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E-Way Bill in GST: Provisions and Problems

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ABSTRACT

A waybill is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods. It is an electronic document generated on the GST portal evidencing movement of goods. It is compulsory for every registered person to generate e-way bill for consignment of goods having value more than fifty thousand rupees. Validity period for an e-way bill or a consolidated e-way bill shall be based on the distance and type of cargo. The present paper aims to know about various provisions and problems relating to E-Way bill under GST. The e-way bill provisions were aimed to remove the difficulties of the old billing system prevailing under VAT in different states, abolition of the check posts, simplifying the procedures and make uniformity in the laws throughout the country. Though some of the benefits like abolition of check posts, reduction in transportation cost and time, uniformity in e_way bill generation has been achieved but still there are some issues which need to be taken care of have been discussed in suggestions to make the e_way bill system stronger one.

Keywords: E_way Bill, Document, Provisions

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Introduction: A waybill is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods and the details include name of consignor, consignee, and the point of origin of the consignment, its destination, and route. Rule 138 of the CGST Rules, 2017 provides for the e-way bill Mechanism. E-way bill is an electronic document generated on the GST portal evidencing movement of goods. ("National Academy of Customs," 2019)

Due to effect of which every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees (i.e. Total invoice value including GST applicable and if there is exempt supply it includes in value)
(i) In relation to a *supply*; or
(ii) For reasons *other than supply* (e.g. export, for own use, exhibition/fair, line sales, Sale return, Stock Transfer within state, Goods sent for Demo purpose etc.)
(iii) Due to *inward supply from an unregistered person*,
But in some case where movement of goods is interstate even value of consignment less than fifty thousand then also e-way bill generation is compulsory

- Any goods, from Principal to Job Worker (not covered in rule Job worker to Principal)
- Handicraft goods from the person who is exempted from registration

Objectives of the Paper:

This research paper deals with various provisions and problems regarding E-Way bill scheme under GST in India. It will help us to know how to generate E-Way bill, exemptions under it, validity, rejection of E-Way bill and problems being faced by users etc.

Research Methodology:

The main objective of this paper is to know about various provisions and problems relating to E-Way bill under GST. This study is based on secondary data which has been collected from GST Act 2017 and other published data. Though secondary data has been used for the study but some responses of people towards E-Way Bill were taken into consideration to know about problems in generating E-Way bill.

Exemptions from E-Way Bill: The following items have been exempted from e-way bill

a) Goods transported are specified in Annexure
b) Goods are transported by a non-motorised conveyance
c) Goods transported:
FROM – Port, Airport, Air cargo complex and Land Customs Station
TO – An Inland Container Depot or a Container Freight Station
FOR – clearance by Customs
d) Each State has been delegated powers to grant exemptions from provisions relating to e-way bill.
e) All items exempted under Notification Nos. 2/2017-CT (Rate) and 2/2017-IT (Rate) both dated 28-6-2017, as amended from time to time The major among them are as follows - Fresh, Meat, Fish Chicken, Eggs, Milk, Butter Milk, Curd, Natural Honey, Fresh Fruits and Vegetables, coffee beans, wheat, rye, rice, Flour, Besan, Bread, Prasad, Salt, Bindi, Sindoor, Stamps, Judicial Papers, Printed Books, Newspapers, Bangles, Handloom, Pooja equipment, jute, khadi, national flag, raw silk.

