



E-WAY BILL



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The e-way bill is a key anti-tax evasion measure and is a crucial part of the GST architecture. On April 1, 2018, the e-way bill system for the inter-state movement of goods was rolled-out across the nation. Parallely, e-way bill for intra state movement too was rolled out in a phased manner throughout the country. Though e-way bill is an important step forward for the economy as a whole, the businesses have been facing teething problems in the implementation of the said system. Following the salient features of the e-way bill system:

- 1) Every **registered person** who causes movement of goods of consignment value **exceeding Rs. 50,000**
 - in relation to a supply; or
 - for reasons other than supply; or
 - due to inward supply from an unregistered person,

shall, **before commencement of such movement**, furnish information relating to the said goods as specified in **Part A of FORM GST EWB-01**, electronically, on the common portal. Upon furnishing such information, a **unique e-way bill number (EBN)** will be generated which shall be available to **supplier, recipient and transporter** on the portal. EBN shall be valid for a period of 15 days for updation of Part B of FORM GST EWB-01. The generated e-way bill shall be valid in every State and Union territory. E-way bill can be generated by the transporter, e-commerce operator or the courier agency upon receiving an authorization from the person causing the movement of goods.

In the following cases, e-way bill is to be generated irrespective of the consignment value:

Person	Conditions
Principal / Job Worker(Regd.)	<ul style="list-style-type: none"> • Sent by principal • Received by job worker • Both are located in different State or Union territory
Person who has been exempted from the requirement of obtaining registration under section 24(i)/24(ii)	<ul style="list-style-type: none"> • Handicraft goods • One State or Union territory to another State or Union territory

- 2) The registered person, being the supplier or the recipient of supply, shall generate e-way bill after furnishing information in **Part B of FORM GST EWB-01** for transportation of goods by
- Road (in own/ hired/ public conveyance)- before commencement of movement of goods
 - Railways / Air / Vessel- before or after the commencement of movement of goods

Points to be noted:

- ✓ Where the goods are transported by **railways**, the railways shall not deliver the goods unless the **e-way bill** required under these rules is produced at the **time of delivery**.
- ✓ Where the goods are handed over to a transporter for **transportation by road without** generation of **e-way bill**, the **transporter** shall **generate the e-way bill** on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01 if the value of conveyance is more than Rs. 50,000. However, this provision has not yet been made applicable

till now. It will be applicable from a future date to be notified by the Government.

- ✓ The registered person or the transporter have the **option** to generate and carry the **e-way bill** even if the value of the consignment is **less than Rs.50,000**.
- ✓ If the supply is by an **unregistered person to a registered person**, it will be deemed that the registered person has caused the movement of goods. Thereby, the **registered person** will be liable to generate the **e-way bill**.
- ✓ In case of supply between **two unregistered persons**, there is **no requirement of** generation of **e-way bill** on the part of either of the parties irrespective of the consignment value. 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 on the common portal.
- ✓ It may be stressed that the e-way bill is required to be generated upon movement of goods whether or not the said movement is for supply.
- ✓ The **details of conveyance** in FORM GST EWB-01 is **not mandatory** where the goods are transported for a distance of up to **50 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.
 - from the place of business of the transporter finally to the place of business of the consignee.
- ✓ Where the goods are **transferred from one conveyance to another**, the consignor or the recipient, who has provided information in Part A of the FORM GST EWB-01, or the transporter shall, before such transfer and

further movement of goods, **update the details** of conveyance in the e-way bill on the common portal in Part B of FORM GST EWB-01.

- 3) Where **multiple consignments** are intended to be transported in **one conveyance**, the transporter may prior to the movement of goods generate a **consolidated e-way bill** in **FORM GST EWB-02**. This will contain the serial number of e-way bills generated in respect of each such consignment electronically on the common portal.
- 4) 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. The e-way bill cannot be cancelled if it has been verified in transit.
- 5) The **details** of the e-way bill generated shall be made **available** on the portal to the
 - a) **supplier**, if registered, where the information in Part A of FORM GST EWB-01 has been furnished by the recipient or the transporter, or
 - b) **recipient**, if registered, where the information in Part A of FORM GST EWB-01 has been furnished by the supplier or the transporter.

