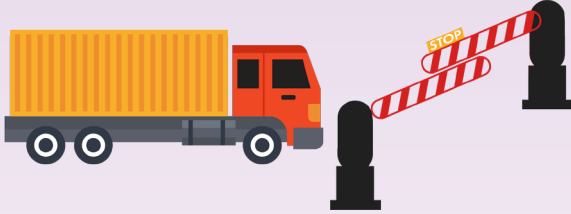




# GST

(GOODS AND SERVICES TAX)

## Electronic Way Bill in GST



### Introduction

E-Way Bill is a document required for movement of goods and it includes details such as name of consignor, consignee, transporter, the point of origin of the movement of goods and its destination. 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. Section 68 of the CGST Act, 2017 mandates that the Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed. 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".

The e-way bill mechanism facilitates faster movement of goods, improves the turnaround time of trucks and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs. Furthermore, the physical interface paves way for digital interface resulting in elimination of state boundary check-posts. From department perspective, it helps to ensure that goods being transported comply with the GST Law, track movement of goods and check tax evasion. The e-way bill provisions in respect of inter-state supplies of goods were implemented PAN India w.e.f 1st April, 2018. The different States had introduced e-way bill for intra-State movement of goods at different times. However, all States have introduced the e-way bill latest from 16th June 2018.

### E-Way Bill under GST

E-way bill (FORM GST EWB-01) is an electronic document (available to supplier / recipient / transporter) generated on the common portal evidencing movement of goods of consignment value more than Rs. 50000/-. It has two Components-Part A comprising of details of GSTIN of supplier & recipient, place of delivery (indicating PIN Code also), document (Tax invoice, Bill of Supply, Delivery Challan or Bill of Entry) number and date, value of goods, HSN code, and reasons for transportation; and Part B-comprising of transport details - transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and Vehicle number for road transportation.

**Consignment Value:** The consignment value of goods shall be the value, determined in accordance with the provisions of section 15 of the CGST Act, 2017, 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.**

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. It may be noted, however, that there is no restriction on generation of e-way bill even if the value of consignment is less than Rs. 50000/-.

**Common Portal:** The Common GST Electronic Portal for furnishing electronic way bill is different from the GST common portal being used for registration, payment, return filing etc. and same is [www.ewaybillgst.gov.in](http://www.ewaybillgst.gov.in). All the registered persons under GST need to register on the portal of e-way bill namely [www.ewaybillgst.gov.in](http://www.ewaybillgst.gov.in) using GSTIN. Once GSTIN is entered, the system sends an OTP to registered mobile number, registered with GST Portal and after authenticating the same, the system enables the taxpayer to generate username and password for the e-way bill system. After generation of username and password of choice, the taxpayer may proceed to make entries to generate e-way bill. The transporters, who are not registered under the GST but cause movement of goods for their clients, need to enroll on the e-way bill portal and get 15-digit Unique Transporter Id.

### 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 in as much as part B updation is done by transporter, whereas part A details need to be furnished by registered person. Transporter can also generate Part-A after getting authorization from Consigner/consignee for the same. Further, where the goods are transported for a distance upto 50 Km 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/recipient or transporter, as the case may be, may not furnish the details of conveyance in Part-B of FORM GST EWB-01.

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 either by the principal or the job worker, if registered, irrespective of the value of the consignment.

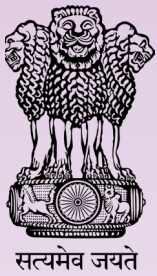
Also, where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration, the e-way bill shall be generated by the said person irrespective of the value of the consignment.



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# GST

(GOODS AND SERVICES TAX)

## Electronic Way Bill in GST

Act, 2017, 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.**

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. It may be noted, however, that there is no restriction on generation of e-way bill even if the value of consignment is less than Rs. 50000/-.

**Common Portal:** The Common GST Electronic Portal for furnishing electronic way bill is different from the GST common portal being used for registration, payment, return filing etc. and same is [www.ewaybillgst.gov.in](http://www.ewaybillgst.gov.in). All the registered persons under GST need to register on the portal of e-way bill namely [www.ewaybillgst.gov.in](http://www.ewaybillgst.gov.in) using GSTIN. Once GSTIN is entered, the system sends an OTP to registered mobile number, registered with GST Portal and after authenticating the same, the system enables the taxpayer to generate username and password for the e-way bill system. After generation of username and password of choice, the taxpayer may proceed to make entries to generate e-way bill. The transporters, who are not registered under the GST but cause movement of goods for their clients, need to enroll on the e-way bill portal and get 15-digit Unique Transporter Id.

