PUNE INTERNATIONAL CENTRE

Reforming the GST
Do we need the eWay bill?

PIC POLICY BRIEF

V Bhaskar and Vijay Kelkar

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Synopsis

The GST Council has ordered the introduction of the e way bill system for inter state trade from February 2018. The e way bill appears to increase the compliance burden of the dealers for little additional information and introduces the spectre of inspections of goods vehicles in transit by the staff of both the Central and State GST departments. This article reviews the origin of the way bill system and notes that the circumstances under which the way bills were introduced more than fifty years no longer hold in today's environment where both goods and services are subject to tax and the formidable Goods and Service Tax Network is in place. It suggests that the e way bill can be discontinued provided the invoice matching mechanism in the GSTN is activated and the road transport sector in treated on par in the GST framework with the other goods transport sectors - rail, sea and air.

I. Introduction

This GST council in its twenty fourth meetings held in December 2017, decided to bring forward the date of implementation of the eWay bill system to 1st February for interstate trade and latest by 1st June 2018 for intra state trade. The Council had earlier decreed that e way bills would be introduced in a staggered fashion between January and April 2018. The steady fall in GST collections between October and December 2017 appears to have raised concerns about the need to check tax evasion. The advance introduction of the e way bill system appears to be one of the initiatives being taken to shore up revenues.

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Critics have decried this move claiming that this will unleash an inspector raj on the movement of vehicles – far less goods. Every vehicle, irrespective of what it is carrying will be liable to be checked by staff of both the Central and State GST departments. This will delay the time taken to transport goods across the country. They further argue that this measure will impose an increased compliance burden on dealers through additional documentation and reporting requirements. It could also dilute the concept of a national market, a cornerstone for the GST. This step may also breed corruption.

In its defence, it is argued that this step merely operationalises an instrumentality incorporated in the CGST/SGST Acts for monitoring movement of goods. The GST Council is implementing this modality to check evasion seven months after the GST has been implemented. Adequate time has been provided for the system to settle down. The Council is now rightly concentrating on improving the efficiency of the GST collection framework and checking tax evasion.

This article examines this issue by addressing four questions. First, what is an e way bill? Second, what was the original purpose of the eway bill? Third, what is the system in the GST era? Fourth, what could be the possible impact of the e way bill? The last section of this paper concludes by placing a policy proposal for consideration within the existing GST framework as an alternative to the e way bill system.

II. What is an eway bill?

An e way bill is an electronic version of a way bill. A way bill is a document mandated[2] by the CGST/SGST/VAT Acts to be carried by person in charge of the vehicle carrying goods. The e way bill is a document generated on the GSTN common portal which contains details of the supplier and recipient, invoice details , description of the goods carried and its value. These particulars have to be entered in the common portal by the supplier before the goods are transferred to the transporter.

The e way bill is different from a transporter's receipt which acknowledges to the supplier the acceptance of goods for onward transportation to the recipient and details the conditions under which they are being transported. This receipt is required to be issued under the various laws in force for carriage of goods[3]. This receipt issued by the transporter has different names depending upon the mode of transport used. For road transport this receipt is called a Lorry Receipt(LR)/ Goods Receipt (GR)[4]. For transport by rail, it is called a Railway Receipt (RR). For transport by sea it is termed a Bill of Lading (BL). For transport by air it is called Airway bill (AB). Each of these receipts has a unique number. It contains details of the supplier and recipient, invoice details , description of the goods carried, its value, and the mode and time of commencement of transportation. It is issued after the goods had been handed over to the transporter. The GR is issued in the format required by Rule 10(4) of the Carriage of Goods Rules 2011 framed under the Carriage by Road Act 2007. One copy of the GR is required to be carried by the person in charge of the vehicle transporting the goods.

This requirement of a GR[5] under the Carriage by Road Act has not been diluted with the implementation of the GST. Apart from the GR, two additional documents are now required[6] under the CGST Rules 2017 to be carried by the person in charge of the vehicle- the e way bill and the invoice related to the transaction.