He shall then communicate his **acceptance or rejection** of the consignment covered by the e-way bill. In case he does not communicate his acceptance or rejection **within 72 hours** of the details being made available or the time of delivery of goods, whichever is earlier, it shall be deemed that he has accepted the said details.

- 6) An e-way bill or a consolidated e-way bill shall be valid for the below mentioned distance within the country for the period stated therein:

<u>Distance</u>	<u>Validity period</u>

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

7) **Documents and devices** to be carried by a person-in-charge of a conveyance

- Invoice / Bill of supply / Delivery challan
- Copy of the e-way bill in physical form / E-way bill number in electronic form / E-way bill number mapped to a Radio Frequency Identification Device.

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 by way of supply.

10) 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**. This can be produced for verification to the proper officer **in lieu of the tax invoice**. Such invoice reference number generated shall be valid for a period of 30 days from the date of uploading. On the basis of information in FORM GST INV-1, Part A of FORM GST EWB-01 shall be auto-populated by the common portal.

11)The Commissioner may, by notification, require a class of transporters to obtain a **unique Radio Frequency Identification Device**. This device will be embedded on to the conveyance. **E-way bill** will be **mapped** to the Radio Frequency Identification Device prior to the movement of goods.

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

The Commissioner shall get **Radio Frequency Identification Device readers** installed at places where the verification of movement of goods is required to be carried out. **Verification** of movement of vehicles shall be done through such device readers where the **e-way bill** has been **mapped** with the said device.

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

13)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 **24 hours of inspection** and the **final report** in **Part B of FORM GST EWB-03** shall be recorded within **3 days of such inspection**. The Commissioner, or any other officer authorised by him, may, on sufficient cause being shown, extend the time for recording of the final report, for a further period not exceeding 3 days. Further, the period of 24 hours or 3 days shall be counted from the midnight of the date on which the vehicle was intercepted.

14)Where the **physical verification** of goods being transported on any conveyance **has been done** during transit at one place within the State or Union territory

or in any other State or Union territory, **no** further **physical verification** of the said conveyance shall be carried out **again** in the State or Union territory, unless a specific information relating to evasion of tax is made available subsequently.

15) Where a **vehicle** has been **intercepted and detained** for a period **exceeding 30 minutes**, the transporter may upload the said information in **FORM GST EWB-04** on the common portal.

16) **No e-way bill** is required to be generated in the following cases:

- a) where the goods being transported belong to any of the following classes:
 - I. Liquefied petroleum gas for supply to household and non-domestic exempted category (NDEC) customers
 - II. Kerosene oil sold under PDS
 - III. Postal baggage transported by Department of Posts
 - IV. Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
 - V. Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
 - VI. Currency
 - VII. Used personal and household effects
 - VIII. Coral, unworked (0508) and worked coral (9601)
- b) where the goods are being transported by a non-motorised conveyance;
- c) where the goods are being transported 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;

- 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 State or Union territory Goods and Services Tax Rules in that particular State or Union territory;
- 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 (exemption list for goods under GST)
- 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 supply of goods being transported is 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 28th June 2017 and notification No. 26/2017- Central Tax (Rate), dated the 21st September 2017
- 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; and
- n) where the goods are being transported upto a distance of twenty kilometers from the place of the business of the consignor to a weighbridge for weighment 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.
- o) where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.

It is believed that the implementation of e-way bill will dissuade the tax evaders from underreporting transactions. It will also check instances where the entire transactions are not recorded due to connivance between the seller and buyer. The government is hoping that this anti-evasion measure will bring buoyancy. However, a check on the potential scope of harassment to the taxpayers by on-field officers is the need of the hour. At the same time, proper review mechanism for persons causing unauthorized movement of goods should be made robust for achieving the objectives behind the implementation of e-way bill.

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