

Electronic Way Bill— A Procedural Insight and Implementation Aspects



Goods and Services Tax (GST) is touted to be the biggest reform in India's taxation system which is expected to boost the country's growth rate. In this regard, Electronic Way (e-Way) bill is an important headway in the GST regime.

e-Way Bill is a document required to be carried by a person in charge of the conveyance carrying any consignment of goods of value exceeding ₹50,000. This has been mandated by the government in terms of Section 68 of the Goods and Services Tax (GST) Act. An E-Way bill is generated through the GST Common Portal for e-Way bill system- ewaybill.nic.in - by registered users or transporters who cause movement of goods of consignment. The e-way bill came into effect on 1st April, 2018.

Industry experts and analysts have said that the e-Way Bill is likely to be the game changer in the present Indian economy. Registered entities will have to pre-register the goods on GST portal before commencement of movement of goods. For quick and easy movement of goods across India without any hindrance, all the check posts across the country stand abolished. E-Way Bill will enable tracking of movement of goods and prevent tax evasion by way of unauthorised movement of goods. Read on to know more...



CA. Madhulika Jain

(The author is a member of the Institute. She can be reached at madhulika.ca@gmail.com.)

e-Way Bill System under GST

With the introduction of GST, the entire nation has become one common market. For movement of goods from one State to another State, Transit Pass shall not be required anymore. Analysts at

ratings agency Fitch said in a note to clients that GST should offer significant opportunities for productivity. It will become much quicker and less costly to move goods across the country now that trucks will not be held up at checkpoints at State borders. Smoother logistics should reduce retailers' need for working capital and allow them to operate centralised warehouses, rather than in every State.

Notification No. 9/2018 – Central Tax dtd. 23-01-2018 has been issued for notifying www.ewaybillgst.gov.in as the Common Goods and Services Tax Electronic Portal for furnishing electronic way bill.

E-Way Bill is an electronic way bill for movement of goods, which has to be generated digitally. It will act as a proof of valid supply under GST. However, it cannot be generated offline in physical form or manually from tax department anymore. The e-Way Bill (EWB) portal provides a seamless gateway to generate e-Way Bills (single and consolidated options), change vehicle number on the already generated e-Way Bills or cancel generated e-Way Bills.

There are some pre-requisites for generating an e-Way Bill (for any method of generation):

- Registration on the e-Way Bill portal.
- The Invoice/Bill/Challan related to the consignment of goods must be in hand.
- If transport is by road– Transporter ID or the Vehicle number.
- If transport is by rail, air, or ship– Transporter ID, Transport document number, and date on the document.

Registration Procedure

- Register by entering GSTIN on e-Way Bill Portal.
- Authentication is done with an OTP sent on their registered mobile number.
- User can create Username and password to use e-Way Bill Portal.

Enrolment procedure for GST Unregistered Transporters/ Others

- Enroll by providing PAN details on e-Way Bill portal.
- Authentication is done with OTP sent through Aadhaar registered mobile number.
- User enters other business details in e-Way Bill portal.

- User can create username and password to use e-Way Bill portal.

Generation of e-way bills in EWB-01

- Web-online using browser on laptop or desktop.
- Android based Mobile App on mobile phones.
- Via SMS through registered mobile number.
- Via API (Application Program Interface) i.e. integration of IT system of user with e-Way Bill system for generation of e-Way Bill.
- Tool-based bulk generation of e-Way Bills.
- Third-party based system of Suvidha Providers.

Applicability

- The e-Way Bill for inter-state movement has been implemented in India from 1st April 2018.
- The states can opt to follow the e-Way Bill system for intra-state transport anytime latest by 1st June 2018, after which it becomes mandatory for all states. The states are notifying the dates in a phased manner.