III. What was the original purpose of the way Bill ?

The way bill was introduced at the time when multi point taxes in the form of the general sales tax acts were in force[7]. States were taxing only goods and not services. Road transport operators were out of their tax net. These operators were therefore not accountable to the sales tax departments[8] on whether they were transporting tax paid goods or not. The way bill was conceived as an instrument to indirectly bring the activities of both the transport agencies as well as ' zero business ' traders under control by requiring that movement of all tax paid goods must be accompanied by a way bill issued by the sales tax department. Theoretically, this closed opportunities for transport agencies as well as dealers to move tax evaded goods.

In Andhra Pradesh, the requirement that a way bill accompany a goods vehicle is more than fifty five years old[9]. The way bill forms were issued in books containing a number of leaves(like a cheque book) to a dealer by the Commercial Tax Department under its seal. It was to be used when the dealer needed to transport goods to the purchaser. The way bill forms were required to be filled up with details of the consignor/consignee, the description, quantity and value of the goods, the type of transaction and invoice number or delivery challan number. It was also required that after the journey was completed, the way bill be surrendered to the commercial tax officer who had jurisdiction over the dealer who had purchased the goods. The way bill thus sought to control tax evasion in a three pronged manner as follows.

1.The selling dealer was accountable to the Commercial taxes Department for the way bills he had used for transportation and the invoices related to these way bills. He would thus find it difficult not to report these sales in his return and would have to pay tax on all these sales.

2.All goods in transit were liable for inspection to ensure that they carried a way bills. This would ensure that the goods being transported were goods on which tax had been paid and tax evaded goods were not transported.

3.At the destination, the way bill was to be surrendered to the Commercial Tax officer in that jurisdiction. This was to ensure that the dealer at the destination could not under report receipts and avoid taxes on sales made.

Though the theory behind the need for using way bills was impeccable, a number of problems were encountered in practice . First, selling dealers often reused way bills if the goods in the transport vehicles were not checked en route[10]. In collusion with the purchasing dealer, this transaction could then be conducted totally off the record, also known as zero business. No tax was paid on such transactions since they were suppressed. Second and more importantly, the system gave a licence to officials of the sales tax departments to intercept transport vehicles (including passenger cars which were often used to transport high value items like drugs, jewellery etc) at any location[11] and verify the cargo they were carrying. There were frequent allegations of both harassment and corruption against department officials. Third, receiving dealers either did not submit the used way bills to the commercial tax officer, or the latter did not insist on it , so that the purchasing dealers had leeway to under report their consequent sales . Fourth, there were allegations of corruption even in the issue of way bills to the indenting dealers.

Many states sought to address these problems through the use of an electronic way bill. The e way bill was generated on line by the dealer through his dedicated account on the departments web site. This removed the interface of dealer with the department for the issue of way bills .The department would have a record of the number of bills he was using. It also constrained the re use of way bills since full details were printed on the e way bill including date of despatch, vehicle number used for transportation, distance etc and a record of these entries was available with the department. But even the eway bill could not address the second and third problems listed above – the alleged harassment and corruption of checking officers and the destination dealer not submitting the used way bill to the commercial tax officer allowing him to misreport his purchases.

IV. What is the system in the GST era?

The system in the GST era is defined by Section 138 of the GST rules as well as the treatment of road transport services which are allowed to pay GST on reverse charge basis. These two issues are discussed below.

