

Food Corporation of India - Electronic Way Bill Provisions

Dated 06th October, 2017



Report on GST provisions applicable to Food Corporation of India

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Note: This report has been prepared at the explicit request of M/s Food Corporation of India and is for their exclusive use and purpose.

1 Overview

Food Corporation of India ('FCI') is a Public Sector Undertaking under the Department of Food & Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, Government of India (GOI). FCI is primarily dealing into procurement and distribution of food grains such as wheat, rice, paddy in terms of rice, coarse grains & pulses.

Being a significant step in the field of indirect tax reforms in India, Government of India has proposed the rollout of Goods and Service Tax (GST). By amalgamating a large number of Central and State taxes into a single tax and allowing set-off of prior-stage taxes, it would mitigate the ill effects of cascading and pave the way for a common national market.

Provisions of GST Acts would also be applicable to FCI and accordingly FCI has already applied for migration of registrations into GST for its regional offices where it has State VAT/CST registrations. Effectively, FCI would be having 34 GST Registrations across various States/UTs. The registration would cover all the business operations of FCI located in the same State viz.:

- **Principal Place of Business**
 - Regional Office in the State
- **Additional Place(s) of Business**
 - District Office(s) in the State
 - Own Depots/Warehouses in the State
 - Hired Depots/Warehouses in the State
 - Zonal office/HQ/IFS in the State

2 Electronic Way Bill Provisions

As per Notification No. 27/2017 (CGST) read with Rule 138 of CGST Rules, 2017 provides that every registered person shall furnish details relating to goods in **Part A of Form GST EWB-01** with respect to movement of goods of consignment value exceeding INR 50,000, before commencement of such movement. Further, an option has been given to the registered person in case of value of consignment being less than INR 50,000 and to the unregistered person to generate an e-way bill on voluntary basis

The procedure of generation of Way bill are outlined below:

Every registered person causing movement of goods exceeding INR 50,000 shall upload details relating to the said goods in Part A of Form GST EWB-01 before the movement

The e-way bill shall be generated by the registered person as a consignor or the recipient of supply as the consignee, in the Form GST EWB-01 after the furnishing the details under Part B of the Form GST EWB-01

Where the e-way bill is not generated by the registered taxable person and the goods are handed over to a transporter then:

- ▶ Registered person shall furnish the details in Part B of GST EWB-01, and
- ▶ The e-way bill shall be generated by the transporter

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

Registered recipient to communicate acceptance or rejection of the consignment covered by e-way bill within 72 hours of the details being available on GSTN portal, else, considered as deemed accepted

Where goods are either not being transported or are not being 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

The other provisions of said notification has been discussed in detail below:

- ▶ Relaxation has been granted from generation of way bill in case where the distance, involving movement of goods from the place of business of the consignor to the place of business of the transporter for further transportation, is within the state and less than 10 kilometres.
- ▶ In case of supply of goods from an unregistered supplier to a registered recipient, the movement shall be deemed to be caused by such recipient if the recipient is known at the time of commencement of such movement.
- ▶ In case of transportation of goods by railways or by vessel or by air, e-way bill can be generated either by the consignor or the recipient as consignee.
- ▶ Upon generation of the e-way bill, a unique e-way bill number (**EBN**) shall be made available to the supplier, the recipient and the transporter on the common portal.
- ▶ In case of transfer of goods from one conveyance to another in the course of transit, transporter is required to update the details of such conveyance in e-way bill on common portal, before such transfer and further movement of goods. In case if the distance from the place of business of transporter finally to the place of business of consignee is less than 10 kilometres (within the state), details of such transfer of conveyance are not required to be updated.
- ▶ Facility has been provided for generation of consolidated e-way bill in case where multiple consignments are transported in one conveyance. The transporter may indicate the serial number of e-way bills generated in respect of each such consignment and generate consolidated e-way bill in **FORM GST EWB-02**, prior to the movement of goods.
- ▶ Further, option has been given to the transporter to generate e-way bill on the basis of invoice/ bill of supply / delivery challan, in case where neither the consignor nor the consignee has generated e-way bill even if the value of consignment exceeds INR 50,000.
- ▶ Information furnished for generation of e-way bill may be utilized by the registered supplier for furnishing details in its outward supply return (i.e. Form GSTR-1).
- ▶ E-way bill may be cancelled within 24 hours of its generation, in case the goods are not transported or are not transported as per the details furnished in such e-way bill. Such cancellation can be done directly through common portal or through Facilitation Centres (to be notified by the Commissioner).
- ▶ Details of e-way bill generated shall be made available to the recipient (if registered) on the common portal and such registered recipient is required to communicate his acceptance or rejection of the consignment covered by such e-way bill. In case the

recipient fails to communicate his acceptance / rejection within 72 hours of the details being made available to him, it shall be deemed that he has accepted the said details.