### 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 in as much as part B updation is done by transporter, whereas part A details need to be furnished by registered person. Transporter can also generate Part-A after getting authorization from Consigner/consignee for the same. Further, where the goods are transported for a distance upto 50 Km 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/recipient or transporter, as the case may be, may not furnish the details of conveyance in Part-B of FORM GST EWB-01.

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 either by the principal or the job worker, if registered, irrespective of the value of the consignment.

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. The transporter, on an authorisation received from the registered person, may furnish Part-A also.

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 12-digit 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 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.

**Validity of E-Way Bill:** The validity of e-way bill depends on the distance to be travelled by the goods. In case of non Over Dimensional Cargo (ODC), 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 or part thereof, thereafter, the validity will be additional one day from the relevant date.

In case of ODC, or multimodal shipment in which at least one leg involves transport by ship, for a distance of less than 20 Km, the EWB will be valid for a day from the relevant day and for every twenty kilometers or part thereof 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 the e-way bill has been generated and each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill.

Further, if under circumstances of an exceptional nature, including the transshipment, 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**. Further, the e-way bill may be extended within eight hours from the time of its expiry.

### Exemptions from E-way Bill

E-way bill is not required to be generated in the following cases:

(a) Transport of goods as specified in Annexure to Rule 138 (14) of the CGST Rules, 2017 which is reproduced below:

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# GST

(GOODS AND SERVICES TAX)

## Electronic Way Bill in GST

Sr. No.	Description of Goods
1	Liquefied petroleum gas for supply to household and non-domestic exempted category (NDEC) customers
2	Kerosene oil sold under PDS
3	Postal baggage transported by Department of Posts
4	Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
5	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
6	Currency
7	Used personal and household effects
8	Coral, unworked (0508) and worked coral (9601)

- (b) Goods being transported by a non-motorised conveyance;
- (c) 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;
- (d) 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;
- (e) Where the goods, other than de-oiled cake, being transported are specified in the Schedule appended to notification No. 2/2017- Central tax (Rate) dated the 28th June, 2017 as amended;
- (f) Where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel;
- (g) Where the goods being transported are treated as no supply under Schedule III of the Act;
- (h) Where the goods are being transported- (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;
- (i) Where the goods being transported are transit cargo from or to Nepal or Bhutan;
- (j) Where the goods being transported are exempt from tax under notification No. 7/2017-Central Tax (Rate), dated 28.06.17, as amended from time to time, and notification No. 26/2017- Central Tax (Rate), dated the 21.09.17, as amended from time to time;
- (k) Any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee;
- (l) Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail;
- (m) Where empty cargo containers are being transported;
- (n) Where the goods are being transported up to a distance of twenty kilometres from the place of the business of the consignor to a weighbridge for weightment 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; and

(o) Where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply

Thus, no E-way bill is required to be generated in respect of exempt goods and entries under rule 138(14). Movement of goods exempted under rule 138(14)(d) of SGST/UTGST Rules will also be exempted under the Central GST Rules and this exemption is provided for intra-State movement. EWB is not required even when there's supply without any movement of goods. It may also be noted that EWB is required for every inter-State movement of goods even in cases where the supply is intra-State.

### 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, 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.

The facility of generation and cancellation of e-way bill will also be made available through SMS, Android App, Application Process Interface (API), etc.

### 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. 50,000/- per consignment. For multiple consignments (with E-way bill generated individually) being carried in the same vehicle, the transporter may prepare a consolidated e-way bill by indicating serial number of each e-way bill, on the common portal 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 Part-B of 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.

(a) Tax invoice or bill of supply or bill of entry (in case of imported goods); or

(b) A delivery challan, where the goods are transported for reasons other than by way of supply.

It is also to 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.

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# GST

(GOODS AND SERVICES TAX)

## Electronic Way Bill in GST

### 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.

### 'Bill to-Ship to' Transactions

Following fields are available in Part-A of the FORM EWB-01 to tackle the issue of raising e-way bill in Bill to-Ship to transactions:

- Place of Dispatch: This includes the address of the place from where the goods are dispatched for the movement to the recipient.
- Bill To: This includes the details of the 'bill to' party on whose option the goods are to be transported at the place of Ship to party.
- Ship To: This allows the registered person to enter the address of 'ship to' party i.e. address where goods are destined.
- Place of Delivery: This includes the address of the place where the goods need to be delivered, this address may be different from the address captured under ship-to address.

Thus, e-way bill can be generated for Bill to-ship to" transactions by providing the above details in Part-A of the FORM EWB-01. CBIC has also released a press release on 23rd April, 2018 which can be accessed at [http://www.cbic.gov.in/resources/htdocs-cbec/press-release/23042018\\_PRESS\\_RELEASE\\_FOR\\_BILL\\_TO\\_SHIP\\_TO.pdf](http://www.cbic.gov.in/resources/htdocs-cbec/press-release/23042018_PRESS_RELEASE_FOR_BILL_TO_SHIP_TO.pdf).

