E-Way Bill: A new concept for Transportation of Goods in GST regime

On 14th of April, the CBEC further released 2 new rules in public domain namely: Assessment and Audit Rules Electronic Way (E-Way) Bill Rules The said rule on E-Way requires furnishing of information relating to any goods worth more than Rs. 50,000 whether they intend to move within the state or Inter-state. Thus With the introduction of provision relating to E-Way Bill, moving any goods worth more than Rs. 50,000 under GST will require prior online registration of the consignment. Tax officials would be empowered to inspect the e-way bill any time during the journey to check for tax evasion. No doubt, the concept of e-way in the GST regime will change the overall modus-operandi of doing Transportation of Goods in India. Some significant provisions with reference to E-Way bill are as follows:

1. Furnishing of Information before Commencement of movement of Goods: Information relating to the Goods needs to be furnished in Part A of FORM GST INS-01 before commencement of movement of goods in cases where consignment value exceeds Rs. 50,000. The aforesaid information needs to be furnished even if a particular movement is not a supply. The aforesaid information also needs to be furnished in cases where a registered person purchases goods from an unregistered person. In case a registered person uploads a tax invoice issued by him in FORM GST INV-1, the aforesaid information in Part A of Form GST INS-01 will be auto populated.

2. Generation of E-Way Bill by the supplier being registered person or recipient of supply:: The registered person (as a consignor) or the recipient of supply (as a consignee) in case of Transportation of Goods by own conveyance or hired one may generate the e-way bill in FORM GST INS-1 after furnishing Part B of FORM GST INS-1

3. Generation of E-way Bill by the Transporter: Where the E-Way bill is not generated in the aforesaid manner either by the registered person or the recipient and the goods are handed over to a Transporter, the registered person shall furnish the information relating to the transporter in Part B of FORM GST INS-1. Thereafter E-Way bill shall be generated by the Transporter on the basis of information furnished by the registered person. Upon such generation of E-Way bill, a unique e-way bill number (EBN) will be made available.

4. Option to Generate and Carry the E-Way bill even if Value of Consignment is less than Rs. 50,000: The registered person or transporter may at his option, generate and carry the e-way bill even if the value of consignment is less than Rs. 50,000.

5. Transfer of goods from one conveyance to another during transit: In this case, before such transfer and further movement of goods, transporter shall generate a new e-way bill in FORM GST INS-1.

6. Transportation of multiple consignments in one conveyance: In this case a consolidated e-way bill in FORM GST INS-2 will need to be generated prior to the movement of goods. There may be the possibility that individual consignment made by a supplier is of value less than Rs. 50,000 thereby he is not required to generate Form GST INS-1, but if the value of all goods carried in the conveyance is more than Rs. 50,000 then the transporter shall generate FORM GST INS-1 on the basis of Invoices/ Bill of Supply/ Delivery challan prior to movement of goods.

7. Cancellation of E-Way bill:
In case e-way bill has been generated but goods are either not being transported, the e-way bill may be cancelled within 24 hours of its generation. However such e-way bill can-not be cancelled if it has been verified in transit.

8. Validity of E-Way bill: The e-way bill will remain valid for the period as mentioned in following table from the time of generation of e-way bill:

Sr. No.	Distance (The goods need to be transported)	Validity Period
1.	Less than 100 km	1 Day
2.	100 km or more but less than 300 km	3 Days
3.	300 km or more but less than 500 km	5 Days
4.	500 km or more but less than 1000 km	10 Days
5.	1000 km or more	15 Days

9. Communication of details of E-Way bill to recipient, if he is registered: In case of registered recipient, the details of e-way bill will be communicated to the recipient. Recipient on receipt of the aforesaid communication, communicate his acceptance or rejection of the consignment covered by the e-way bill. However in case of non-communication up to 72 hours, his acceptance will be assumed towards the consignment.

10. Documents and devices to be carried by a person in charge of a conveyance: a. The person in charge of a conveyance shall carry: The invoice or bill of supply or delivery challan, as the case may be; and A copy of e-way bill: Either physically or mapped to a Radio Frequency Identification Device (RFID) embedded on to the conveyance. b. In line with the purchase tax on purchase of goods from an unregistered dealer prevailing in many of the states, the GST Bill has introduced the same. c. Liability to pay GST in such cases will be on the recipient of such goods or services.

11. Verification of documents and conveyances: The officer if authorized may intercept any conveyance to verify the e-way bill for al inter-state an intra-state movement of goods.

12. Inspection and verification of goods: a. In case of inspection of goods in transit: Summary Report shall within 24 hours of inspection, recorded online in Part A of FORM GST INS-03. Final Report shall within 3 days of inspection, recorded online Part B of FORM GST INS-03. b. Where the physical verification of goods being transported has been done during transit, no further physical verification shall be carried out unless there is specific information relating to evasion of tax.

13. Detention of Vehicle: Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the transporter may upload the said information in FORM GST INS-04. Thus accountability of tax officers intercepting the vehicle will increase as there will be opportunity to transporters to file this information. Disclaimer: This write up is based on the understanding and interpretation of author and the same is not intended to be a professional advice.