Features of e-Way Bill

- Alerts will be sent to users via mail and SMS on registered mail id/mobile number.
- Vehicle number can be entered either by the supplier/recipient of goods, who generates e-Way Bill; or by the transporter.
- QR code will be printed on each e-Way Bill for ease of seeing details.
- The user has a provision to create his own masters like customers, suppliers, products and transporters. The system facilitates to use them while generating the e-Way Bill.
- A number of checks and balances have been introduced as per the requirements so that errors/mistakes of the users are eliminated.

E-Way Bill mechanism

Rule 138 of the CGST Rules 2017 provides for the e-Way Bill mechanism. There are five rules which deal with the aspects of movement of goods:

1. Information to be furnished prior to commencement of movement of goods and generation of e-Way Bill

i. E-Way Bill Generator:

E-Way Bill shall be generated by the

following persons in case of movement of goods of **consignment value exceeding fifty thousand rupees**:

Situations	E-Way Bill Generator
In general cases (before movement of goods)	Every registered person
If authorisation is received from the registered person	Transporter
If the goods to be transported are supplied through an e-commerce operator or a courier agency and an authorisation is received from the consignor	E-commerce operator or courier agency
Goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or a public conveyance, by road	The said person However, the transporter of goods shall generate the e-Way Bill before movement of such goods if both the consignor and consignee do not generate it
<i>Note:</i>	
a) If the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter, he or the transporter may generate the e-Way bill optionally.	
b) If the goods are transported for a distance of up to 50 kilometers within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the recipient, or as the case may be, the transporter may not furnish the details of conveyance.	
Goods are transported by railways or by air or vessel	The registered person, being the supplier or the recipient
<i>Note:</i>	
a) If the goods are transported by railways, production of e-Way bill at the time of delivery is compulsory in order to effect the delivery of such goods by the railways	
b) In this case, the e-Way bill may be generated either before or after the commencement of movement	

E-Way Bill shall be generated by the following person in case of movement of goods **irrespective of the consignment value of goods**:

Situations	E-Way Bill Generator
a) If the goods are sent by a principal located in one State or Union Territory to a job worker located in any other State or Union Territory	Principal or the job worker, if registered
b) Handicraft goods are transported from one State or Union Territory to another State or Union Territory by a person who has been exempted from the requirement of obtaining registration under clauses (i) and (ii) of Section 24	The said person

The **consignment value of goods** shall be the value, determined in accordance with the provisions of section 15, declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes the central tax, State or Union territory tax, integrated tax and cess charged, if any, in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

ii. Time of generation of an e-Way Bill:

E-Way Bill will be generated when there is movement of goods –

- In relation to a 'supply'

- For reasons other than a 'supply' (For example, a return)
- Due to inward 'supply' from an unregistered person.

iii. Meaning of 'supply' in case of e-Way Bill:

A supply may have the following meanings in case of e-Way Bill

- Supplied for a consideration in the course of business.
- Supplies made for a consideration which may not be in the course of business.
- Supplies without consideration.

Hence, e-Way Bills must be generated in Part A of FORM GST EWB-01, on the common portal for all types of movements.

However, e-Way Bill is not required to be generated in the following cases:

- Transportation of goods which are specified in Annexure to the CGST Rules;
- Transportation of goods by a non-motorised conveyance;
- Transportation of goods from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs;
- Movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the State or Union

