

AMENDMENTS APPLICABLE FOR NOV 2018 EXAM

Income Tax

1. Residential Status

If any Seafarer (crew member of ship) is Non-resident and Income is accruing/arising abroad and his income has been received directly in his bank account in India, such income shall not be taxable.

2. Income from other Sources

As per section 2(22)(e), If any trade advance is given to the shareholder covered under section 2(22)(e), it will not be considered to be dividend, eg. Mr. X is holding 10% share in XYZ private limited a closely held company and Mr. X is supplying certain goods to the company and has received some advance, it will not be considered to be dividend.

3. Section 54EC: Now the assessee is allowed to invest in the bonds of 2 more organisations.

1. Power Finance Corporation Limited.
2. Indian Railway Finance Corporation Limited.

4. The limit for gratuity notified under the Payment of Gratuity Act, 1972 has been increased from ₹ 10 lakh to ₹ 20 lakh. (However limit in case of others shall continue to be ₹10 lakhs)

5. The provisions of section 139AA relating to quoting of Aadhar Number would not apply to an individual who does not possess the Aadhar number or Enrolment ID and is:

- (i) residing in the States of Assam, Jammu & Kashmir and Meghalaya;
- (ii) a non-resident as per Income-tax Act, 1961;
- (iii) of the age of 80 years or more at any time during the previous year;
- (iv) not a citizen of India.

6. Deduction shall be allowed u/s 80CCD even for contribution to Atal Pension Yojana.

GST

1. Time of supply of goods Section 12 (1) & 12 (2) (a). (Revised)

Liability to pay GST shall arise at the time of supply of goods which will be the date of issue of invoice but if invoice is issued after delivery of goods, TOS shall be date of delivery of goods, eg. If invoice is issued on 28th July 2017 and goods are delivered on 31st July 2017 and payment is received on 10th August 2017, TOS is 28th July 2017 but if invoice is issued on 01st August 2017, TOS is 31st July 2017. (i.e. date of receiving payment is not relevant now)

2. As per notification no. 03/2018 dated 23.01.2018,

As per Section 10, A registered dealer whose aggregate turnover in the preceding year is upto ₹1,00,00,000 may opt for composition scheme and in that case he will not be allowed to charge any output tax and also no ITC is allowed rather he himself has to pay tax at the rate as given **under Rule 7** and are as given below:

(i) **0.5% CGST + 0.5% SGST** of Turnover in the State/Turnover in the Union Territory in case of manufacturer but in case of traders it will be **0.5% CGST + 0.5% SGST** of turnover of taxable supplies of goods.

(ii) If person is engaged in restaurant services rates shall be **2.5% CGST & 2.5% SGST** of Turnover in the State/Turnover in the Union Territory.

3. As per notification no. 03/2018 dated 23.01.2018, proviso to rule 20 omitted

Any **voluntarily registered** person shall file application for cancellation **after one year** from the effective date of registration.

It means now any voluntarily registered person shall file application for cancellation without any time boundation of one year.

4. Rule 55A. Tax Invoice or bill of supply to accompany transport of goods.

The person-in-charge of the conveyance shall carry a copy of the tax invoice or the bill of supply issued in accordance with the provisions of rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under these rules.

5. Earlier reverse charge was not applicable in case of renting of immovable property services supplied by the Central Government, State Government, Union territory or local authority but now reverse charge shall be applicable only when services are given to a registered person (Notification No. 3/2018 CT(R), dated 25-01-2018). However no reverse charge if services are given to a person who is not registered.

6. Supply of Services by the members of overseeing committee to Reserve Bank of India.

Reverse charge shall be applicable and tax shall be paid by Reserve Bank of India.

7. Matching, reversal & reclaim of input tax credit has been excluded from syllabus. (GST 3rd Edition – Q. NO. 1 page no. 83) (4th Edition - Q. NO. 1 page no. 88)

8. Matching, reversal & reclaim of reduction in output tax liability has been excluded from syllabus. (GST 3rd Edition – Q. NO. 2 page no. 84) (4th Edition - Q. NO. 2 page no. 89)

9. Claim of input tax credit and provisional acceptance thereof has been excluded from syllabus. (GST 3rd Edition – Q. NO. 8 page no. 89) (GST 4th Edition – Q. NO. 8 page no. 94)

10. Furnishing of GSTR-2, GSTR-1A, GSTR-3 has been excluded from syllabus. (GST 3rd Edition – Q. NO. 4 page no. 86, Q. NO. 5 page no. 87) (GST 4th Edition – Q. NO. 4 page no. 91, Q. NO. 5 page no. 92)

11. Persons making inter-State taxable supplies of handicraft goods and casual taxable person making taxable supplies of handicraft goods exempted from obtaining compulsory registration subject to fulfillment of specified conditions.

