



GST (GOODS AND SERVICES TAX)

Electronic Way Bill in GST

Introduction

A **waybill** is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods and the details include name of consignor, consignee, the point of origin of the consignment, its destination, and route.

Electronic Way Bill (E-Way Bill) is basically a compliance mechanism wherein by way of a digital interface the person causing the movement of goods uploads the relevant information prior to the commencement of movement of goods and generates e-way bill on the GST portal.

Rule 138 of the CGST Rules, 2017 provides for the e-way bill mechanism and in this context it is important to note that “information is to be furnished prior to the commencement of movement of goods” and “is to be issued whether the movement is in relation to a supply or for reasons other than supply”.

E-Way Bill under GST

E-way bill is an electronic document generated on the GST portal evidencing movement of goods. It has two Components-Part A comprising of details of GSTIN of recipient, place of delivery (PIN Code), invoice or challan number and date, value of goods, HSN code, transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and reasons for transportation; and Part B comprising of transporter details (Vehicle number).

As per Rule 138 of the CGST Rules, 2017, every registered person who causes movement of goods (which may not necessarily be on account of supply) of consignment value more than Rs. 50000/- is required to furnish above mentioned information in part A of e-way bill. The part B containing transport details helps in generation of e-way bill.

Who should generate the e-way bill and why?

E-way bill is to be generated by the consignor or consignee himself if the transportation is being done in own/hired conveyance or by railways by air or by Vessel. If the goods are handed over to a transporter for transportation by road, E-way bill is to be generated by the Transporter. Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than Rs.50,000/- it shall be the responsibility of the transporter to generate it.

Further, it has been provided that where goods are sent by a principal located in one State to a job worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment.



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Also, where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration, the e-way bill shall be generated by the said person irrespective of the value of the consignment.

How is it generated?

An e-way bill contains two parts- Part A to be furnished by the person who is causing movement of goods of consignment value exceeding Rs.50,000/- and part B (transport details) to be furnished by the person who is transporting the goods. Where the goods are transported by a registered person-whether as consignor or recipient, the said person shall have to generate the e-way bill by furnishing information in part B on the GST common portal. Where the e-way bill is not generated by registered person and the goods are handed over to the transporter for transportation by road, the registered person shall furnish the information relating to the transporter in **Part B of FORM GST EWB-01** on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in **Part A of FORM GST EWB-01**.

A registered person may obtain an Invoice Reference Number from the common portal by uploading, on the said portal, a tax invoice issued by him in **FORM GST INV-1** and produce the same for verification by the proper officer in lieu of the tax invoice and such number shall be valid for a period of thirty days from the date of uploading.

In the above case, the registered person will not have to upload the information in **Part A of FORM GST EWB-01** for generation of e-way bill and the same shall be auto-populated by the common portal on the basis of the information furnished in **FORM GST INV-1**.

Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) generated by the common portal, shall be made available to the supplier, the recipient and the transporter on the common portal.

The details of e-way bill generated shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill. In case, the recipient does not communicate his acceptance or rejection within seventy-two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.

Purpose of E-Way Bill

E-way bill is a mechanism to ensure that goods being transported comply with the GST Law and is an effective tool to track movement of goods and check tax evasion.

Validity of E-Way Bill

The validity of e-way bill depends on the distance to be travelled by the goods. For a distance of less than 100 Km the e-way bill will be valid for a day from the relevant date. For every 100 Km thereafter, the validity will be additional one day from the relevant date. The "relevant date" shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty-four hours. In general, the validity of the e-way bill cannot be extended. However, Commissioner may extend the validity period only by way of issue of notification for certain categories of goods which shall be specified later.

Further, if under circumstances of an exceptional nature, the goods cannot be transported within the validity period of the e-way bill, the transporter may generate another e-way bill after updating the details in **Part B of FORM GST EWB-01**.

Cancellation of E-Way Bill

Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the e-way bill. However, an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B of the CGST Rules, 2017 .

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The facility of generation and cancellation of e-way bill will also be made available through SMS.

Finer Points

An e-way bill has to be prepared for every consignment where the value of the consignment exceeds Rs.50,000/-. Where multiple consignments of varying values (per consignment) are carried in a single vehicle, e-way bill needs to be mandatorily generated only for those consignments whose value exceeds Rs.50,000/-. This does not however preclude the consignor/consignee/transporter to generate e-way bills even for individual consignments whose value is less than Rs.50000/- per consignment. For multiple consignments being carried in the same vehicle, the transporter to prepare a consolidated e-way bill by indicating serial number of each e-way bill, on the common prior to commencement of transport of goods.

There is always a possibility that multiple vehicles are used for carrying the same consignment to its destination or unforeseen exigencies may require the consignments to be carried in a different conveyance than the original one. For such situations, the rules provide that any transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, update the details of the conveyance in the e-way bill on the common portal in **FORM GST EWB-01**.

The person in charge of a conveyance has to carry the invoice or bill of supply or delivery challan, as the case may be; and a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner. However, where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill:

- Tax invoice or bill of supply or bill of entry; or
- A delivery challan, where the goods are transported for reasons other than byway of supply.

It is also be noted that the Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Device prior to the movement of goods.

E-Way bill to be issued whether for supply or otherwise

E-way bill is to be issued irrespective of whether the movement of goods is caused by reasons of supply or otherwise. In respect of transportation for reasons other than supply, movement could be in view of export/import, job-work, SKD or CKD, recipient not known, line sales, sales returns, exhibition or fairs, for own use, sale on approval basis etc.

Exceptions to e-way bill requirement

No e-way bill is required to be generated in the following cases

- Transport of goods as specified in Annexure to Rule 138 of the CGST Rules, 2017
- goods being transported by a non-motorised conveyance;
- goods being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs;
- in respect of movement of goods within such areas as are notified under rule 138(14) (d) of the SGST Rules, 2017 of the concerned State; and
- Consignment value less than Rs. 50,000/-

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Consequences of non-conformance to E-way bill rules

If e-way bills, wherever required, are not issued in accordance with the provisions contained in Rule 138 of the CGST Rules, 2017, the same will be considered as contravention of rules. As per Section 122 of the CGST Act, 2017, a taxable person who transports any taxable goods without the cover of specified documents (e-way bill is one of the specified documents) shall be liable to a penalty of Rs.10,000/- or tax sought to be evaded (wherever applicable) whichever is greater. As per Section 129 of CGST Act, 2017, where any person transports any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the rules made there under, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure.

Enforcement

The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intra-State movement of goods.

The physical verification of conveyances may also be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf. Physical verification of a specific conveyance can also be carried out by any officer, on receipt of specific information on evasion of tax, after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.

A summary report of every inspection of goods in transit shall be recorded online by the proper officer in **Part A of FORM GST EWB-03** within twenty-four hours of inspection and the final report in **Part B of FORM GST EWB-03** shall be recorded within three days of such inspection.

Once physical verification of goods being transported on any conveyance has been done during transit at one place within the State or in any other State, no further physical verification of the said conveyance shall be carried out again in the State, unless a specific information relating to evasion of tax is made available subsequently.

Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in **FORM GST EWB-04** on the common portal.

Conclusion

The e-way bill provisions aim to remove the ills of the erstwhile way bill system prevailing under VAT in different states, which was a major contributor to the bottlenecks at the check posts. Moreover different states prescribed different e-way bill rules which made compliance difficult. The e-way bill provisions under GST will bring in a uniform e-way bill rule which will be applicable throughout the country. The physical interface will pave way for digital interface which will facilitate faster movement of goods. It is bound to improve the turnaround time of vehicles and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs.

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