- territory Goods and Services Tax Rules in that particular State or Union territory;
- Transportation of goods (other than de-oiled cake) which are specified in the Schedule appended to notification No. 2/2017- Central tax (Rate) dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 674 (E) dated the 28th June, 2017 as amended from time to time;
 - Transportation of alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel;
 - Transportation of such goods which are treated as no supply under Schedule III of the Act;
 - Transportation of goods -
 - (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
 - (ii) under customs supervision or under customs seal;
 - Transportation of goods which are transit cargo from or to Nepal or Bhutan;
 - Transportation of goods which are exempt from tax under notification No. 7/2017-Central Tax (Rate), dated 28th June 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 679(E) dated the 28th June, 2017 as amended from time to time and notification No. 26/2017- Central Tax (Rate), dated the 21st September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1181(E) dated the 21st September, 2017 as amended from time to time;
 - Movement of goods caused by defence formation under Ministry of defence as a consignor or consignee;
 - Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail;
- Transportation of empty cargo containers;
 - Transportation of goods up to a distance of 20 kilometers from the place of the business of the consignor to a weighbridge for weighing or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with rule 55;
 - Where the movement of goods commences and terminates within the
 - Union Territory of Andaman and Nicobar Islands.
 - Union Territory of Chandigarh.
 - Union Territory of Dadra and Nagar Haveli.
 - Union Territory of Daman and Diu.
 - Union Territory of Lakshadweep.
- iv. Acceptance**
The details of e-Way Bill will be communicated to the registered recipient for his acceptance or rejection of the consignment (deemed acceptance after 72 hours).
- v. Auto Populated from Tax Invoice**
If a registered person uploads a tax invoice issued by him in FORM GST INV-1, the information in Part A of Form GST EWB -01 will be auto populated.
- vi. Information will flow in GSTR-1**
Information in Part A of Form GST EWB-01 shall be used for preparing GSTR-1. The contents of Part A are:
- GSTIN of Supplier
 - Place of Dispatch
 - GSTIN of Recipient
 - Place of Delivery
 - Document Number
 - Document Date
 - Value of Goods
 - HSN Code
 - Reason for Transportation
- vii. Information in Part B of FORM GST EWB-01 is required to be furnished:**
The contents of Part B are:
- Vehicle Number by Road

- Transport Document Number/Defence Vehicle No/Temporary Vehicle Registration No/Nepal or Bhutan Vehicle Registration No.

The unique number generated under shall be valid for a period of **15 days** for updation of **Part B** of **FORM GST EWB-01**

viii. EBN (e-Way Bill Number)

Upon generation of e-Way Bill on the common portal, a unique e-Way Bill number (EBN) will be made available to the supplier, recipient and to the transporter on the common portal. This will serve as an electronic permit for within the State and across State borders.

ix. Voluntarily/*suo moto* generation of e-Way Bill

The registered person or transporter may, at his option, generate and carry the e-Way Bill even if the value of consignment is less than ₹50,000.

x. Uniformity

The e-Way Bill generated under the CGST rules or SGST/UTGST rules of a State/ Union Territory shall be valid in every State and Union Territory.

xi. Transfer of goods from one conveyance to another during transit

At times, a lorry may not have a pan-India permit, or there could be unforeseen circumstances such as an accident. Thus, in the course of transit, goods would be transferred from one vehicle to another. In this case, before such transfer and further movement of goods, the consignor or the recipient, who has provided information in Part A of the FORM GST EWB-01, or the transporter shall update the details of conveyance in the e-Way Bill on the common portal in Part B of FORM GST EWB-01.

xii. Transportation of multiple consignments in one conveyance

After e-Way Bill has been generated, where multiple consignments are to be transported in one vehicle (say, a lorry is catering to three different suppliers), the transporter may indicate the serial number of the e-Way bills generated in respect of each such consignment on the GSTN portal and a consolidated e-Way Bill may be generated before the movement of goods.

If the consignor or the consignee has not generated FORM GST EWB-01 and the aggregate consignment value of goods carried in the conveyance in case of inter-State supply is more than ₹50,000, the transporter (except in case of transportation of goods by railways, air and vessel) shall generate FORM GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be. He may also generate a consolidated e-Way Bill in FORM GST EWB-02 on the common portal before movement of goods.

xiii. Cancellation of e-Way Bill

Bills will be automatically cancelled if goods are either not transported or not transported as per the details furnished in the e-Way Bill within 24 hours of generation of the e-Way Bill.