In a typical "Bill To Ship To" model of supply, there are three persons involved in a transaction, namely:

- "A" is the person who has ordered "B" to send goods directly to "C".
- "B" is the person who is sending goods directly to "C" on behalf of "A".
- "C" is the recipient of goods.

In this complete scenario two supplies are involved and accordingly two tax invoices are required to be issued:

- Invoice -1, which would be issued by "B" to "A".
- Invoice -2 which would be issued by "A" to "C".

The movement of goods which is taking place from "B" to "C" on behalf of "A". It is clarified that as per the CGST Rules, 2017 either "A" or "B" can generate the e-Way Bill but it may be noted that only one e-Way Bill is required to be generated as per the following procedure:

**Case -1: Where e-Way Bill is generated by "B", the following fields shall be filled in Part A of GST FORM EWB-01:**

1	Bill From	In this field details of "B" are supposed to be filled.
2	Dispatch From	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of B
3	Bill To	In this field details of "A" are supposed to be filled.
4	Ship To	In this field address of "C" is supposed to be filled
5	Invoice Details	Details of Invoice-1 are supposed to be filled

**Case -2: Where e-Way Bill is generated by "A", the following fields shall be filled in Part A of GST FORM EWB-01**

1	Bill From	In this field details of "A" are supposed to be filled
2	Dispatch From	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of B
3	Bill To	In this field details of "C" are supposed to be filled.
4	Ship To	In this field address of "C" is supposed to be filled
5	Invoice Details	Details of Invoice-2 are supposed to be filled.

### E-way bill in respect to goods stored in transporter's godown

(a) In case the consignee/recipient taxpayer stores his goods in the godown of the transporter, then the transporter's godown may be declared as an additional place of business by the recipient taxpayer. In such cases, mere declaration by the recipient taxpayer to this effect with the concurrence of the transporter in the said declaration will suffice. Where the transporter's godown has been declared as the additional place of business by the recipient taxpayer, the transportation under the e-way bill shall be deemed to be concluded once the goods have reached the transporter's godown (recipient taxpayer's additional place of business). Hence, e-way bill validity in such cases will not be required to be extended for the time period when goods are stored in the godown of transporter.

(b) Whenever the goods move from the transporter's godown (i.e., recipient taxpayer's additional place of business) to the recipient taxpayer's place of business, a valid e-way bill shall be required subject to any exemption if any under State-specific e-way bill rules.

### No delivery by railways if E-way bill is not produced to them

The railways shall not deliver the goods unless the e-way bill is produced at the time of delivery in view of CGST rule 138(2A).

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# GST

(GOODS AND SERVICES TAX)

## Electronic Way Bill in GST

### E-way bill requirement in respect of inter-State movement but intra-State supply

E-way bill is required even in case where the movement of goods commences and terminates in the same State and just transits through another State.

### 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 thereunder, 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. Section 130 of CGST Act, 2017 provides for confiscation of such detained or seized goods and their subsequent disposal.

### Enforcement

The Commissioner or an officer empowered by him in this behalf may authorise any officer to intercept any conveyance to verify the e-way bill or the e-way bill number 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.

### No confiscation in case of minor typographical mistakes

As per circular no. 64/38/2018 GST dated 14.09.2018, 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, 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.

The circular further prescribes that 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 may be imposed (Rs. 1000/- under the IGST Act) in FORM GST DRC-07 for every consignment.

### Restriction from generation of E-way Bill on or after 21st August, 2019

As per rule 138E of the CGST Rules, no person (including a consignor, consignee, transporter, an e-commerce operator or a courier) shall be allowed to generate E-Way bill in respect of a registered person, whether as a supplier or a recipient, who, -

(a) being a person paying tax under section 10 or availing benefit of notification No. 02/2019-Central Tax, dated 7th March, 2019, has not furnished the statement in FORM GST CMP-08 for two consecutive quarters; or

(b) being a person other than a person specified in clause (a), has not furnished the returns for a consecutive period of two months.

The Commissioner or an officer authorised by him, however, has been authorised to permit generation of E-way Bill even where the return/FORM GST PMT-08 has not been furnished. The registered person need to apply in FORM GST EWB-05 and order permitting/rejection the application would be issued in FORM GST EWB-06.

### 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 had prescribed different e-way bill rules which made compliance difficult. The e-way bill provisions under GST have brought in a uniform e-way bill rules applicable throughout the country. The digital interface will facilitate faster movement of goods. It is bound to improve the turn-around 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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