As per section 24 of CGST Act, a person making inter-State taxable supplies of goods is liable to be registered compulsorily under GST irrespective of the threshold limit . *[A threshold exemption from registration has been extended to persons making inter-State taxable supply of services. The same is discussed under point 4.]* However, persons making inter- State supplies of handicraft goods have been exempted from obtaining registration vide **Notification No. 8/2017 IT dated 14.09.2017**.

The exemption will be available if –

(i) the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of **₹20 lakh** [₹ **10 lakh** in case of Special Category States, other than the State of Jammu and Kashmir] in a financial year

(ii) persons making inter-State taxable supplies of handicraft goods obtain a PAN and generate an e-way bill. Further, section 24 of CGST Act also requires a casual taxable person making taxable supplies to register compulsorily under GST irrespective of the threshold limit. However, a casual taxable person making taxable supplies of handicraft goods has been exempted from obtaining registration vide **Notification No. 32/2017 CT dated 15.09.2017**.

The exemption will be available if –

(i) the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of **₹20 lakh** [₹**10 lakh** in case of Special Category States, other than the State of Jammu and Kashmir] in a financial year.

(ii) the casual taxable persons making taxable supplies of handicraft **obtain a PAN and generate an e-way bill**. The above exemption shall be available to such persons who are making inter -State taxable supplies of handicraft goods and are availing the benefit of **Notification No. 8/2017 IT dated 14.09.2017**.

Handicraft goods: Here, handicraft goods means the products specified in the respective notifications, when made by the craftsmen predominantly by hand even though some machinery may also be used in the process.

12. Job workers engaged in making inter-State supply of services to a registered person exempted from obtaining registration with certain exceptions

The job workers engaged in making inter-State supply of services to a registered person have been exempted from obtaining registration vide **Notification No. 7/2017 IT dated 14.09.2017**. However, nothing contained in this notification shall apply to a job-worker –

- (a) who is liable to be registered under section 22(1) or who opts to take registration voluntarily under section 25(3) of the CGST Act; or
- (b) who is involved in making supply of services in relation to jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71 of the Tariff).

13. Persons making inter-State supplies of taxable services up to ₹20,00,000 exempted from obtaining registration

The persons making inter-State supplies of taxable services and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of ₹20 lakh in a financial year have been exempted from obtaining compulsory registration.

However, the aggregate value of such supplies, to be computed on all India basis, should not exceed an amount of ₹10 lakh in case of following "special category States":

Arunachal Pradesh

Assam

Manipur

Meghalaya

Mizoram

Nagaland

Sikkim

Tripura

Himachal Pradesh

Uttarakhand

It may be noted that State of Jammu & Kashmir, a special category State', has opted for ₹20 lakh threshold limit for registration.

[Notification No. 10/2017 IT dated 13.10.2017]

14. Exempted Services

(i) Services received from a provider of service located in a non-taxable territory or taxable territory by way of supply of online educational journals or periodicals to an educational institution other than an institution providing services by way of—

- (i) pre-school education and education up to higher secondary school or equivalent; or
- (ii) education as a part of an approved vocational education course;

(ii) Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India.

(iii) Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India.

(iv) Services by way of giving on hire motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent.

(v) Services provided by arbitral tribunal/advocates including senior advocate to the Central Government, State Government, Union territory, local authority, Governmental Authority or Government Entity.

(vi) Services by way of fumigation in a warehouse of agricultural produce.

(vii) Services by way of providing information under the Right to Information Act, 2005.

(viii) *Earlier services provided by an educational institution to its students faculty and staff was exempt from GST but now one more service is exempt i.e. service by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee.*

Educational institution" means an institution providing services by way of,—

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
- (iii) education as a part of an approved vocational education course

(ix) **Services to an educational institution,** by way of,—

- (i) transportation of students, faculty and staff;
- (ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;
- (iii) security or cleaning or house- keeping services performed in such educational institution;
- (iv) services relating to admission to, or conduct of examination by, such institution.

Educational Institution for the purpose of point (i), (ii),(iii) means an institution providing services by way of pre-school education and education up to higher secondary school or equivalent but for point (iv) it will have the same meaning as given above.

(x) Service by Resident Welfare Association to their members was exempt provided payment received was upto ₹5000 per month but now it is ₹7500 per month.

