

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION No. 3498

TO BE ANSWERED ON MONDAY, DECEMBER 20, 2021/AGRAHAYANA 29, 1943
(SAKA)

E-WAY BILL GENERATION

3498. DR. T. SUMATHY (a) THAMIZHACHI THANGAPANDIAN:

SHRI D.M. KATHIR ANAND:

Will the Minister of FINANCE be pleased to state:

- (a) whether the decision taken by the Government to block the generation of e-way Bill for non-filers have made businesses of non-filers standstill;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to support sick and distressed companies to run their business without any such hindrances;
- (d) whether the Government has sufficient check and monitoring system to find any misuse or malpractices being done by fraudulent people; and
- (e) if so, the details thereof and if not, the stand of the Government in this regard?

ANSWER

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

(a) to (b) No Sir. In terms of rule 138E of the Central Goods and Service Tax Rules, 2017 a person is restricted from generating e-way bills in respect of any outward movement of goods in case of failure to furnish the return in **FORM GSTR-3B** for two consecutive tax periods.

However, to facilitate the taxpayers, the facility to generate e-way bill is restored automatically on the GST portal upon filing of the said returns.

(c) Following are some of the steps taken by Government to help sick and distressed companies to run their business without any such hindrances:

1. Restriction on generation of e-way bills in terms of rule 138E of the Central Goods and Services Tax Rules, 2017 for persons, who failed to furnish requisite returns, was

temporarily suspended during Covid-19 pandemic, during the period from 20th March 2020 to 15th October 2020 and again during the period from 1st May 2021 to 18th August 2021.

2. Government had provided relief to the taxpayers by reducing / capping late fee for non-furnishing **FORM GSTR-3B** for the tax periods from July, 2017 to April, 2021, if the returns for these tax periods are furnished between 01.06.2021 to 30.11.2021.
3. The timeline for making an application of revocation of cancellation of registration was extended upto 30.09.2021, for cases where the registration had been cancelled for failure to furnish returns and the time limit for submission of such application was between the period from 01.03.2020 to 31.08.2021.

(d) to (e) Government has taken a number of policy measures to curb malpractices by fraudulent and unscrupulous persons. Government is using robust data analytics and artificial intelligence to identify and track tax evaders and timely appropriate action is taken against them to safeguard the interest of revenue. Some of the recent policy measures taken by the Government to prevent tax evasion are as under:

1. Provisions have been made for cleaning up the taxpayer base by strengthening verification of business entities through Aadhaar authentication for new registrations and physical verification of business premises, where Aadhaar is not authenticated.
2. Additional grounds for cancellation of registration have been provided in the rules.
3. Provision made for blocking the generation of e-way bills by non-compliant taxpayers.
4. To avoid misuse of a single e-way bill for multiple trips in transportation of goods, the e-way bill validity has now been restricted, to 200kms per day (from 100kms per day earlier).
5. E-invoicing in respect of supply of goods or services or both to a registered person has been made mandatory with effect from 1st October, 2020 for notified registered persons whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs. 500 crores. This has been extended to cover those with aggregate turnover exceeding Rs. 100 crore with effect from 1st January 2021 and further extended to cover those with aggregate turnover exceeding Rs. 50 crores with effect from 1st April, 2021.
6. Availment of Input tax credit in respect of those invoices where details have not been furnished by the suppliers in their outward supply statement has been restricted to 5 percent of the eligible credit in respect of invoices the details of which have been furnished by the suppliers.
7. Provision has been made to block furnishing of outward supply statement in **FORM GSTR-1** by a taxpayer, if 2 or more **GSTR-3B** returns are not filed by the said taxpayer.
8. Beneficiary of fake invoices has also been made liable for penal provisions.