Rule 138 of the CGST Rules

Section 68 of the CGST Act 2017 empowers the Government to specify the documents[12] that need to be carried by a person in charge of a conveyance carrying goods. These documents are detailed in Rules 138 to 138 D of the CGST Rules 2017 . Rule 138 describes the form of the eway bill. The e way bill form consists of two parts. Part A requires eight entries. These include the GSTIN of the recipient, place of delivery, invoice number and date, value of goods and HSN Code, the transportation document[13] number and the reason for transportation. Part B requires only one entry- the vehicle number. Part A of the eway bill has be filled up by either the consignor or the consignee before the movement of goods commences. If the goods are being transported by his own conveyance or hired conveyance, or by rail, sea or air, he will also fill up Part B and generate the way bill. Where the goods are handed over to a transporter for carriage, then Part B will be filled up by the transporter and the e way bill generated by him. Upon generation of an eway bill, a unique e way bill number will be made available to the supplier, the recipient and the transporter on the common portal, which will be the basis when any verification is conducted during the journey. The rule limits the period of validity of the e way bill depending on the distance to be travelled. For every day of travel allowed in the way bill not less than 100 kms should be covered. An annexure lists 154 goods[14], for transport of which no e way bill is required. Section 138A requires that the person in charge of the transport vehicle must carry apart from the e way bill, the invoice or bill of supply or delivery challan issued by the consignor/ seller. In lieu of the invoice, a registered dealer may produce an Invoice Reference Number to the inspection authority. Section 138 B provides for the Commissioner to authorise any officer "to intercept any conveyance to verify the e way bill or the eway bill number in physical form for all interstate and intra state movement of goods." 138C provides for a summary report on the physical verification of goods and reporting in a specified format. 138D provides a facility for the transporter to upload information regarding detention of the vehicle.

As per the schedule announced by the GST Council[15], all interstate movement of goods will require to be supported by e way bills with effect from February 1st 2018. States may choose their own timings for implementation of intra state movement through eway bills but this requirement must be in place by 1st June 2018. From that date, it is planned that the entire country will have a uniform e way bill system for both intra state and interstate trade.

Reverse Charge Mechanism

The history of the levy of service tax on goods transport operators and the asymmetric application of the facility of reverse charge to Goods Transport Agencies carrying goods by road when compared to transportation by rail, ship and air is relevant in this regard.

The Government of India had in its 1997[16] budget levied service tax on road transport operators with effect from 16th November 1997. This was withdrawn after a nationwide strike was called by transport unions against this move. Thereafter service tax on road transport operators was once again imposed in the 2004 budget with effect from 10 September 2004. Once again, a transporters strike was called, and the imposition of this tax was deferred once more. A Committee was constituted to consider the demands of the transport unions. The Committee made its recommendations, based on which tax on transport of goods by road was levied with effect from 1st January 2005. In June 2012, the service tax on Goods Transport Agencies was made payable on a reverse charge basis. Under the reverse charge system, the service tax was made payable by the receiver of the services rather than the provider. This enabled the Goods Transport Agencies to escape registration since they themselves did not have to pay any service tax, which would be paid on their behalf by the receiver of the services. The tax liability of this sector under the GST regime is the same as that prevailing under the earlier service tax regime[17]. Services by way of transportation of goods by road except the services of a goods transport agency and a courier agency are exempt from GST. Services of transportation of goods provided by persons in the unorganised sector have been excluded from the ambit of GST. Those who provide agency services in transport (GTAs) are liable to pay GST but such liability is cast on the recipients unless the GTA exercises the option to pay under forward charge[18]. All transport by rail, sea and air is liable to GST on forward charge basis without any concessions[19]. Thus the treatment of transport by road in the GST framework is asymmetrical compared to the other forms of transport- sea, air and rail. We focus below only on the movement of goods by road, which will mainly be affected by the inspection and verification protocols which are concomitant to the e way bill regime.

V. What could be the possible impact of the e way Bill ?

There are three issues which need to be considered when considering the impact of the e way bill in the GST regime. These are a) excessive information requirement b) Inspection Requirement and c) Rule Clarity. These are reviewed below.

1. Excessive information requirement

After 1st February 2018, a lorry driver will be required to carry three documents –

an invoice, the Goods Receipt and the e way bill. The information requirements of each of these documents is placed in Table 1 below.