(xi) Earlier entry to circus, dance etc. was exempt provided entry fee was ₹250 per person but now it has been increased to ₹500 per person and also planetarium has been included.

(xii) Pure services provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution shall be exempted service. It has been amended and now if there is composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply, shall also be exempt from GST.

(xiii) Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).

(xiv) Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex

(xv) Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India shall be exempt from GST.

(xvi) Supply of services provided by a goods transport agency to an unregistered person, other than the following recipients, namely: -

- (a) any factory; or
- (b) any Society; or
- (c) any Co-operative Society; or
- (d) any body corporate; or
- (e) any partnership firm including association of persons;
- (f) any casual taxable person;
- (g) any person registered under GST.

(xvii) With effect from 15.11.2017, services by way of admission to a protected monument so declared under the Ancient Monuments and Archaeological Sites and Remains Act 1958 or any of the State Acts, for the time being in force, have been exempted from CGST [*Notification No. 47/2017 CT (R) dated 14.11.2017*].

(xviii) Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding, are exempt from CGST. The exemption was not available on or after the expiry of a period of one year from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation.

Now the said exemption will not be available on or after the expiry of a period of three years from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation [*Notification No. 2/2018 CT (R) dated 25.01.2018*].

One amendment class will be held on 22.09.2018 at our Pitampura center for Nov 2018 exam from 07.30 am to 10.30 am and it will be uploaded on youtube after 2 days. All our students are allowed to attend the class (free of charge). Outsiders are not allowed.

Recently ICAI has released a list of notifications/circulars (file attached on our website) for Nov 2018 examination. All these amendments have already been covered in our 3rd edition as well as 4th edition of GST except the amendments given above. Remaining amendments are not relevant for examination but still a student may read such amendments.

E-way bill shall be explained in the amendment class to be held on 22nd September.

15. E-WAY BILL

E-way Bill provisions made effective from 01.04.2018

Section 68/Rule 138

The person in charge of a conveyance carrying any consignment of goods of value exceeding 50,000 may require to carry with him e-way bill as the document.

A **waybill** is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods and the details include name of consignor, consignee, the point of origin of the consignment, its destination, and route.

Electronic Way Bill (E-Way Bill) is 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.

In other words, E-way bill is an electronic document generated on the GST portal evidencing movement of goods.

What are the benefits of e-way bill?

Following benefits are expected from e-way bill mechanism:

- (i) Physical interface to pave way for digital interface resulting in elimination of state boundary check-posts
- (ii) It will facilitate faster movement of goods
- (iii) It will improve the turnaround time of trucks and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs.

E-way Bill is generated **electronically** in Form GST EWB 01 on the common portal. It is important to note here that the Common GST Electronic Portal for furnishing electronic way bill is www.ewaybillgst.gov.in [managed by the National Informatics Centre, Ministry of Electronics & Information Technology, Government of India] whereas the Common GST Electronic Portal for facilitating registration, payment of tax, furnishing of returns and computation and settlement of integrated tax is www.gst.gov.in [managed by the Goods and Services Tax Network, a company incorporated under the provisions of section 8 of the Companies Act, 2013] as notified vide **Notification No. 9/2018 CT dated 23.01.2018**.

The facility of generation, cancellation, updation and assignment of e-way bill shall be made available through SMS to the supplier, recipient and the transporter, as the case may be.

E-way Bill can be generated through various modes like Web (Online), Android App, SMS, using Bulk Upload Tool and API based site to site integration etc.

E-way bill system has been introduced for inter-State movement of goods across the country from 01.04.2018.

For intra-State movement of goods, e-way bill system has been introduced in a phased manner.

The provisions relating to E-way Bill, as contained in rules 138, 138A, 138B, 138C, and 138D [Chapter XVI] of the CGST Rules, 2017, have been substituted with new rules vide **Notification No. 12/2018 CT dated 07.03.2018** and have been made effective from 01.04.2018 [except rule 138(7)] vide **Notification No. 15/2018 CT dated 23.03.2018**.

These provisions are elaborated as under:

(1) When is e-way bill required to be generated? [Rule 138(1)]

Whenever there is a movement of goods of consignment value exceeding ₹ 50,000:

- (i) in relation to a supply; or
- (ii) for reasons other than supply; or
- (iii) due to inward supply from an unregistered person, the registered person who causes such movement of goods shall furnish the information relating to the said goods as specified in Part A of Form GST EWB-01 before commencement of such movement.