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f) Passenger baggage
g) Specified Puja samagri
h) Alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel or Kerosene oil sold under PDS.
i) Postal baggage transported by Department of Posts
j) Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal
k) Jewellery, goldsmiths' and silversmiths' wares and other articles
l) Currency
m) Used personal and household effects
n) Coral unworked (0508) and worked coral (9601).
o) Goods being transported are treated as no supply under Schedule III of the Act
p) Goods being transported are transit cargo from or to Nepal or Bhutan
q) Goods being transported are exempt from tax under:
Notification No. 7/2017-Central Tax (Rate)– supplies by CSD to Unit Run Canteens and supplies by CSD / Unit
Run Canteens to authorised customers notified under section 11 (1) and section 55 CSD, and
Notification No. 26/2017 – Central Tax (Rate) – Exempt certain supplies to NPCIL
r) Movement of goods caused by defence formation under Ministry of defence as a consignor or consignee No E Way Bill
s) consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail
t) Empty cargo containers are being transported
u) Goods transported for distance < 50 KM within State or UT finally
FROM – Place of business of the transporter TO – Place of business of the consignee and vice versa Part B of EWB-01 not required to be furnished ("Cbic-gst.gov.in", 2019)

Generation of E-way Bill: It is compulsory for every registered person to generate e-way bill for consignment of goods having value more than fifty thousand rupees. The main provisions regarding e-way bill are as under:

How to Generate E-way Bill:
E-way bill generated before commencement of such movement, through **form EWB-01**
Form EWB-01 Contains two parts i.e. Part-A and Part-B. Part-A contains information w.r.t. Goods in movement, it contains mainly following Information:

A.1 GSTIN of Recipient
A.2 Place of Delivery
A.3 Invoice or Challan Number
A.4 Invoice or Challan Date
A.5 Value of Goods
A.6 HSN Code
A.7 Reason for Transportation (i.e. inward or outward)
A.8 GST NO/ ID OF Transporter (unregistered Transporters having valid PAN to register with portal for generating Transporter ID)
A.9 Approximate Distance
Part B" contains details of Vehicle and/or Transporter such as

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B.1 Vehicle Number
B.2 Transport Document Number and Date
B.3 Mode
B.4Vehicle type

Who is liable to Generate and How to Generate:

Above said registered person are liable to furnish Information in Part A though e_way bill will be generated only after filling Part A and Part B both. Once you have filled Part A, a unique number get generated. This unique number will be valid for 15 days for updation of Part B of FORM GST EWB-01." E-way bill number will be generated after filling of both parts A and B. It include some exception some of them are-

- *If GSTIN No or Transporter Id is given by Registered person in that case Transporter will update Vehicle No. and generate E way Bill No, otherwise registered person generate e-way bill.
- **As per proviso of rule 137(3) if unregistered person causing movement of goods then it becomes optional to comply e-way bill rules. However we suggest e-way bill should be generated.
- *** As per proviso of rule 137(2A) in case of transport by railway/air/vessel, specific liability casted on registered person to generate e way bill. Part B can be filled either before or after the commencement of movement of goods. But if goods transported through rail then they will be released only after E-way bill is produced. However such restriction to release goods has not been mentioned for air/vessel.

It can be understood by table below in different situation:-

Transaction	Recipient	Supplier	Transportation Mode	Transporter	EWB-01 Part A	EWB-01 Part B
Intra / Inter State	Registered	Registered	By Road	Registered	Person who is causing movement	See note *
Intra / Inter State	Registered	Registered	By Road	Unregistered	Person who is Causing movement	See note *
Intra / Inter State	Registered	Registered	By Hired or Owned Vehicle or through Public Conveyance	-	Registered Person who owns the vehicle in case of movement in owned vehicle Or who has hired the vehicle Or who is making Movement of goods	Same as Part A
Intra / Inter State	Registered	Registered	By Air/Train/ Vessel	-	Registered Person who is Making movement	Same as Part A See note***
Intra / Inter State	Registered	Unregistered	By Road	Registered	Registered Person	See note *
Intra / Inter State	Registered	Unregistered	By Road	Unregistered	Registered Person	See note *
Intra / Inter State	Registered	Unregistered	By Hired or Owned Vehicle	-	Registered Person	Registered