Table 1. Comparison of Information Requirements
ST invoice , Lorry Receipts and E way Bill

No	Item Description	GST Invoice Rule 46 of CGST Rules 2017	Goods Receipt Rule 10 of the Carriage by Road Rules 2011	eway Bill Rule 138 of CGST Rules 2017
1	Name & Address of Supplier /Consignor	√	√	√
2	GSTIN number of Supplier /Consignor	√		√
3	Invoice Serial Number	√		√
4	Date of invoice	√		√
5	Name & Address of recipient /consignee	√	√	
6	Address of Delivery/ Destination of consginment	√	√	√
7	GSTIN of recipient if supply is to registered dealer	√		√
8	HSN Code for goods	√		√
9	Description of Goods or services	√	√	
10	Quantity of Goods and units	√		
11	Total value of goods or services or both	√	√	√
12	Taxable value taking into account discounts, abatement if any	√		
13	Rate of tax - CGST/SGCT/ IGST/Cess	√		
14	Amount of tax for each category	√		

No	Item Description	GST Invoice Rule 46 of CGST Rules 2017	Goods Receipt Rule 10 of the Carriage by Road Rules	eway Bill Rule 138 of CGST Rules 2017
15	Place of supply with name of state	√		
16	Address of delivery where different from PoS	√		
17	Whether tax payable on reverse charge basis	√		
18	Signature of supplier	√		
19	Goods Forwarding Note		√	
20	Goods Receipt Number		√	√
21	Goods Receipt Issue date		√	
22	Weight Volume and No of Packages /units		√	
23	Origin of Consignment		√	
24	Whether Cargo booked under Section 10 or 11 of carriage of Goods Act		√	
25	Distance to destination		√	
26	Likely date of delivery		√	
27	Mutually agreed period of delay beyond likely date of delivery		√	
28	Freight collected /Paid/due		√	
29	Additional Collections for higher risk		√	
30	Details of Insurance Policy Cover in case of dangerous and hazardous goods		√	
31	Reason for Transportation			√
32	Vehicle Number			√
33	Goods Forwarding Note date and number		√	

Rule 138A of the CGST Rules 2017 requires that the person in charge of the vehicle carry the invoice/ Delivery challan as well as the e way bill.

As will be seen, all the information in the eway bill except for two items is already available in either the invoice or the Goods Receipt which is being carried by the person in charge of the vehicle(the lorry driver in most cases) . The two remaining items are vehicle number(item 31 in Table 1) and the reasons for transportation(item 30). The vehicle number, though not specifically required to be included in the carriage of goods rules is invariably included in the GR. The reasons for transportation can be deduced from a scrutiny of the invoice/ delivery challan. For example a sale would be accompanied by an invoice, supply to a job worker would be accompanied by a delivery challan. Thus, no extra information is provided by the e way bill to the person inspecting the vehicle other than what is already available in the invoice and the goods receipt. Generation of an e way bill appears unnecessarily to add to the compliance burden of the dealer.

2. Inspection Requirement

As noted above, Section 138 B of the CGST Rules provides for the Commissioner to authorise any officer "to intercept **any conveyance** (emphasis supplied) to verify the e way bill or the eway bill number in physical form for all interstate and intra state movement of goods." This is a sweeping power, under which not only goods transport vehicles but also passenger vehicles and even passenger cars(which are often used to ferry high value low volume items like pharmaceuticals jewellery and gold) can be stopped and searched. This power can be exercised in the same jurisdiction by two different sets of staff- Central Government and State government GST department staff. This provision can create significant inconvenience to not only dealers but also normal road users while simultaneously offering rent seeking opportunities.

There are a number of exemptions waiving the requirement that the eway bill should be generated. These relate to distance travelled, goods carried and value of these goods. In theory such exemptions are commendable. In practice, these exemptions may have limited impact. This is because all vehicles will have to be stopped and the driver will have to prove that his vehicle belongs to one of the exempt categories before he is allowed to move on. The time taken for this clarificatory exercise will itself be significant.

