the common portal in the manner specified in this rule:

Provided also that where the goods are transported for a distance of less than ten kilometers within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01.

Explanation 1. – For the purposes of this sub-rule, 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.

Explanation 2.-The information in Part A of FORM GST EWB-01 shall be furnished by the consignor or the recipient of the supply as consignee where the goods are transported by railways or by air or by vessel.

(4) Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

(5) Any transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in FORM GST EWB-01:

Provided that where the goods are transported for a distance of less than ten kilometers within the State or Union territory from the place of business of the transporter finally to the place of business of the consignee, the details of conveyance may not be updated

in the e-way bill.

- (6) After e-way bill has been generated in accordance with the provisions of sub-rule (1), where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in FORM GST EWB-02 may be generated by him on the said common portal prior to the movement of goods.
- (7) Where the consignor or the consignee has not generated FORM GST EWB-01 in accordance with the provisions of sub-rule (1) and the value of goods carried in the conveyance is more than fifty thousand rupees, the transporter shall generate FORM GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in FORM GST EWB-02 on the common portal prior to the movement of goods.
- (8) The information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in FORM GSTR-1:
Provided that when the information has been furnished by an unregistered supplier in FORM GST EWB-01, he shall be informed electronically, if the mobile number or the email is available.
- (9) Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the e-way bill:
Provided that an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.
- (10) An e-way bill or a consolidated e-way bill generated under this rule shall be valid for the period as mentioned in column (3) of the Table below from the relevant date, for the distance the goods have to be transported, as mentioned in column (2) of the said Table:

Table

Sr. no.	Distance	Validity Period
(1)	(2)	(3)
1.	Upto 100 km	One day
2.	For every 100 km or part thereof thereafter	One additional day

Provided that the Commissioner may, by notification, extend the validity period of e-way bill for certain categories of goods as may be specified therein:

Provided further that where, under circumstances of an exceptional nature, the goods cannot be transported within the validity period of the e-way bill, the transporter may generate another e-way bill after updating the details in Part B of FORM GST EWB-01.

Explanation. —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 twenty-four hours.

- (11) The details of e-way bill generated under sub-rule (1) shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.
- (12) Where the recipient referred to in sub-rule (11) does not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.
- (13) The e-way bill generated under this rule or under rule 138 of the Goods and Services Tax Rules of any State shall be valid in every State and Union territory.
- (14) Notwithstanding anything contained in this rule, no e-way bill is required to be generated—
 - (a) where the goods being transported are specified in Annexure;
 - (b) where the goods are being transported by a non-motorised conveyance;
 - (c) where the goods are being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; and
 - (d) in respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the Goods and Services Tax Rules of the concerned State.

Explanation. - The facility of generation and cancellation of e-way bill may also be made available through SMS.

138A. Documents and devices to be carried by a person-in-charge of a conveyance. -

- (1) The 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) a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.
- (2) A registered person may obtain an Invoice Reference Number from the common portal by uploading, on the said portal, a tax invoice issued by him in FORM GST INV-1 and produce the same for verification by the proper officer in lieu of the tax invoice and such number shall be valid for a period of thirty days from the date of uploading.
- (3) Where the registered person uploads the invoice under sub-rule (2), the information in Part A of FORM GST EWB-01 shall be auto-populated by the common portal on the basis of the information furnished in FORM GST INV-1.
- (4) The Commissioner may, by notification, require a class of transporters to obtain a

unique Radio Frequency Identification Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Device prior to the movement of goods.

(5) Notwithstanding anything contained clause (b) of sub-rule (1), where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill-

(a) tax invoice or bill of supply or bill of entry; or

(b) a delivery challan, where the goods are transported for reasons other than by way of supply.

138B. Verification of documents and conveyances. -

(1) The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intra-State movement of goods.

(2) The Commissioner shall get Radio Frequency Identification Device readers installed at places where the verification of movement of goods is required to be carried out and verification of movement of vehicles shall be done through such device readers where the e-way bill has been mapped with the said device.

(3) The physical verification of conveyances shall be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf:

If on receipt of specific information on evasion of tax, physical verification of a specific conveyance can also be carried out by any officer after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.