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			or through Public Convey			Person
Intra / Inter State	Registered	Unregistered	By Air/Train/ Vessel	-	Registered Person	Registered Person See note***
Intra / Inter State	Unregistered	Registered	By Road	Registered	Registered Person**	See note *
Intra / Inter State	Unregistered	Registered	By Road	Unregistered	Registered Person See note **	See note *
Intra / Inter State	Unregistered	Registered	By Hired or Owned Vehicle or through Public Conveyance	-	Registered Person**	See note *
Intra / Inter State	Unregistered	Registered	By Air/Train/ Vessel	-	Registered Person	Registered Person See note ***
Intra / Inter State	Unregistered	Unregistered	By Road	Registered	Optional	Optional
Intra / Inter State	Unregistered	Unregistered	By Road	Unregistered	Optional	Optional
Intra / Inter State	Unregistered	Unregistered	By Hired or Owned Vehicle or through Public Conveyance	-	Optional	Optional
Intra / Inter State	Unregistered	Unregistered	By Air/Train/ Vessel	-	Optional	Optional

(Gupta P., 2018)

Provisions Relating to Validity, Acceptance and Cancellation of E-way Bill:

Validity period for an e-way bill or a consolidated e-way bill shall be based on the distance and type of cargo. Time allowed for normal cargo for 100 KM per day whereas for Odd Dimensional Cargo for 20 Km per day. Period shall be taken next day from the day in which e-way bill generated. In this regard exemption provided is that transshipment or any other valid reason period can increase by updating Part B of form GSTEWB-01

As far as provisions relating to acceptance or rejection are concerned, Second Party (herein referred party other than who generate e-way bill) to whom information is made available has to communicate his acceptance or rejection within 72 hours of details being made available to him on the common portal, or the time of delivery of goods whichever is earlier.

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E-way bill may be cancelled within 24 hours of its generation in case goods are either not transported at all or are not transported as per the details furnished in the e-way bill. However an *E*-way bill cannot be cancelled if it has been verified in transit.

Pin to Pin Calculation:
The E-way bill portal automatically calculates the distance from bill to Party PIN and ship to party PIN. However the person can make an adjustment of 10% of distance in regards to it, but not more than that.

Invoice Reference Number:
This is a concept where registered person can obtain IRN form the portal by uploading the information in tax invoice issued by him and can produce same to proper officer in lieu of tax invoice. This IRN is valid for 30 days from the date of generation of IRN. It also helps in auto fill of part A of from EWB-01.

Radio Frequency Identification Device (RFID):
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 (RFID) prior to the movement of goods.

Other Forms in GST:

FORM GST EWB-02:- If you are a transporter/ supplier who want to transport multiple consignments of goods in a single conveyance or vehicle, you can use the Consolidated E-Way Bill by filling form GST EWB-02.

GST EWB-03 :- Within 24 hours of inspection 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 and final report of every inspection of goods in transit in Part B of FORM GST EWB-03 Within 3 days of such inspection.

FORM GST EWB-04:- Uploading information regarding detention of vehicle by Transporter in FORM GST Where a vehicle intercepted and detained for a period more than 30 minutes

Form GST ENR-01 it mandatory for all transporters who are not registered under GST to get registered by filing form ENR-01 they will get Transporter ID. We think soon similar option is also available for unregistered party.

Some Penal Provisions in E_way Bill:
Where a taxable person who issues any invoice or bill without supply of goods and services or vice versa liable penalty will be 10,000 rupees or Amount of tax evaded whichever is higher.
Where any person transports goods in contravention of provision of act during transit liable to detention and seizure shall be released –
Where the owner of the goods comes forward for payment of such tax and penalty

a) on payment of the applicable tax and penalty equal to one hundred per cent of the tax payable on such goods

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b) in case of exempted goods, on payment of an amount equal to two per cent of the value of goods or twenty five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty

Where the owner of the goods does not come forward for payment of such tax and penalty;

a) on payment of the applicable tax and penalty equal to the fifty per cent of the value of the goods reduced by the tax amount paid thereon
b) in case of exempted goods, on payment of an amount equal to five per cent of the value of goods or twenty five thousand rupees, whichever is less

If not able to pay within seven days of such detention or seizure shall be initiated in accordance with the provisions of section 130 but if goods are perishable or hazardous in nature then goods are perishable or hazardous in nature then such above period can be reduced.