The alternative to physical verification lies in invoice matching. The Goods and Services Tax Network provides for matching of invoices reported by the supplier and the buyer in their respective returns. This is done by putting in place a staggered set of returns to be filed by a dealer every month. GSTR-1 is to be filed on the 10th of every month . This return provides details of outward supplies made by the dealer every month. Based on these entries, the inward supplies of the purchasing dealer are automatically populated in Form GSTR-2. The purchasing dealer is given an opportunity to confirm these entries after which GSTR-2 is to be submitted by the 15th of every month. Form GSTR- 3 integrates the sales and purchases from GSTR-1 and GSTR -2 and calculates the tax payable after netting out the eligible input tax credit. This tax is required to be paid by the 20th of every month.

As outlined above, the GSTN formally links the returns of the selling and purchasing dealers ensuring that they report a sales transaction identically. There will be an element of self-policing as the buying dealer will insist that all his purchases be recorded in full by the selling dealer, since otherwise which he will not be eligible for claiming full input tax credit. Thus, two of the three reasons for introducing the way bill outlined in Section III above are addressed by the invoice matching facility.

The third reason for the way bill- checking unregulated transport vehicles carrying non tax paid goods can be suitably addressed by ensuring road transporters register and file returns in the GST regime. As mentioned earlier, all road transport vehicles are treated asymmetrically in the GST regime when compared to transport by rail, sea and air. There is no exemption from either registration or GST on services provided by agencies undertaking transportation by rail, sea and air. For transport by road, the position is completely different. Tax on transport by GTA's is payable on reverse charge basis . So GTAs's need not register under the GST. Road transport vehicles other than GTAs are exempt from GST. The reverse charge application for GTAs and excemption for the road transporters have created the need for a vehicle check. If the exemption for transport vehicles is removed and all road transport agencies are obligated to pay service tax on forward charge basis like their counterparts on rail, sea and air, then there will be no need to check vehicles on roads. All road transport agencies will be required to register and directly pay tax on the service they provide. The GST invoices issued by them can be compared with the GST returns of the supplier and the recipient as well as vehicle operational parameters and RFID reports to confirm that they have delivered goods where they said they have.

3. The Lack of Clarity in Rules

Only Goods Transport Agencies transporting by road are liable to pay service tax on reverse charge basis. All other road transporters are exempt. Unfortunately, there is little clarity on the definition of Goods Transport Agencies. This term is neither defined in the CGST Act nor in the CGST Rules. It is defined in a notification of the Central Government[20] as "any person who provides service in relation to transport of goods by road and **issues a consignment note**, (emphasis supplied) by whatever name called".

The term "consignment note" is not defined in either the Carriage by Road Act 2007 or the Carriage by Road Rules 2011. However, it has been explained in Rule 4 B of the Service Tax Rules 1994 as **a document issued by a goods transport agency** (emphasis applied) against receipt of goods for the purpose of transport of goods by road in a goods carriage , which is serially numbered, contains the name of the consignor and consignee, registration number of the goods carriage, details of goods transported, details of origin and destination and the person liable to pay service tax for the movement of goods. This is a circular definition. A GTA is one which issues a consignment note. A consignment note is a document issued by a GTA. Since only GTA's and not other forms of road transports are liable to GST, a clear and unambiguous definition of GTA is required.

GTA's are exempt from registration[21]. However, as per the CGST Rules[22], the consignor/ consignee should fill up Part A of Form EWB-01 and send it to the GTA who will fill up Part B and then generate an e way bill on the common portal. It is not clear how the GTA can generate an e way bill on the portal when he is not registered as a GST dealer and thus will not have access to the portal.

As seen above, there is an urgent need for clarity in the definition of a Goods Transport Agency and its role . Perhaps this can best be done by making all road transport related definitions in the GST Act consistent with the Carriage by Road Act 2007 and the

Carriage of Goods Rules 2011. This will require suitable amendments to the CGST Rules and/ or the related notifications.