It is important to note that “information is to be furnished prior to the commencement of movement of goods” and “is to be issued whether the movement is in relation to a supply or for reasons other than supply”.

Meaning of consignment value of goods

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.

Special situations where e-way bill needs to be issued even if the value of the consignment is less than ₹ 50,000:

(i) Inter-State transfer of goods by principal to job-worker

Where goods are sent by a principal located in one State or Union territory to a job worker located in any other State or Union territory, the e-way bill shall be generated either by the principal or the job worker, if registered, irrespective of the value of the consignment [Third proviso to rule 138(1)].

(ii) Inter-State transfer of handicraft goods by a person exempted from obtaining registration

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 [Fourth proviso to rule 138].

***Handicraft goods** are the goods specified in *Notification No. 32/2017-C.T. dated 15.09.2017* which exempts the casual taxable persons making inter-State taxable supplies of such handicraft goods from obtaining registration.

(2) Information to be furnished in e-way bill:

An e-way bill Form GST EWB-01 contains two parts:

(I) Part A to be furnished by the **registered person** who is causing movement of goods** of consignment value exceeding ₹ 50,000/- and

(II) Part B (transport details) is to be furnished by the **person who is transporting the goods.**

**However, information in Part-A may be furnished:

- by the transporter, on an authorization received from such registered person [First proviso to rule 138(1)] or
- by the e-commerce operator or courier agency, where the goods to be transported are supplied through an such e-commerce operator or a courier agency [Second proviso to rule 138(1)].

(3) Who is mandatorily required to generate e-way bill?

- **Where the goods are transported by a registered person - whether as consignor or recipient of supply as the consignee** (whether in his own conveyance or a hired one or a public conveyance, by road), the said person shall have to generate the e-way bill (by furnishing information in part B on the common portal) [Rule 138(2)].
- **Where the goods are transported by railways or 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, information in part B on the common portal [Rule 138(2A)].
- **Where the e-way bill is not generated by the registered person and the goods are handed over to the transporter, for transportation of goods by road**, the registered person shall furnish the information relating to the transporter in Part B 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 [Rule 138(3)].

Above provisions can be summarised as under:

E-way bill is to be generated by the consignor or consignee (if the transportation is being done in own/hired conveyance or by railways by air or by vessel) **or the transporter** (if the goods are handed over to a transporter for transportation by road).

Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than ₹ 50,000/- it shall be the **responsibility of the transporter** to generate it.

Other important points:

- **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 [Proviso to rule 138(2A)].
- The registered person or, the transporter may, at his option, generate and carry the e-way bill even if the value of the consignment is less than ₹50,000 [First proviso to rule 138(3)].
- **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 [Second proviso to rule 138(3)].
- **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 1 to rule 138(3)].

(4) When is it not mandatory to furnish the details of conveyance in Part -B?

Explanation 2 to rule 138(3) stipulates that e-way bill is valid for movement of goods by road only when the information in Part-B is furnished. However, details of conveyance may not be furnished in Part-B of the e-way bill where the goods are transported **for a distance of upto 50 km** within the State/Union territory:

- from the place of business of the consignor to the place of business of the transporter for further transportation [Third proviso to rule 138(3)] or
- from the place of business of the transporter finally to the place of business of the consignee [Proviso to rule 138(5)].

(5) Unique e-way bill number (EBN)

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 [Rule 138(4)].

(6) Transfer of goods from one conveyance to another

Where the goods are transferred from one conveyance to another, the consignor or the recipient, who has provided information in **Part A**, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in **Part B** of the e-way bill on the common portal [Rule 138(5)].

The consignor/recipient, who has furnished the information in **Part A**, or the transporter, may assign the e-way bill number to another registered/enrolled transporter for updating the information in **Part B** for further movement of the consignment [Rule 138(5A)]. However, once the details of the conveyance have been updated by the transporter in **Part B**, the consignor or recipient, as the case may be, who has furnished the information in **Part A** shall not be allowed to assign the e-way bill number to another transporter [Proviso to rule 138(5A)].

(7) Consolidated E-way bill

Where the consignor/consignee has not generated the e-way bill in Form GST EWB- 01 and the aggregate of the consignment value of goods carried in the conveyance is more than ₹ 50,000, the transporter, except in case of transportation of goods by railways, air and vessel, shall, in respect of inter-State supply, generate the e-way bill in 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 [Rule 138(7)].

However, where the goods to be transported are supplied through an e-commerce operator or a courier agency, the information in Part A of Form GST EWB-01 may be furnished by such e-commerce operator or courier agency [Proviso to rule 138(7)].