Benefits of E_Way Bill: The major benefits of e_way bill are as under:

a) One of the major benefits of e_way bill includes abolition of check posts. It has decreased the lead time by replacing physical check post with mobile squads
b) Transportation cost has been reduced considerably. Moreover the generation of the bill has been quick and easy.
c) Picture perfect movement of goods with in state and across different state borders
d) It will be helpful to Boost to india'^s logistics ecosystem by lessoning traffic on major transportation routes
e) When Radio frequency Identification device is being used then there is no need to physical copies of bill as e_way bill can be verified through RFID as the device is attached with the vehicle no.

Suggestion/ Views of Respondents on E-way Bill: Though secondary data was used for the study but some E-Way bill users were interviewed to know about the various problems being faced by them in generating E-Way bill. The views of various respondents in this regard are as under.

- Today a big network of dummy Paper bill prevails where there is no actual sales between concerned parties. Only paper trial sale is available. Without Movement of actual goods sales has been done between parties' which causes a great evasion of tax.
- Sometimes in case of small distance, the vehicle drivers make two rounds to deliver the goods on same bill. However provision says that one day time is allowed for first 100Km or 20Km as the case may be. This causes the evasion of tax by some unscrupulous transporters due to less inspection by department teams.
- Sometimes vehicle owners don't put their Transporter ID or 'Goods Transport Agencies' issue consignment note without GSTIN number due to which one can generate dummy E-way bill for only paper trail sale. Government should make Transporter ID or GSTIN of 'Goods Transport Agency' mandatory for generation of E-way bill.

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- There may be crabs on paper trail bill system. However paper trail bill system and duplicate round may be to some extent curbed by RFID by attaching it with fast tag cards of vehicles which provides actual location of vehicles.
- In E-way bill portal, when we generate e-way bill, transaction types involves regular, bill to- ship to, Bill from, Despatch from etc. but other detail of parties need to be filled is not mandatorily required as in case 'Bill to Ship to' transaction type only two parties' detail is required; in case of 'Bill to Despatch to' three parties' detail is required; in case of combination of two, a detail of four parties is required to be filled but one can fill only party detail in portal.
- There is lack of awareness programme and lack of education among transporters which leads unnecessary headache and cost to them, especially in case of breakdown of vehicle as they need to update on daily basis for extension of time on E-waybill Portal.
- There are minor differences in various provisions of E-way bill among various states though the main aim of GST law was one nation one law. These differences should be minimised or concluded.
- There is requirement of facility of speedy internet for generation of E-waybill. But sometimes due to some administrative reasons (as in case of article 370 issue or Ayodhya verdict by Supreme Court) government restricts the access to the internet which stops the generation of e_way bill.
- Sometimes message of generation of E-way bill does not displays on the mobile of the party who don't purchase the goods, due to technical glitch, so its cancellation is not possible and it involves in racket of false billing which causes unnecessary harassment.
- There should be an application portal of correction/cancellation in e-way bill even after 72 hours when there is genuine problem of users of E-waybill system.

Conclusion: The present paper was aimed to know about various provisions and problems relating to E-Way bill under GST. The e-way bill provisions were aimed to remove the difficulties of the old billing system prevailing under VAT in different states, abolition of the check posts, simplifying the procedures and make uniformity in the laws throughout the country. Though some of the benefits like abolition of check posts, reduction in transportation cost and time, uniformity in e_way bill generation has been achieved but still there are some issues which need to be taken care of as have been discussed in suggestions above. So there is urgent requirement on part of authorities to consider the above suggestions and remove the technical glitches to make the E_way bill provisions a stronger one.

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