

TAX INFO

Dated: 18.08.2020

Latest update on GST Law: Information regarding **Interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances** based on the **Circular No. 64/38/2018-GST dated 14.09.2018.**

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Section 68 of the CGST Act read with rule 138A of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as 'the CGST Rules') requires that the person in charge of a conveyance carrying any consignment of goods of value exceeding Rs 50,000/- should carry a copy of documents viz., invoice/bill of supply/delivery challan/bill of entry and a valid e-way bill in physical or electronic form for verification. In case such person does not carry the mentioned documents, there is no doubt that a contravention of the provisions of the law takes place and the provisions of section 129 and section 130 of the CGST Act are invocable. It has been informed that proceedings under section 129 of the CGST Act are being initiated for every mistake in the documents

It is clarified that in case a consignment of goods is accompanied with an invoice or any other specified document and also an e-way bill, proceedings under section 129 of the CGST Act may not be initiated, inter alia, in the following situations:

- a) Spelling mistakes in the name of the consignor or the consignee but the GSTIN, wherever applicable, is correct;
- b) Error in the pin-code but the address of the consignor and the consignee mentioned is correct, subject to the condition that the error in the PIN code should not have the effect of increasing the validity period of the e-way bill;
- c) Error in the address of the consignee to the extent that the locality and other details of the consignee are correct;
- d) Error in one or two digits of the document number mentioned in the e-way bill;
- e) Error in 4 or 6-digit level of HSN where the first 2 digits of HSN are correct and the rate of tax mentioned is correct;
- f) Error in one or two digits/characters of the vehicle number.

In case of the above situations, penalty to the tune of Rs. 500/- each under section 125 of the CGST Act and the respective State GST Act should be imposed (Rs.1000/- under the IGST Act) in FORM GST DRC-07 for every consignment.

Relevant Case Laws:

1. Typographical error while generating e-way bill should not lead to penalty u/s 129(3). [M/s Mahalakshmi Packagers Manufacture Vs ACST&E-cum-Proper Officer; Appeal No. 10/2019; GST Appellate Authority, Himachal Pradesh]
2. Typographical mistake in E-Way Bill i.e. of mentioning of incorrect distance inadvertently by missing out a figure [Sabitha Riyaz v. Union of India; WP(C). No. 34874 of 2018, Kerala High Court]
3. Difference in the address shown in E-Way Bill and Invoice is just a clerical mistake and not a serious mistake [M.R.Traders Vs ASTO (Int) State GST Department; W.P. (C) No. 2713 of 2020; Kerala High Court]
4. Under valuation of goods in the invoice cannot be a ground for detention. It was held that the inspecting authorities could have only intimated the assessing authority regarding discrepancy in valuation of transported goods for initiating appropriate proceedings against the assessee [K.P. Sugandh Ltd. Bilaspur Vs State of Chhattisgarh and others; Writ Petition No. 36 of 2020; Chhattisgarh High Court]

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