

E-Way Bill under GST

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The Central Government made 6th amendment in Central Goods and Services Tax Rules, 2017 (CGST Rules, 2017) to incorporate the left out provisions for e-way bill.

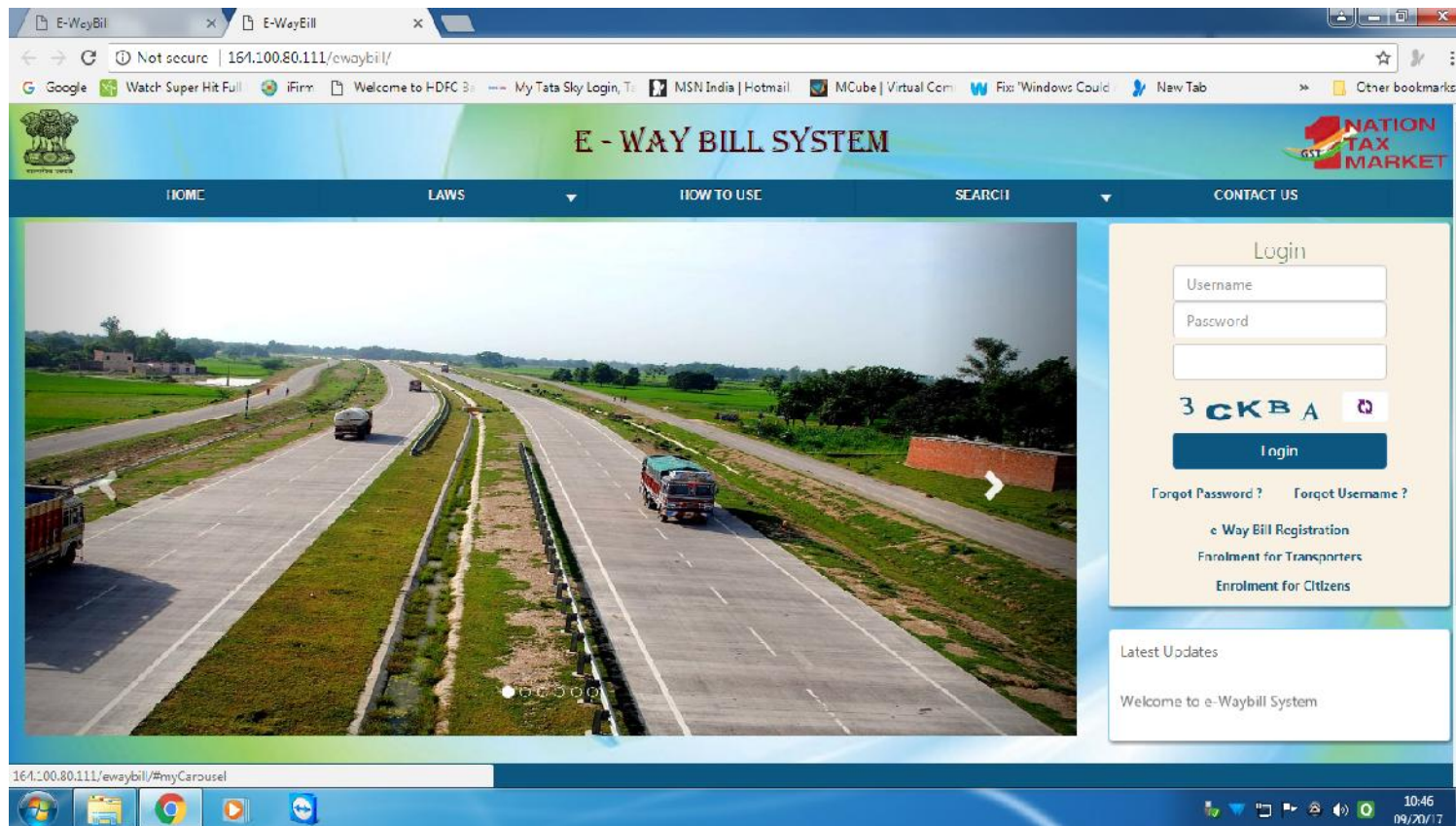
The [Notification no.27/2017-CT dated 30.08.2017](#) resulted into substitution of Rule 138 with new Rule 138 with further addition of new set of rules i.e. 138A to 138D.

But, the date of the implementation of these rules has not been notified till date.

States like Kerala, West Bengal, Bihar, Odisha, Andhra Pradesh and Karnataka already had E-Way Bill System.

The GST Council has allowed states to follow their existing E-Way Bill frameworks until the E-Way Bill Rules under GST are implemented.

