

E-way bills in six more States from April 20

GST Council to take final call on return simplification, says Sushil Modi

OUR BUREAU

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E-way bills will be mandatory for intra-State trade in respect of six more States from April 20, Sushil Modi, Chairman, Group of Ministers on GST, said on Tuesday.

The six States are Bihar, Jharkhand, Haryana, Madhya Pradesh, Tripura and Uttarakhand, Modi told reporters here.

E-way bill system for intra-State movement of goods was implemented from April 15 in Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh.

Karnataka, too, is implementing the e-way bill system for intra-State trade.

Briefing reporters on the deliberations of the meetings that the Group of Ministers had over last two days, Modi said the issue of reverse charge mechanism (RCM) was discussed by the GoM on Monday.

He said the GoM will meet

again in the first week of May to discuss the RCM issue further before firming up its views.

On e-way bills, Modi said the experience so far has been good, with 25 per cent increase in the number of e-way bills issued after the concept was extended to cover intra-State trade.

In all, nine States accounted for 82 per cent of the e-way bills generated.

The maximum number of inter-State e-way bills has been generated from Gujarat (19.39 per cent) followed by Karnataka (15.32 per cent) and Maharashtra (12.43 per cent).

The other States that account for a significant share of e-way bills are Haryana, Delhi, UP, Tamil Nadu and Punjab, he said.

On Tuesday, the GoM held stakeholder consultations with trade associations, State government officials (tax officers) and 15 indirect tax experts.

Modi said that all of them have been asked to give their suggestions (for return simplification) in writing to the GST Council within seven days.

“Returns are the soul of



Sushil Modi, Chairman, Group of Ministers on GST

GST”, Modi said, and it is for the GST Council to take a final decision on how the return simplification should proceed.

He said two main issues needed to be resolved: whether or not the concept of provisional credit should be allowed; and whether or not credit should be linked with tax payment.

Today’s meeting was attended by, among others, Finance Secretary Hasmukh Adhia and Infosys Chairman Nandan Nilekani.

Experts’ take

Meanwhile, Modi clarified that the current 3B return (summary return) and GSTR 1 will continue till the format of new return framework is final-

ised by the GST Council. Extension of the intra-State e-way bill to six more States signifies that all States may get covered within the next one month even for movements of goods within the State.

However, it is only when large manufacturing States like Tamil Nadu and Maharashtra come on board that the system will get truly tested.

“GSTR 3B has proven to be a simple return template that businesses are getting used to, and hence, it is wise to continue with the same. However, in order to facilitate invoice matching, additional invoice details such as GSTR 1 may be required,” said MS Mani, Partner, Deloitte India.

Abhishek Jain, Partner, EY, said it was encouraging to note that the GoM is taking feedback from the industry and tax experts before finalising the process for GSTR-2 and credit entitlement. The smooth functioning of e-way bills generation for inter-State and six States for intra-State has encouraged the government to introduce intra-State e-way bills for six more States from April 20, he noted.