138C. Inspection and verification of goods. -

(1) A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of FORM GST EWB-03 within twenty four hours of inspection and the final report in Part B of FORM GST EWB-03 shall be recorded within three days of such inspection.

(2) Where the physical verification of goods being transported on any conveyance has been done during transit at one place within the State or in any other State, no further physical verification of the said conveyance shall be carried out again in the State, unless a specific information relating to evasion of tax is made available subsequently.

138D. 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 EWB-04 on the common portal.]

68.1. Introduction

This section prescribes the mechanism of creating an audit trail on the common portal for movement of goods about a certain monetary value. The trail can be created by the supplier participated or even the transporter, in certain circumstances. Use of e-way bill is not a substitute for tax invoice. Details of the procedure applicable is discussed below.

68.2. Analysis

Object of e-way bill

E-way bill is required only in the case of goods. It has already been discussed that understanding of transactions involving goods are treated as a supply of services. The e-way bill is required not only when the supply is treated as a supply of goods but even when the supply is treated as a supply of services but involves “movement of goods”. It may be kept in mind that e-way bill is required in all cases where goods – inventory, capital goods or inputs for job work or any other business asset – are involved in movement. There is no difference whether the movement is pursuant to a supply arrangement or an innocent relocation of goods within the State itself. The utility of generating audit trail contemporaneously is invaluable for verification and validation at a later point in time.

Date of implementation

The Central Government vide Notification no.74/2017 dated 29th December, 2017 has notified 1st day of February, 2018, as the date from which the provisions of E-way bill system as notified in Notification No. 27/2017 – Central Tax dated 30th August, 2017 shall come into force.

Further, as per CBEC press release, following decisions were taken by the GST council in the 24th GST Council meeting for implementation of nationwide e-way Bill system :

- (i) The nationwide e-way Bill system will be ready to be rolled out on a trial basis latest by 16th January, 2018. Trade and transporters can start using this system on a voluntary basis from 16th January, 2018.
- (ii) The Rules for implementation of nationwide e-way Bill system for Inter-State movement of goods on a compulsory basis will be notified with effect from 1st February, 2018. This will bring uniformity across the States for seamless inter-State movement of goods.
- (iii) While the System for both inter-State and intra-State e-way Bill generation will be ready by 16th January, 2018, the States may choose their own timings for implementation of e-way Bill for intra-State movement of goods on any date before 1st June, 2018. There are certain States which are already having system of e-way Bill for intra-State as well as inter-State movement and some of those States can be early adopters of national e-way Bill system for intra-State movement also. But in any case, the Uniform System of e-way Bill for inter-State as well as intra-State movement will be implemented across the country by 1st June, 2018.

Data Requirement

The data required for generating e-way bill is very simple and limited. The supplier or recipient or even the transporter, where permitted, would be in a position to submit the information on the common portal.

Part A of Form GST EWB-01

On a quick perusal of the information required in Part A, it can be noticed that very limited information is required, namely:

- identity of the parties
- identity of the goods with value
- identity of the place of delivery (not place of supply)
- identity of occasion for transportation
- identity of document for transportation

Part B of Form GST EWB-01

- identity of vehicle

Excluded Goods

Rule 138 lists goods and circumstances of movement, in respect of which requirement to generate e-way bill is excluded, namely:

- goods listed in Annexure comprising of 154 entries in respect of which any movement of goods within the State or outside the State can be freely undertaken without the requirement of generating e-way bill;
- goods being transported through non-motorized conveyance also do not require e-way bill;
- goods being transported from port, airport, air cargo complex and land custom station to an inland container depot or a container freight station for customs clearance
- any other goods that may be notified by the respective State as being eligible for such exclusion from the requirement of e-way bill.