Karnataka E-Way Bill System



E-Way Bill

The e-way bill means an electronic way bill.

It is meant for movement of goods.

It has to be generated on the GSTN.

Mandatory E-Way Bill

1. BY REGISTERED PERSON:

Every registered person who causes movement of goods of consignment value exceeding Rs. 50,000/-.

(i) in relation to a supply; or

(ii) for reasons other than supply; or

(iii) due to inward supply from an unregistered person,

Shall furnish information relating to the said goods in **Part A of FORM GST EWB-01**, electronically before the commencement of such movement of goods.

Condition 1 - The value of consignment should **exceed Rs. 50,000/-**.

Condition 2 - It is to be generated **prior to commencement of movement of goods**.

Observation- The expression "for reasons other than supply" will include job work, removal for testing purpose, send on approval basis, etc.

2. Registered Person is Consignor or Consignee (Mode of Transport May be Owned or Hired) or is Recipient of Goods:

Where the 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 by railways or by air or by vessel, **the said person or the recipient** may generate the e-way bill in **FORM GST EWB-01** electronically on the common portal after furnishing information in **Part B of FORM GST EWB-01**.

3. Registered Person Giving the Goods to the Transporter of Goods:

Where the goods are handed over to a 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**

Optional E-Way Bill

In following transactions, the generation of e-way bill is optional:

a Less than Rs. 50,000 - The registered person or the transporter may, at their option, generate and carry the e-way bill even if the value of the consignment is less than Rs. 50,000.

b Unregistered Person - Where 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, at their option, generate the e-way bill in **FORM GST EWB-01**

c Distance of less than 10 KMS - Where the goods are transported for a distance of less than 10 kms 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 transporter may not furnish the details of conveyance in **Part B of FORM GST EWB-01**.

Important Explanations under Rule 138

i. Recipient Deemed as Supplier

Explanation 1 – For the purposes of this sub-Rule, where the goods are supplied by an **unregistered supplier to a recipient who is registered**, the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods.

ii. Transportation by Rail, air or Vessel

Explanation 2 – The information in **Part A of FORM GST EWB-01** shall be furnished by the consignor or the recipient of the supply as consignee where the goods are transported by railways or by air or by vessel.

Procedure under E-Way Bill

The following procedure is to be adopted towards e-way bill:

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

Transfer from one Conveyance to Another: 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 conveyance in the e-way bill on the common portal in **FORM GST EWB-01:**

Optional -Where the goods are transported for a distance of less than 10 kilometers within the State or Union territory from the place of business of the transporter finally to the place of business of the consignee, the details of conveyance is not mandatorily required to be updated in the E-way bill.

Caution- It should be cautiously exercised since if there are two ways to a destination and one route is shorter than 10 kms and other is more than 10 kms then in such situation, then it is advisable to mandatorily change the details of conveyance otherwise it may lead to unwanted litigation.

Multiple Consignments : Where multiple consignments are intended to be transported in one conveyance then the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal.

In such a transaction once individual e-way bills are generated, a consolidated e-way bill, in **FORM GST EWB-02**, has to be also generated by the transporter on the common portal prior to the movement of goods.

Caution—Multiple consignments can emerge as one of the biggest area of dispute.

E-Way Bill not Generated: Where the consignor or the consignee has not generated the e-way bill, as per sub-rule (1) of Rule 138 of CGST Rules, in **FORM GST EWB-01** for the goods exceeding the value of Rs. 50,000 **then the transporter** shall generate **FORM GST EWB-01** on the basis of invoice or bill of supply or delivery challan, as the case may be.

The transporter may also generate a consolidated e-way bill in FORM **GST EWB-02** on the common portal prior to the movement of such goods.

Note—The onus is upon the transporter to generate the e-way bill where it is not generated by consignor or consignee of the goods intended to be moved from one place to other.

Details of E-Way Bill in GSTR-1: The information furnished in **Part A of FORM GST EWB-01** shall be made available to the registered supplier on the common portal for furnishing such details in turn in **FORM GSTR-1**.

Where the information has been furnished by an unregistered supplier in **FORM GST EWB-01**, then he shall be informed electronically, provided his mobile number or the email is available.

Cancellation of E-Way Bill: Where the e-way bill has been generated but goods are **either not transported or are not transported as per the details furnished** in the e-way bill, then 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:

Note- The word "**may**" is used, under sub-rule (9) of Rule 138, for cancellation within 24 hours. The reason of usage of "may" can be due to a simple fact that even otherwise an e-way bill meant for movement upto 100 kms is valid only for **one day i.e. 24 hours**. Hence, it may be a reason for usage of word "may" rather than "shall".

