

E-Way Bill under GST – Roll-out on the Horizon

Under GST law, transporters carrying any consignment of goods of value exceeding Rs. 50,000 are required to carry an electronic way bill or e-way bill when moving goods from one place to another. Electronic Way Bill (E-Way Bill) is a compliance mechanism wherein the person causing the movement of goods uploads the relevant information prior to commencement of movement and generates an e-way bill.

Nationwide e-waybill system was to be implemented from April 1, 2018. However, in light of declining revenue collections, GST Council decided to implement the nationwide e-way bill system for inter-State movement of goods on a compulsory basis with effect from 1st February, 2018. The same was notified¹ by CBEC on 29th December, 2017.

While the system for both inter-State and intra-State E-Way Bill generation has been up for trial runs since January 16th, States can choose their timing for implementation in respect of intra-State movement but no later than June 1, 2018. The Government has notified² www.ewaybillgst.gov.in as the common GST Electronic Portal for generating e-way bills for both inter-State and intra-State movement w.e.f. January 16th.

Generation of E-way Bill

E-way bill has to be generated on the GST portal in form **GST EWB-01**. 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.

The following persons may generate the e-way bill:

- i. Registered person who is the consignor of goods, where the goods are transported by such consignor in his own conveyance or a hired one or by railways or by air or by vessel;
- ii. Recipient of goods who is also the consignee of goods, where the goods are transported by such consignor in his own conveyance or a hired one or by railways or by air or by vessel;
- iii. Transporter of goods, where the e-way bill is not generated under the above mentioned modes and the goods are handed over to a transporter for transportation by road.

¹ Notification No. 74/2017 – Central Tax

² Notification No. 9/2018 – Central Tax

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While e-way bill can be generated by any of the person listed above in **Part B** of Form **GST EWB-01**, the basic information [Invoice details, etc.] for generating the e-way bill shall be filled in **Part A** of Form **GST EWB-01** by the person who is causing movement of goods.

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 one day from the date of its generation. For every 100 Km thereafter, the validity will be additional one day from the date of generation and so on.

Consequences of Contravention of 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 shall be considered as a contravention.

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 greater³. Apart from this, goods that are being transported in contravention of the provisions of the law, can also be detained or seized by the authorities⁴.

Conclusion

Under the Value Added Tax (VAT) regime, way bills resulted in bottlenecks at check posts and made compliance difficult as each state prescribed its own procedure and documentation for generation of way bills.

Nationwide e-way bill is expected to bring uniformity and improve the turnaround time of vehicles. It will also help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs.

However, e-way bills may act as a hindrance to seamless movement of goods which was one of the key objectives of GST. Logistics and ecommerce companies are already seeking clarifications on the new system, fearing operational inefficiencies and supply-chain disruptions. Technology-related issues can also create challenges for e-way bill generation. Equally, there are apprehensions of return of the inspector *raj*.

With the roll out of e-way bill system being imminent, businesses need to make themselves familiar with provisions relating to e-way bills and process of its generation. Any lapses on part of consigner or the transporter may lead to delay in delivery of consignment and/or confiscation of goods and conveyances

The information contained in this newsletter is solely intended to provide general guidance on matters of interest. Nothing herein constitutes professional or legal advice, nor does any information herein constitute a comprehensive or complete statement of the issues discussed. It is recommended that you seek a professional advice to confirm your understanding on the issues dealt above.

³ Section 122 of CGST Act, 2017

⁴ Section 129 of CGST Act, 2017