Thus, a consolidated E-way bill is generated when the transporter is carrying multiple consignments in a single vehicle. Consolidated E-way bill allows the transporter to carry a single document, instead of a separate document for each consignment in a conveyance.

Consolidated EWB is like a trip sheet and it contains details of different e-way bills in respect of various consignments being transported in one vehicle and these e-way bills will have different validity periods. Hence, Consolidated EWB does not have any independent validity period. Further, individual consignment specified in the Consolidated EWB should reach the destination as per the validity period of the individual EWB.

(8) Information submitted for e-way bill can be used for filing GST Returns

The information furnished in **Part A** of the e-way bill shall be made available to the registered supplier on the common portal who may utilize the same for furnishing the details in **Form GSTR-1** [Rule 138(8)].

However, when the information has been furnished by an unregistered supplier/unregistered recipient, he shall be informed electronically, if the mobile number or the e-mail is available [Proviso to rule 138(8)].

(9) Cancellation of e-way bill

Where an e-way bill has been generated, 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 within 24 hours of generation of the e-way bill [Rule 138(9)].

However, an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B [First proviso to rule 138(9)].

Further, unique number generated is valid for a period of 15 days for updation of Part B [Second proviso to rule 138(9)].

(10) Validity period of e-way bill/consolidated e-way bill [Rule 138(10)]

Sl. No.	Distance within country	Validity period from relevant date*
01.	Upto 100 km	One day in cases other than Over Dimensional Cargo**
02.	For every 100 km or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo
03.	Upto 20 km	One day in case of Over Dimensional Cargo
04.	For every 20 km or part thereof thereafter	One additional day in case of Over Dimensional Cargo

***Relevant date** means 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.

****Over dimensional cargo** means 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 Vehicles Act, 1988

Extension of validity period Commissioner may, on the recommendations of the Council, by notification, extend the validity period of an e-way bill for certain categories of goods as may be specified therein.

Where, under circumstances of an exceptional nature, including trans -shipment, the goods cannot be transported within the validity period of the e-way bill, the transporter may extend the validity period after updating the details in Part B, if required.

(11) Acceptance of e-way bill

The details of the e-way bill generated shall be made available to the -

- supplier, if registered, where the information in Part A has been furnished by the recipient/transporter; or
- recipient, if registered, where the information in Part A has been furnished by the supplier/transporter, on the common portal, and the supplier/recipient, as the case may be, shall communicate his acceptance or rejection of the consignment covered by the e-way bill [Rule 138(11)].

In case, the person to whom the information in Part -A is made available, does not communicate his acceptance or rejection within the specified time, it shall be deemed that he has accepted the said details. The time-limit specified for this purpose is:

- (i) 72 hours of the details being made available to him on the common portal or
 - (ii) the time of delivery of goods,
- whichever is earlier.

(12) E-way bill generated in one State is valid in another State

The e-way bill generated under this rule or under rule 138 of the Goods and Services Tax Rules of any State or Union territory shall be valid in every State and Union territory [Rule 138(13)].

(13) Situations where E-way Bill is not required to be generated

Notwithstanding anything explained above, 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 (Chapter 71)
5.	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
6.	Currency
7.	Used personal and household effects
8.	Coral, unworked (0508) and worked coral (9601)]

- (b) where the goods are being transported by a 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 28.06.2017*

- (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 -

- (i) 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
- (ii) 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 No. 7/2017 CT (R) 28.06.2017* [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) 21.09.2017* [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 upto 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

(14) Documents and devices to be carried by a person-in-charge of a conveyance

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 in physical form or the e-way bill number in electronic form or mapped to a RFID** embedded on to the conveyance [except in case of movement of goods by rail or by air or vessel] in such manner as may be notified by the Commissioner [Rule 138A (1)].

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 [Rule 138A (4)].

***RFIDs are Radio Frequency Identification Device used for identification.*

Invoice Reference Number in lieu of tax invoice

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 the prescribed form 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 30 days from the date of uploading [Rule 138A (2)].

In the said case, the registered person will not have to upload the information in Part A for generation of e-way bill and the same shall be auto-populated by the common portal on the basis of the information furnished in the prescribed form [Rule 138A (3)].

Documents in lieu of e-way bill

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 [Rule 138A (5)].

(15) Verification of documents and conveyances

The Commissioner or an officer empowered by him in this behalf may authorize the proper officer to intercept any conveyance to verify the e-way bill in physical or electronic form for all inter-State and intra-State movement of goods [Rule 138B (1)].