I. Policy Proposal for Consideration

There are three major concerns in the present system of e way bills. These are:

1.The eway bill does not provide any additional information beyond what is already available in the invoice and the Goods Receipt.

2.The eway bill system places an additional compliance burden on dealers and there are significant downsides to permitting Department staff of both the Central and State Governments to check vehicular transport on the roads.

3.There is lack of definitional clarity on GTAs and their role in the GST system.

These concerns can be addressed by taking the following steps.

1.The e way bill be discontinued, and reliance is placed on the Goods Receipt and the Invoice which are already required to accompany the vehicle.

2.Inspection on the road transport vehicles in transit can be avoided to a very large extent[23] if two steps are taken.

i.The invoice matching mechanism in the GSTN is activated.

ii.The exemptions given to the road transport sector in the GST framework are withdrawn and this sector is treated on par with the rail, air and sea freight sectors. This will require standing up to the road transport unions (something the government was unsuccessful in doing so in 1997 and 2004). There may be merits in overruling objections of this special interest groups so that a truly national market with seamless connectivity can be put in place.

The circumstances under which the way bills were introduced more than fifty years ago under the general sales tax acts in force then, no longer hold in today's GST environment where both goods and services are subject to tax and the formidable Goods and Service Tax Network is in place. For this reason, the operationalising of the e way bill system and its associated framework of road checks in the GST framework may result in micromanaging the movement of goods from a position of distrust. This may result in outcomes not conducive to a vibrant and sustainable GST. Perhaps the stance to be adopted when dealing with this should not be one of distrust. Perhaps it should be "Trust but Verify"[24]. The proposal made above suggests adoption of this more liberal stance.

NOTES

[1]A release issued by the Press Information Bureau notes that one reason for lowered collections is that " tax compliance is not up to the mark". Viewed on 5th January 2018.
http://pib.nic.in/newsite/PrintRelease.aspx?relid=173899

[2]Section 68 of the CGST Act reads . (1) 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. (2) The details of documents required to be carried under sub-section (1) shall be validated in such manner as may be prescribed. (3) 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 allow the inspection of goods. Rule 138 of the Central Goods and Service (CGST) Rules 2017 prescribes the document to be generated and carried (the eway bill) . Rules 138 A B, C and D deal with requirement of other documents, verification of documents, inspection and verification of goods and detention of the vehicle.

Section 48 of the Andhra Pradesh Value Added Tax Act 2005 – which is still in place for goods outside the GST base states: The owner or other person in charge of goods vehicle or vessel shall carry with him a) bill of sale or tax invoice or delivery note ; b) log book or goods vehicle record or trip sheet and c) such other documents as may be prescribed, relating to the goods under transport and containing such particulars as may be prescribed and shall submit to the Commercial Tax Officer having jurisdiction of the area in which the goods are delivered , the documents aforesaid or copies thereof within such time as may be prescribed. Rules 33 and 55 of the AP VAT Rules 2005 prescribe the use of a waybill and specifies the information to be provided in the way bill.

[3]The transporters are governed by the respective laws and rules thereunder. These include 1. The Carriage of Goods by Road 2007, The Railways Act 1989, The Carriage by Air Act 1972, The Bills of Lading Act 1856, the Carriage of Goods by Sea Act 1925 and the Merchant Shipping Act 1958 and the Multimodal Transportation of Goods Act 1993. These Acts and the rules framed under them regulate the form and content of the receipt to be issued by the respective transporter.

[4]The Carriage of Goods Rules 2011 refers to this as a Goods Receipt though it is colloquially called Lorry Receipt. In future discussion in this paper, the abbreviation GR will be used for the goods receipt for transportation by road.

[5]Other acts prescribe the format for the RR, BL and AWB respectively, and these have also to be carried by the person in charge of the vehicle along with the way bill and invoice.

[6]Rule 138A of the CGST Rules 2017.