However, such e-Way Bill cannot be cancelled if it has been verified in transit.

xiv. Validity Period of e-Way Bill

Distance	Validity
Up to 100 km	One day in cases other than Over Dimensional Cargo
For every 100 km or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo
Up to 20 km	One day in case of Over Dimensional Cargo
For every 20 km or part thereof thereafter	One additional day in case of Over Dimensional Cargo

Such validity shall commence from the date and time at which e-Way Bill is generated. Each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-Way Bill.

Every time the validity is breached, a new bill will have to be generated.

The Commissioner may, by notification, extend the validity period of e-Way Bill for certain categories of goods as may be specified therein.

If the goods cannot be transported within the validity period of the e-Way Bill due to exceptional circumstances, including transshipment, the transporter may, if required, extend the validity period after updating the details in Part B of FORM GST EWB-01.

2. Documents and devices to be carried by a person-in-charge of a conveyance

- i. The person in charge of a conveyance shall 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 (RFID) embedded on to the conveyance in such manner as may be notified by the Commissioner [This shall not apply in case of movement of goods by rail or by air or vessel].
- ii. The Commissioner, in case of special circumstances, may, by notification, require the person-in-charge of conveyance to carry the following documents instead of the electronic way bill-
 - tax invoice or bill of supply or bill of entry; or
 - a delivery challan, where the goods are transported other than by way of supply.
- iii. A registered person may obtain an Invoice Reference Number from the common portal by uploading 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 30 days from the date of uploading.
- iv. To avoid verification of the physical copy of the e-Way Bill, the Commissioner may, by notification, require a class of transporters to obtain a unique RFID and get the said device embedded on to the conveyance and map the e-Way Bill to the RFID prior to the movement of goods.

3. Inspection and verification of goods

- In case of inspection of goods in transit, a summary Report within 24 hours of inspection, and the final Report within 3 days of inspection, shall be recorded online.
- Physical verification can only occur once during the entire transit period unless specific information relating to evasion of tax is received, indicating the need for another inspection.

4. Verification of documents and conveyance

- The commissioner or an officer empowered

by him may authorise an officer to stop a consignment to verify e-Way Bill.

- Tax officials would be empowered to inspect the e-Way Bill or the e-Way Bill number in physical or electronic form for all movement of goods at any time during the journey to check for tax evasion.
- Physical verification of conveyances may also be done. In case there is 'specific information' of tax evasion, physical verification of a conveyance can also be done by an authorised officer.

5. Facility for uploading information regarding detention of vehicle

If a vehicle has been intercepted and detained for more than 30 minutes, the transporter may upload the said information in FORM GST EWB – 04 on the common portal.

List of E-Way Bill Relevant Forms

FORM GST EWB -01	Furnish information prior to commencement of movement of goods.
FORM GST EWB -02	Furnish information regarding consolidated e-Way Bill in case of multiple consignments.
FORM GST EWB -03	Summary report of every inspection of goods in transit recorded by proper officer.
FORM GST EWB -04	Uploading of information regarding detention of vehicle.

Conclusion

With GST regime making headway, the e-Way Bill stands out to be an important landmark. The government has given serious thought to these e-Way Bill rules, with the motive to reduce human intervention and eliminate officer discretion. However, it remains to be seen how the small transporters and SMEs cope with this scale of digitalisation. The tracking of movement and storage of goods is the key to reduce tax revenue leakage for the Government and reducing black market products. ■

Reference

Notification No. 9/2018 – Central Tax dt .23-01-2018
 Notification No. 12/2018 - Central Tax dt 07-03-2018
 Notification No.15/2018 – Central Tax dt 23-03-2018
 Notification No. 06/2018-Union Territory Tax,dt. 31-03-2018
 Notification No. 05/2018-Union Territory Tax,dt. 31-03-2018
 Notification No. 04/2018-Union Territory Tax,dt. 31-03-2018
 Notification No. 03/2018-Union Territory Tax,dt. 31-03-2018
 Notification No. 02/2018-Union Territory Tax,dt. 31-03-2018
 E-Way Bill Rules – Rule 138, 138A, 138B, 138C and 138D
 of CGST Rules, 2017