The Commissioner shall get RFID 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 [Rule 138B (2)].

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 [Rule 138B (3)].

However, on receipt of specific information on evasion of tax, physical verification of a specific conveyance can also be carried out by any other officer after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf [Proviso to rule 138B (3)].

(16) Inspection and verification of goods

A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of specified form within 24 hours of inspection and the final report in Part B of said form shall be recorded within 3 days of such inspection [Rule 138C (1)].

Where the physical verification of goods being transported on any conveyance has been done during transit at one place within the State/Union territory or in any other State/Union territory, no further physical verification of the said conveyance shall be carried out again in the State/Union territory, unless a specific information relating to evasion of tax is made available subsequently [Rule 138C (2)].

(17) Facility for uploading information regarding detention of vehicle [Rule 138D]

Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the transporter may upload the said information in **specified form** on the common portal.

(18) It may be noted that the expressions ‘transported by railways’, ‘transportation of goods by railways’, ‘transport of goods by rail’ and ‘movement of goods by rail’ used in the provisions discussed above does not include cases where leasing of parcel space by Railways takes place.

6. Clarification regarding e-way bills

CBIC vide *Press Release No. 144/2018 dated 31.03.2018* has clarified following issues regarding the new e-way bill system:

(1) Situation :- Consider a situation where a consignor is required to move goods from City X to City Z. He appoints Transporter A for movement of his goods. Transporter A moves the goods from City X to City Y. For completing the movement of goods i.e., from City Y to City Z, Transporter A now hands over the goods to Transporter B. Thereafter, the goods are moved to the destination i.e. from City Y to City Z by Transporter B. How would the e-way bill be generated in such situations?

Clarification :- It is clarified that in such a scenario, only one e-way bill would be required. Part A can be filled by the consignor and then the e-way bill will be assigned by the consignor to Transporter A. Transporter A will fill the vehicle details, etc. in Part B and will move the goods from City X to City Y. On reaching City Y, Transporter A will assign the said e-way bill to the Transporter B. Thereafter, Transporter B will be able to

update the details of Part B. Transporter B will fill the details of his vehicle and move the goods from City Y to City Z.

(2) Situation: - Consider a situation where a consignor hands over his goods for transportation on Friday to transporter. However, the assigned transporter starts the movement of goods on Monday. How would the validity of e-way bill be calculated in such situations?

Clarification: - It is clarified that the validity period of e-way bill starts only after the details in Part B are updated by the transporter for the first time.

In the given situation, Consignor can fill the details in Part A on Friday and handover his goods to the transporter. When the transporter is ready to move the goods, he can fill the Part B i.e. the assigned transporter can fill the details in Part B on Monday and the validity period of the e-way bill will start from Monday

FORM GST EWB-01**(See rule 138)****E-Way Bill**

E-Way Bill No. :

E-Way Bill date :

Generator :

Valid from :

Valid until :

Part A		
A.1	GSTIN of Supplier	
A.2	Place of Dispatch	
A.3	GSTIN of Recipient	
A.4	Place of Delivery	
A.5	Document Number	
A.6	Document Date	
A.7	Value of Goods	
A.8	HSN Code	
A.9	Reason for Transportation	
Part B		
B.1	Vehicle Number for Road	
B.2	Transport Document Number/Defence Vehicle No./ Temporary Vehicle Registration No./Nepal or Bhutan Vehicle Registration No.	

Notes:

1. HSN Code in column A.8 shall be indicated at minimum two digit level for taxpayers having annual turnover upto five crore rupees in the preceding financial year and at four digit level for taxpayers having annual turnover above five crore rupees in the preceding financial year.
2. Document Number may be of Tax Invoice, Bill of Supply, Delivery Challan or Bill of Entry.
3. Transport Document number indicates Goods Receipt Number or Railway Receipt Number or Forwarding Note number or Parcel way bill number issued by railways or Airway Bill Number or Bill of Lading Number.