No Cancellation - The e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of **Rule 138B** of the rules.

Validity Period of E-Way Bill: The e-way bill or a consolidated E-way bill generated under this Rule shall be valid for the period as mentioned in the table below from the relevant date :

Sr. No.	Distance	Validity Period
1.	Up to 100 km	1 day
2.	For every 100 km or part thereafter	One additional day

Explanation Under Sub-Rule (10) of Rule 138 on "Relevant Date"

Explanation—From 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 24 hours**.

Extension— The Commissioner may, by notification, extend the validity period of the e-way bill for certain categories of goods as may be specified therein.

After Validity Period-Where under circumstances of an exceptional nature i.e. situation beyond control, the goods cannot be transported within the validity period of the e-way bill, then the **transporter may generate another e-way bill** after updating the details in **Part B of FORM GST EWB-01**.

Acceptance or Rejection of Consignment: The details of e-way bill 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.

Deemed Acceptance: Where the recipient does not communicate his acceptance or rejection within **72 hours** of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.

Validity in States and Union Territory - The e-way bill generated under this Rule or under Rule 138 of CGST Rules shall be valid in every State and Union territory.

No Requirement of E-Way Bill

The e-way bill is not required to be generated for the following : –

- a. where the goods being transported are **specified under sr.no. 1 to 154 in Annexure** provided under Notification no. 27/2017 – CT
- b. where the goods are being transported by a **non-motorized conveyance**.
- c. where the goods are 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**; and
- d. in respect of movement of goods within such areas as are notified under clause(d) of sub-rule (14) of Rule 138 of the Goods and Services Tax Rules of the concerned State.

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

Documents and Devices to be Carried by a Person-in-Charge of a Conveyance

Physical Documents or Virtual Mapped - As per Rule 138 A, the person in charge of a conveyance shall carry:

- a.* The invoice or bill of supply or delivery challan, as the case may be ;
and
- b.* 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.

Invoice Reference Number -The tax invoice issued by a registered person shall be uploaded by him in **FORM GST INV-1** and an Invoice Reference Number shall be obtained from the common portal and the same shall be produced for verification by the proper officer in lieu of the tax invoice.

Validity- Invoice Reference Number shall be valid for a period of **30 days** from the date of uploading a tax invoice.

Auto-Populated - The information in **Part A of FORM GST EWB-01** shall be auto-populated by the common portal on the basis of the information furnished in **FORM GST INV-1**.

Unique Radio Frequency Identification Device - 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.

Mandatory Documents –Notwithstanding anything contained clause (b) of sub-rule (1) of Rule 138A of the CGST Rules, 2017, the Commissioner may by notification require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill where circumstances so warrant:

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

Verification of Documents and Conveyances

Rule 138 B provides for verification of documents and conveyance in the following manner:

Interception of Vehicle- As per provisions of Rule 138B of the CGST Rules, 2017, the proper officer under the authority by the Commissioner or an officer empowered by him, may intercept any conveyance to verify the E-way bill number in physical form for inter-state and intra-state movement of goods.

Installation of RFID- The Commissioner shall direct for installation of Radio Frequency Identification Device (RFID) at places to verify the movement of vehicles pertaining to a mapped e-way bill.

Physical Verification on Specific Information- On receipt of specific information about evasion of tax, the physical verification of conveyances can be carried out by any officers after obtaining necessary approval of the Commissioner or an officer authorized by him in this behalf.

Inspection and Verification of Goods

Summary Report- The proper officer shall record online, within 24 hours of inspection, the summary report of every inspection of goods in **Part A of FORM GSTEWB-03**.

Final Report - The final report in **Part B of FORMGST EWB-03** shall be recorded within 3 days of such inspection.

No Further Verification- Once the 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 then no further physical verification of the said conveyance shall be carried out again in the State.

It can be done only if specific information relating to evasion of tax is made available subsequent to the first verification.

Facility for Uploading Information Regarding Detention of Vehicle

Detention Beyond 30 Minutes- 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 as provided under Rule 138D of the CGST Rules, 2017.

Observation- It is a welcome step and in fact will bring transparency in system.

Issues

- Rs. 50,000 Limit is too low
- Technology Backbone of Govt
- Record keeping headache for firms
- Changes in IT systems of firms
- Scope of harassment and so called inspector raj and corruption
- The time frame for transporting goods shall be left to transporter or supplier. The government shall be concerned only about taxes.
- Why E-way bill is needed when there is a system of input-output matching under GST

Thank You !

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