Use Cases

E-way bill is required to be generated when the supply involves the following:

Movement of Goods	Value Limit	E-Way Bill
Outward supply	More than ₹50,000	By any person (supplier, recipient, transporter)
Any other outward movement	More than ₹50,000	By any person (supplier, recipient, transporter)
Inward supply from un-registered supplier, if recipient(registered) is known at the time of commencement of movement of goods	More than ₹50,000	By Registered Recipient
Inward supply from un-registered supplier, if recipient is not known	No limit	Un-registered supplier or Transporter
Inputs or capital goods sent by principal to job worker outside the State	No limit	By Principal only

Handicrafts transported from one State to another	No limit	Handicrafts supplier
All movement	Less than ₹50,000	Option to generate by Registered supplier or transporter
All movement from consignor to transporter or from transporter to consignee within State distance less than 10 km	No limit	Part B of Form EWB-01 not required

Steps Involved

The following steps are involved in e-way bill compliance:

Activity	Responsibility	Result Obtained
Submit Part A	Supplier or Recipient	Get EBN—unique e-way bill number
Submit Part B	Transporter	Get GST EWB-01
Submit Part A	Transporter (where supplier is unregistered)	Get GST EWB-01
Update Part B	Transporter (change of vehicle)	Get GST EWB-01
Update e-way bill number	Transporter (multiple consignments in one conveyance)	Get GST EWB-02

Shelf-life and Confirmation

E-way bill generated has a prescribed shelf life of one day for a distance of up to 100 kilometres and one additional day for multiples thereof. If the goods are not transported or are not transported as per the details furnished in e-way bill after generation of e-way bill, the bill may be cancelled within 24 hours. E-way bill generated against the GSTIN of the recipient will be available for viewing by the recipient on the Common Portal. Recipient is required to accept or reject every e-way bill generated on the Common Portal. If there is no positive action by the recipient – acceptance or rejection – the e-way bill generated will be deemed to be accepted after 72 hours.

Documents for Movement

Every movement shall be accompanied by both of the following documents, namely:

- principal document – tax invoice or bill of supply or other challan; and
- e-way bill or EBN reference, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance.

All information required in our tax invoice may be uploaded on the Common Portal in Form GST INV-01 and an Invoice Reference Number (IRN) may be generated. Commissioner is empowered to relax the requirement of carrying e-way bill and may require the person in charge to carry tax invoice, bill of supply, bill of entry or delivery challan.

Commissioner may notify the class of transporter to obtain unique Radio Frequency Identification Device and to get the device embedded on the conveyance.

Verification During Movement

Movement interception, by the Commissioner or proper officer authorised by the Commissioner, is allowed and an online verification report is to be filed within 24 hours. Proof of stoppage for verification is required in Part A of Form GST EWB-03 and final report in Part B of Form GST EWB-03 within three days of inspection.

Where physical verification of conveyance has been done during transit at one place within the State or in any other State, no further physical verification of the conveyance shall be carried in the State out again unless any information relating to tax evasion is made available.

In order to monitor stoppage during movement or detained vehicle, transporter may upload instances of stoppage for a duration exceeding 30 minutes by uploading information on the Common Portal in Form GST EWB-04.

Statutory provision**69. Power to arrest**

- (1) *Where the Commissioner has reasons to believe that a person has committed any offence specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 132 which is punishable under clause (i) or (ii) of sub-section (1), or under sub-section (2) of the said section, he may, by order, authorise any officer of the central tax to arrest such person.*
- (2) *Where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 132, the officer authorise to arrest the person shall inform such person of the grounds of arrest and produce him before a magistrate within twenty-four hours.*
- (3) *Subject to the provisions of the Code of Criminal Procedure, 1973, —*
 - (a) *where a person is arrested under sub-section (1) for any offence specified under sub-section (4) of section 132, he shall be admitted to bail or in default of bail, forwarded to the custody of the Magistrate;*
 - (b) *in the case of a non-cognizable and bailable offence, the Deputy Commissioner or the Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.*

69.1. Introduction

This section deals with power of arrest when one commits any of the following offences which is punishable under clause (i) or (ii) of sub-section (1), or under sub-section (2) of sec 132 of CGST Act.

- (a) Supplies any goods or services or both without issue of invoice with the intention to evade tax
- (b) Issues any invoice or bill without supplies leading to wrongful availment or utilisation of input tax credit or refund of tax
- (c) Avails input tax credit using invoice or bill referred to in b) above