4. Place of Delivery shall indicate the PIN Code of place of delivery.
5. Place of dispatch shall indicate the PIN Code of place of dispatch.
6. Where the supplier or the recipient is not registered, then the letters “URP” are to be filled-in in column A.1 or, as the case may be, A.3.
7. Reason for Transportation shall be chosen from one of the following:—

Code	Description
1	Supply
2	Export or Import
3	Job Work
4	<i>SKD or CKD or supply in batches or lots</i>
5	Recipient not known
6	Line Sales
7	Sales Return
8	Exhibition or fairs
9	For own use
10	Others

FORM GST EWB-02

(See rule 138)

Consolidated E-Way Bill**Consolidated E-Way Bill No.** :**Consolidated E-Way Bill Date** :**Generator** :**Vehicle Number** :

Number of E-Way Bills		
E-Way Bill Number		

Description of goods	
Declared quantity of goods	
Declared value of goods	
Brief description of the discrepancy	
Whether goods were detained?	
If not, date and time of release of vehicle	
Part B	
Actual quantity of goods	
Actual value of the Goods	

Tax payable	
Integrated tax	
Central tax	
State or Union territory tax	
Cess	
Penalty payable	
Integrated tax	
Central tax	
State or Union territory tax	
Cess	
Details of Notice	
Date	
Number	
Summary of findings	

FORM GST EWB-03**(See rule 138C)**

Verification Report

Part A	
Name of the Officer	
Place of inspection	
Time of inspection	
Vehicle Number	
E-Way Bill Number	
Tax Invoice or Bill of Supply or Delivery Challan or Bill of Entry date	
Tax Invoice or Bill of Supply or Delivery Challan or Bill of Entry Number	
Name of person in-charge of vehicle	
Description of goods	
Declared quantity of goods	
Declared value of goods	
Brief description of the discrepancy	
Whether goods were detained?	
If not, date and time of release of vehicle	
Part B	
Actual quantity of goods	
Actual value of the Goods	
Tax payable	

Integrated tax	
Central tax	
State or Union territory tax	
Cess	
Penalty payable	
Integrated tax	
Central tax	
State or Union territory tax	
Cess	
Details of Notice	
Date	
Number	
Summary of findings	

FORM GST EWB-04

(See rule138D)

Report of detention

E-Way Bill Number	
Approximate Location of detention	
Period of detention	
Name of Officer in-charge	(if known)
Date	
Time	

16. CLARIFICATIONS

01. Clarification on taxability of printing contracts

Issue: Whether supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc., printed with design, logo, name, address or other contents supplied by the recipient of such supplies, would constitute supply of goods falling under Chapter 48 or 49 of the First Schedule to the Customs Tariff Act, 1975 or supply of services falling under heading 9989 of the scheme of classification of services annexed to *Notification No. 11/2017-CT(R)*?

Clarification: In the above context, it is clarified that supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and the question, whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply.

Principal supply has been defined in section 2(90) of the CGST Act as supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.

In the case of printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services.

In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, printed with design, logo etc. supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff. [*Circular No. 11/11/2017 GST dated 20.10.2017*]

02. Clarification on issues regarding treatment of supply by an artist in various States and supply of goods by artists from galleries

Issue: In case of supply of art works by artists in different States other than the State in which they are registered as a taxable person, if the art work is selected by the buyer, then the supplier issues a tax invoice only at the time of supply. Artists give their work of art to galleries where it is exhibited for supply. Issue is whether this activity is taxable in the hands of the artist when the same is given to the art gallery or at the time of actual supply by the gallery.

Clarification: It is seen that rule 55(1)(c) of the CGST Rules (hereafter referred as “the said rules”) provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said rules provides that where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.

A combined reading of the above provisions indicates that the art work for supply on approval basis can be moved from the place of business of the registered person (artist) to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of actual supply of art work.

It is also clarified that the supplies of the art work from one State to another State will be inter-State supplies and attract IGST. It is further clarified that in case of supply by artists through galleries, there is no consideration flowing from the gallery to the artist when the art works are sent to the gallery for exhibition and therefore, the same is not a supply. It is only when the buyer selects a particular art work displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply.

[Circular No. 22/22/2017 GST dated 21.12.2017]

03. Clarification regarding GST on certain services

(1) Issue : Whether activity of bus body building, is a supply of goods or services?

Clarification: In the case of bus body building there is supply of goods and services. Thus, classification of this composite supply, as goods or service would depend on which supply is the principal supply which may be determined on the basis of facts and circumstances of each case.

(2) Issue: Whether retreading of tyres is a supply of goods or services?

Clarification: In retreading of tyres, which is a composite supply, the pre-dominant element is the process of retreading which is a supply of service. Rubber used for retreading is an ancillary supply. Which part of a composite supply is the principal supply, must be determined keeping in view the nature of the supply involved. Value may be one of the guiding factors in this determination, but not the sole factor. The primary question that should be asked is what is the essential nature of the composite supply and which element of the supply imparts that essential nature to the composite supply.

