



NITYA TAX ASSOCIATES

E-WAY BILL | AN INSIGHT

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OVERVIEW OF E-WAY BILL SYSTEM

Electronic Way Bill ('e-way bill') is essentially a compliance mechanism wherein, by way of a digital interface, the person causing movement of goods uploads the relevant information prior to the commencement of movement of goods and generates an e-way bill on the GST portal.

The primary objectives for bringing in e-way system under GST are:

- To have a unified electronic system of generation of e-way bill throughout the country
- To have a single e-way bill for movement of goods from / to any place in the country. Hence, it eliminates the need for separate transit pass in each state to move goods
- To track the movement of goods with e-way bill number. Importantly, each e-way bill shall have a unique number by way of which the movement can be tracked
- To prevent the evasion of tax

From April 1, 2018 onwards, the e-way bill system will be applicable for all inter-state movement of goods. For all intra-state movement, date of applicability of e-way bill will be decided subsequently

KEY E-WAY BILL PROVISIONS

- E-way bill is required to be generated by the registered person causing the movement of goods. The e-way bill shall be generated before commencement of movement
- E-way bill is mandatory if the consignment value of goods exceeds ₹ 50,000
- Consignment value includes GST and excludes the value of exempted goods in the consignment (if any). Consignment value shall mean the invoice value of goods
- In case of inter-state job-work, e-way bill is required to be generated irrespective of the value of the consignment. E-way bill for such supply may be generated by principal or registered job worker
- An e-way bill has 2 components, *viz.* Part A and Part B. Details to be mentioned in Part A / Part B are as under:

Part A	Part B
Details of GSTIN of supplier/ recipient, place of dispatch/ delivery, document number and date, value of goods, approx. distance, HSN code, reasons for transportation	Details of transporter (vehicle number), transport document number and date

- Persons eligible to generate e-way bill:

Part A can be filed by following persons	Part B can be filled by the following persons
<ul style="list-style-type: none"> • A registered person causing the movement of goods • A transporter, against an authorization from registered person • An e-commerce operator / courier agency, against an authorization from consignor 	<ul style="list-style-type: none"> • Registered person, where the goods are transported in: <ul style="list-style-type: none"> – Own conveyance; – Hired conveyance; – Public conveyance; – Railways, air or vessel • Where the goods are handed over to transporter, Part B is required to be filled by the transporter <p>Part-B of EWB-1 can be filled within 15 days of generation of Part- A (<i>earlier this time limit was 72 hours</i>)</p>

Exceptions to the above:

- *In case of intra-state transport of goods from consigner to transporter's warehouse upto 50 Kms for further transportation, goods may be transported by only filling Part A. Part-B shall be filled when transporter transports goods from his warehouse (earlier this was upto 10 Kms)*
- *In case of transportation of goods through railways, air or vessel, e-way bill can be generated before or after the commencement of movement*
- *Railways shall not deliver the goods unless e-way bill is produced at the time of delivery*

Validity of an e-way bill

- Validity of an e-way bill is tabulated as under:

S. No.	Distance	Validity Period
1.	Up to 100 km (20km in case of over dimensional cargos)	1 day
2.	For every 100 km or part thereafter (20 km in case of over dimensional cargos)	1 additional day

- First day of validity of e-way bill will expire at midnight of the day immediately following the day of generation of e-way bill (*earlier each day was counted as 24 hours*)
- The transporter may extend the validity of e-way bill in exceptional circumstances. Trans-shipment is one of the exceptional cases
- E-way bill can be cancelled within 24 hours of its generation where the goods are either not transported or not transported as per e-way bill. It cannot be cancelled once verified in transit
- The recipient can communicate its acceptance/ rejection of an e-way bill within 72 hours of details being made available to him. If delivery of goods made earlier than 72 hours, then also e-way bill cannot be rejected

Other points from transportation perspective

- In case of an inter-state supply, where the consignor or the consignee has not generated an e-way bill, the transporter is required to generate the same, where the aggregate of all consignments in a conveyance is more than ₹ 50,000 (*this provision will come into effect from a subsequent date*)
- The transporter may generate a consolidated e-way bill (EWB-02) for ease of reference. Such consolidated e-way bill shall act like a 'trip sheet'
- The consigner or recipient (whosoever has provided information in Part A) or the transporter should update conveyance details where the goods are transferred from one conveyance to another

Note: *In case of intra-state transport of goods from transporter's warehouse to consignee for upto 50 kms, the details of the conveyance may not be furnished*

- E-way bill number may be assigned to another registered / enrolled transporter to update Part B
- Once Part B has been updated, e-way bill number may not be assigned to another transporter by the consigner / recipient

Exemptions from generation of e-way bill

- Generation of an e-way bill is exempted in the following cases:
 - Transport of goods by a non-motorised conveyance, such as pipeline, cycle rickshaw etc.
 - Movement of goods under customs bond from ICD or CFS to the ports (air, customs, land) or from one port to another port
 - Movement of goods under customs supervision or customs seal
 - Movement of alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel
 - Movement of transit cargo from or to Nepal or Bhutan
 - Movement of empty cargo containers
 - Movement of goods (to and fro) for weighment, upto 20 kms from place of business, provided delivery challan is issued for the movement
 - Movement of all exempted goods and other specified goods

KEY TO-DO'S FOR E-WAY BILL IMPLEMENTATION

A. REGISTRATION

- Generation of GSTIN-wise Login ID at the common e-way bill portal (www.ewaybillgst.gov.in)
- In case of more than one place of business in a State, creation of sub-user for each place
- Ensuring unregistered transporters have created their transport ID (TRANSIN) to assign them Part-B to fill update vehicle details

B. COMMUNICATIONS

- Sending communications to all stakeholders (vendors, customers, transporters, CHAs, job-workers etc.) fixing responsibility to generate e-way bill
- Amending existing contracts / enter into new contracts capturing the liability in case of non-compliance with e-way bill provisions

C. TRANSPORTER WAREHOUSE

- Obtaining registration at transporter's warehouse located outside the State from where the goods are supplied to the customers (in case of 3PL warehousing model)
- In case, registration exist in the State of location of transporter's warehouse, updating the same as additional place of business in GST registration

D. IN-TRANSIT MATERIAL

- In the absence of legal provisions or clarification, it is advisable to track goods in transit and generate e-way bill for such goods

E. E-WAY BILL PORTAL

- Creating masters of vendor/ customer/ transporter/ products on e-way bill portal
- Using bulk e-way bill facility in case where multiple e-way bills are required to be generated