[7] Section 25 of the Andhra Pradesh General Sales Tax Act, 1957 entitled Possession And Submission Of Certain Records By Owners, Etc., Of Goods Vehicles reads : The owner or other person in-charge of a goods vehicle shall carry with him - (i) bill of sale or delivery note,(ii) goods vehicle record or trip sheet, and(iii)such other documents as may be prescribed, relating to the goods under transport and containing such particulars as may be prescribed and shall submit to the Commercial Tax Officer, having jurisdiction over the area in which the goods are delivered, the documents aforesaid or copies thereof within such time as may be prescribed.
The documents prescribed are mentioned in Rule 45 of the APGST Rules which states "Every person who consigns goods by a goods vehicle or boat shall make out a Way Bill in Form X in triplicate and issue the original and duplicate thereof duly signed by him, his manager or agent to the owner or other person in charge of the goods vehicle or boat".

[8]They were of course accountable to the Motor Vehicles Department for fitness, overloading etc. but they were not accountable for the type of cargo they carried- whether they transported tax paid goods or not.

[9]Rule 45 of the A P General Sales Tax Rules op cit . Sub Rule 4 which requires the use of way bills was last amended in October 1963. Thus, the institution of way bills in Andhra Pradesh is at least 55 years old. Viewed on 4th January 2018 https://apct.gov.in/apportal/AllActs/APGST/Rules.aspx.

[10]A large number of vehicles moving goods within a state were often not checked. Vehicles involved in inter state trade were invariably checked for documents at the department check posts located at the state border.

[11]As against verification only at border check posts for interstate trade.

[12] There are a number of exceptions to this rule. For example transport of goods valued at below ₹50,000 , or of goods specified in the Annexure to Rule 138 need not be accompanied by a e way bill. The discussion in this article ignores these exceptions and centers exclusively on goods which require a way bill.

[13]The number of the Goods Receipt, or Railway Receipt or Bill of Lading or Air Way Bill as the case may be

[14]Interestingly, the Annexure includes items as diverse as live asses , cheque books, birds eggs in shell whether fresh preserved or cooked, and space craft! At least one item is repeated. Item 79 of the Annexure reads "All goods of seed quality". Item 59 reads exactly the same "All goods of seed quality" . The problem with such a large and varied list is that is generates opportunities for rent seeking.

[15]CBEC Press Release viewed on 5 January 2018
http://www.cbec.gov.in/Cbec_Revamp_new/resources//htdocscbec/gst/Press%20release_161217.pdf

[16]Goods and Transport Agency in GST . Directorate General of Tax Payer Services. NACIN New Delhi. Viewed on 4 January 2018. http://www.cbec.gov.in/resources//htdocs-cbec/gst/goods_transport_service.pdf.

[17]Section 9(3) of the CGST Act enables the government to specify categories of goods and services , on which the tax will be paid on reverse charge basis. By notification 13 of June 2017, the Government notified ' Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to specified individuals/institutions " as liable for payment of service tax by the reverse charge mechanism.

[18] ibid

[19]Forward charge is used to denote the tax payable by the supplier of services to distinguish it from reverse charge where the tax is payable by the receiver of the service.

[20]Clause (ze) of Notification 12 of 28 June 2017. Viewed on 6 January 2018.
http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification12-CGST.pdf.

[21] As per notification 5/2017 Central Tax of the 19th June, agencies which provide services on which tax is totally payable on reverse charge basis are exempt from registration. Tax on road transport services provided by GTA's is payable on reverse charge basis vide notification 13/2017 Central Tax (Rate) of 28 June 2017. They are therefore exempt from registration.

[22]Rule 138(3) of the CGST Rules

[23]It is not the authors' case that inspections of road transport vehicles in transit should be totally discontinued. These inspections are a strong instrument of deterrence to be used, but only selectively by the Central and State Government GST departments.

[24]The Russian proverb internalized by President Ronald Reagan and integrated into the operational protocols for the implementation of the Intermediate Range Nuclear Forces Treaty the US signed with the (then) USSR in in 1989.

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