Supply of retreaded tyres, where the old tyres belong to the supplier of retreaded tyres, is a supply of goods.

[Circular No. 34/08/2018 GST dated 01.03.2018]

04. Clarification on warehousing of agricultural produce

Issue: Is GST applicable on warehousing of agricultural produce such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jaggery, processed spices, processed dry fruits, processed cashew nuts?

Clarification: GST rate on loading, unloading packing, storage or warehousing of agricultural produce is Nil. Agricultural produce in the notification has been defined to mean any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.

Processed Tea and coffee: Tea used for making the beverage, such as black tea, green tea, white tea is a processed product made in tea factories after carrying out several processes, such as drying, rolling, shaping, refining, oxidation, packing etc. on green leaf and is the processed output of the same.

Thus, green tea leaves and not tea is the “agricultural produce” eligible for exemption available for loading, unloading, packing, storage or warehousing of agricultural produce.

Same is the case with coffee obtained after processing of coffee beans.

Jaggery: Similarly, processing of sugarcane into jaggery changes its essential characteristics. Thus, jaggery is also not an agricultural produce.

Pulses: Pulses commonly known as dal are obtained after dehusking or splitting or both.

The process of dehusking or splitting is usually not carried out by farmers or at farm level but by the pulse millers. Therefore pulses (dehusked or split) are also not agricultural produce. However, whole pulse grains such as whole gram, rajma etc. are covered in the definition of agricultural produce.

In view of the above, it is hereby clarified that processed products such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (dehusked or split), jaggery, processed spices, processed dry fruits, processed cashew nuts etc. fall outside the definition of agricultural produce and therefore the exemption from GST is not available to their loading, packing, warehousing etc. and that any clarification issued in the past to the contrary in the context of service tax or VAT/ Sales Tax is no more relevant.

05. Clarification on services provided by a College Hostel Mess

Issue: Whether services provided by a College Hostel Mess are exempt from GST?

Clarification: It has been clarified that the educational institutions have mess facility for providing food to their students and staff. Such facility is either run by the institution/ students themselves or is outsourced to a third person.

If the catering services is one of the services provided by an educational institution to its students, faculty and staff and the said educational institution is covered by the definition of ‘educational institution’ , then the same is exempt.

If the catering services, i.e., supply of food or drink in a mess or canteen, is provided by anyone other than the educational institution, then it is a supply of service to the concerned educational institution and attracts GST [Circular No. 28/02/2018 GST dated 08.01.2018]

06. Clarification on health care services

(1) Issue: Hospitals hire senior doctors/consultants/ technicians independently, without any contract of such persons with the patient; and pay them consultancy charges, without there being any employer employee relationship. Will such consultancy charges be exempt from GST? Will revenue take a stand that they are providing services to hospitals and not to patients and hence must pay GST?

Clarification: Health care services provided by a clinical establishment, an authorised medical practitioner or para-medics are exempt. [Sl. No. 74 of Notification No. 12/2017- CT(Rate) dated 28.06.2017 as amended refers]. Services provided by senior doctors/consultants/ technicians hired by the hospitals, whether employees or not, are healthcare services which are exempt.

(2) Issue: Hospitals charge the patients, say, ₹ 10000/- and pay to the consultants/ technicians only ₹7500/- and keep the balance for providing ancillary services which include nursing care, infrastructure facilities, paramedic care, emergency services, checking of temperature, weight, blood pressure etc. Will GST be applicable on such

money retained by the hospitals?

Clarification: Healthcare services have been defined to mean any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India [para 2(zg) of *Notification No. 12/2017- CT(Rate)*]. Therefore, hospitals also provide healthcare services. The entire amount charged by them from the patients including the retention money and the fee/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is exempt.

(3) Issue: Health care services provided by the clinical establishments will include food supplied to the patients; but such food may be prepared by the canteens run by the hospitals or may be outsourced by the Hospitals from outdoor caterers. What will be the GST implication?

Clarification: When outsourced, there should be no ambiguity that the suppliers shall charge tax as applicable and hospital will get no ITC. If hospitals have their own canteens and prepare their own food; then no ITC will be available on inputs including capital goods and in turn if they supply food to the doctors and their staff; such supplies, even when not charged, may be subjected to GST.

Food supplied to the in-patients as advised by the doctor/nutritionists is a part of composite supply of healthcare and not separately taxable. Other supplies of food by a hospital to patients (not admitted) or their attendants or visitors are taxable. [*Circular No. 32/06/2018 GST dated 12.02.2018*]