Validity of the E-way Bill generated under Rule 138 of the CGST Rules:

Sr. No.	Distance	Validity Period
1	Up to 100 km	1 day
2	For every 100 km or part thereof thereafter	1 Additional day

It is to be noted that 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 24 hours.

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

- Transportation of notified goods (*Annexure appended to the said notification under Rule 138(14)*) - covers exempted goods & certain other goods like jewellery, currency, etc.;
- In case of movement of goods by non-motorized conveyance;
- In case of transportation of goods 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;
- Movement of goods within notified areas (*to be notified by concerned states*).

It is to be noted that the government may facilitate generation and cancellation of e-way bill through SMS also.

Further, **Rule 138A** has been inserted which provides for the list of documents and devices to be carried by a person-in-charge of a conveyance. Accordingly, the person in charge of a conveyance shall carry the invoice/bill of supply/delivery challan and a copy of the e-way bill or the e-way bill number, either physically or mapped to Radio Frequency Identification Device (RFID) embedded on to the conveyance.

Moreover, an option has been provided to registered person for obtaining an Invoice Reference Number from the common portal by uploading a tax invoice issued by him in **FORM GST INV-1** and produce the same for verification in lieu of the tax invoice and such number shall be valid for 30 days from the date of uploading. In such case, the information in e-way bill shall be auto-populated by the common portal on the basis of the information furnished in FORM GST INV-1.

The Commissioner may notify a class of transporters, who shall be required to obtain a unique RFID and get the said device embedded on to the conveyance and map the e-way bill to RFID prior to the movement of goods.

Provisions for **verification of documents and conveyances (Rule 138B)** and **inspection and verification of goods (Rule 138C)** has also been inserted vide aforesaid notification, highlights of which are as under:

- ▶ Proper officer may intercept any conveyance to verify the e-way bill or the EBN or for physical verification of the conveyance in physical form for all inter-State and intra-State movement of goods;
- ▶ The Commissioner shall get RFID readers installed at places where the verification of movement of goods is to be carried out;
- ▶ Proper officer is required to provide online details of every inspection of goods in transit (a summary report within 24 hours of inspection and the final report within 3 days of such inspection);
- ▶ In case where the physical verification of goods has been done during transit at one place, no further physical verification of the said conveyance shall be carried out, unless a specific information relating to evasion of tax is made available.

Further, Rule **138D** has been introduced facilitating the transporter to upload the information regarding detention of vehicle on the common portal, where such detention exceeds 30 minutes.

List of forms introduced under aforesaid notification:

Form	Particulars
FORM GST EWB-01	E-Way Bill
FORM GST EWB-02	Consolidated E-Way Bill
FORM GST EWB-03	Verification Report
FORM GST EWB-04	Report of detention
FORM GST INV - 1	Generation of Invoice Reference Number

However, considering the aforementioned notification, FCI shall not require to furnish details in notified form for the movement of goods highlighted in exhibit hereunder:

DESCRIPTION	HSN Code	DESCRIPTION	HSN Code
Wheat - Indigenous	1001	Rice-Parboiled-Common	1006
Wheat - Imported	1001	Rice - Imported	1006
Wheat - Lustrelost	1001	Paddy - Grade A	1006
Wheat - Indigenous NonIssuable	1001	Paddy - Common	1006
Wheat - Imported NonIssuable	1001	Rice - Raw- Grade A NonIssuable	1006
Wheat - Lustrelost NonIssuable	1001	Rice - Raw - Common NonIssuable	1006
Barley	1003	Rice-Parboiled-Grade - A - Non issuable	1006
Barley NonIssuable	1003	Rice-Parboiled-Common Non issuable	1006
Maize	1005	Rice Imported - Non issuable	1006
Maize NonIssuable	1005	Paddy - Grade A NonIssuable	1006
Rice Indigeneous	1006	Paddy - Common NonIssuable	1006
Rice -Raw -Grade A	1006	Bajra	1008

Rice - Raw -Common	1006	Jowar	1008
Rice-Parboiled-Grade - A	1006	Ragi	1008
Masoor-Non Issuable	0713	Bajra NonIssuable	1008
Moong-Non Issuable	0713	Jowar NonIssuable	1008
Urad-Non Issuable	0713	Ragi NonIssuable	1008
Pulses and oil seeds	0713	Pulses-Non Issuable	0713
Arhar	0713	Arhar- Non Issuable	0713
Gram	0713	Gram- Non Issuable	0713
Masoor	0713	Moong	0713
		Urad	0713

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