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Blocked e-way bill portal hits biz of 300,000 firms

**ABHISHEK WAGHMARE
& DILASHA SETH**
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Businesses of roughly 300,000 firms paying goods and services tax (GST) were likely impacted on Monday, as the government had blocked e-way bill generation for non-compliant assesseees.

These businesses had not filed their monthly GST Return (GSTR)-3B for two consecutive months. The government had notified the rule last month as an enforcement measure amid subdued revenue collection.

The GST system has been grappling with low levels of compliance. Only 65-68 per cent of eligible GST filers file the GSTR-3B within the due date, the GST Network (GSTN) data shows.

"This month, the taxpayer will be alerted with a cautionary message while generating e-way bills, in case GSTR-3B for the past two successive months of the consignor/consignee GST identification number (GSTIN) has not been filed. From next month onwards, such GSTINs will be blocked," the note had said.

The same has become operational from December 3.

According to the data by the GSTN, the information



technology backbone of the two-year-old indirect tax regime, there are 2 million GSTINs that have not filed GSTR-3B for September and October. Of these 2 million GSTINs, 347,000 GSTINs (or 16.7 per cent) had transactions in the e-way bill system for September and October, which are learnt to have been impacted immediately.

"These firms were given enough warning last month that their e-way bill system would be blocked over non-compliance. Businesses not filing returns should not be allowed to move goods," said a government official.

Firms in Odisha and West Bengal are learnt to have been

severely affected with this move. Experts said this has put these businesses in peril.

"Due to slowdown and cash crunch, taxpayers are already struggling to survive. This measure will effectively mean halting business and will have negative consequences for taxpayers and the economy," said Pritam Mahure, leader at Pune-based accountancy firm Pritam Mahure and Associates.

"Suppose, the supplier of goods has filed GST returns in time, but the person to whom he is selling goods i.e., purchaser of goods has failed to file GST returns, in that case, the supplier who is compliant will not be able to generate e-way bill as his recipient is non-compliant," said Vishal Raheja, deputy general manager, Taxmann.

The e-way bill facility will get unblocked within three hours of payment of dues and filing returns.