



## E-way bill: An electronic system for movement of goods

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### Abstract

Our present taxation system is very complex, confusing, corruption chance is there. To bring transparency to taxation and consumer will get to know how much tax amount they are paying to government so that GST bill was introduced. To overcome the tax issues regarding interstate movement of goods, GST council decided that the e-way bill under GST will be rolled out nationwide from the April 1, 2018. To aware the business and transporter community about E-way bill the GST council run trial from January 15, 2018, open the E-way portal for - registering, generating, modifying and cancelling e-way bills, and the situation seemed under control, with over 2 lakh e-way bills being. This paper presents an overview of E-way bill concept, explains its features along with its timeline of implementation in India. The paper is more focused on advantages of E-way bill and challenges faced by transporter in execution.

**Keywords:** GST, E-way bill, interstate movement

### Introduction

The GST was launched on 1 July 2017 by the President of India, Pranab Mukherjee, and the Prime Minister of India Narendra Modi. It is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST is one indirect tax for the entire country. It also brought with it a single nation-wide system of waybills by the introduction of "E-way bills". This system started on 1st April 2018 for Inter-state movement of goods and 15th April 2018 for intra-state movement of goods in a staggered manner. By this system, manufacturers, traders & transporters are benefitted by a common portal where e-way bills can be generated and presence of its visibility to all stakeholders in the process of moving goods from the place of its origin to its destination. Tax authorities are also in vantage as this reduces the time at check -posts and help reduce tax evasion.

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

The e-way bill will surely be the effective dissolution of state borders. The amount of time wasted at state borders to validate documents with regards to inter-state movements of goods, coupled with the fact that each state had its own format of declaration forms, permits and waybills, was obviously a hindrance to any business which dared to spread its wings, beyond its home state. Documentation, necessarily meant human intervention, and human intervention kept the scope open for tax evasion and corruption. With the e-way bill coming in, the supplier, the recipient and the transporter will all be on one platform, and with the joint participation of all three entities, one single document, generated with the government's approval will accompany all consignments and will be valid across the nation.

While the e-way bill has been conceptualized looking at the larger picture of reduction in tax evasion, seamless inter-State transportation of goods and minimal loss of time at check-points, it has to be ably supported by strong technology.

Rule 138 of the CGST Rules, 2017 provides for the e-way bill mechanism that "information is to be furnished prior to the commencement of movement of goods" and "is to be issued whether the movement is in relation to a supply or for reasons other than supply".

### Objective of Study

The study has following objectives:

- 1) To cognize the concept of E-way Bill.
- 2) To study the features of E-way Bill.
- 3) To evaluate the advantages and challenges of E-way Bill.
- 4) To furnish information for further research work on E-way Bill.

### Research Methodology

Being an explanatory research it is based on secondary data of journals, articles, newspapers and magazines. Considering the objectives of study descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is intensively used for research study.

### Concept of E-way bill

E-way bill is an electronic document generated on the GST portal evidencing movement of goods. Every registered person who causes movement of goods (which may not necessarily be on account of supply) of consignment value more than Rs 50000 is required to furnish the details of GSTIN of recipient, place of delivery, 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 transporter details (Vehicle number).

E-way bill can be generated by the consignor or consignee himself if the transportation is being done in own/hired conveyance or by railways by air or by Vessel. If the goods are handed over to a transporter for transportation by road, the bill will be generated by the transporter. Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than Rs.50,000 it shall be the responsibility of the transporter to generate it.

### Features of E-way bill

E-way bill is User friendly System, easy and quick generation of methods, multiple modes for e-Way Bill generation, creating own masters, managing sub-users, enabling the unregistered transporters to use e-Way Bill, integrating with RFID for tracking the movement of the e-Way Bill etc.

- To generate the e-way bill, it is essential that the person shall be registered person and if the transporter is not registered person it is mandatory to get enrolled on the common portal of E-way bill [www.ewaybill.nic.in/](http://www.ewaybill.nic.in/) before generation of the e-way bill.
- There is all type of movements of Goods are Cover under E-Way Bill. Including Intrastate sales, Interstate, Rejection, Sale Return and Material sent for Job Work, exhibition.
- If the total Value of material who load in a single vehicle more than 50000/= E-way bill will be generated by the Transporter.
- There is 2 part of E-way bill, it's A and B. in part A, we fill the detail of Goods receiver, items detail and Value of Goods. And Part B is Column of Transporter detail, mean Transport name, vehicle number, and GR number.
- However, where the goods are transported for a distance of less than 10 K.m. within the State from the place of business of consignor, then the vehicle number is a not mandatory.
- The Goods will be Identified with the HSN Code shown is E-way Bill.
- No Printout need with the Invoice of Goods, show only number of E-way bill in front of Invoice.
- Consolidated E-way bill is generated when the transporter is carrying multiple consignments in a single vehicle. Consolidated E-Way allows the transporter to carry a single document, instead of a separate document for each consignment in a conveyance.
- The validity of E-way Bill is: 00 to 100 Km. : 01 Days, 100 to 300 Km.: 03 Days, 300 to 500 Km. : 05 Days, 500 to 1000 Km. : 10 Days and More than 10000 km.: 15 Days If validity of the e-way bill expires, the goods are not supposed to be moved. However, under the circumstance of 'exceptional nature', it can be extended by the Commissioner of the state. The procedure for the same will be notified later.
- The penalty of non-filling of E-way Bill is 200% of GST value of invoice. There is no editing in E-way bill after final submission.
- The e-way bill can be generated by the registered person in any of the following methods;- - Using Web based system

- Using bulk upload facility - Using SMS based facility - Using Android App - Using Site-to-Site integration - Using GSP ( Goods and Services Tax Suvidha Provider)

- The taxpayer has to register the mobile numbers through which he wants to generate the e way bill on the e-way bill system.
- The transporter can get one more e-way bill generated with the help of supplier or recipient by indicating supply as 'Sales Return' and with relevant document details and return the goods to supplier as per his agreement with him.

### The advantages of E-Way Billing

The E-Way Bill promises multiple benefits for the transporters. These are:

- **Reduce Documentation** – All the existing state-wise documentation required for movement of goods will never again be required. Another beneficial alternative that is available for the transporters is the establishment of RFID device in the vehicle used to transport consignments on a regular premise. The person in charge of the vehicle never again needs to convey physical copies as the device is attached to the vehicle and the e-way bill can be mapped and verified through the device itself.
- **Quicker movement of Consignment** – Another huge advantage of E-Way Billing will be the removal of the large number of check-posts crosswise over state borders and national highways, resulting in ease of movement of goods.
- **Reduced Logistics Cost** – E-Way Bill would reinforce proper invoicing and along these lines would reduce tax avoidance. In the longer run this bill is expected to reduce our Logistic cost to GDP proportion, which is currently very high when compared to other countries.
- The traders need not visit tax offices to collect and submit the Way Bill forms as used to be done in VAT regimes in some states. Average waiting time at mobile squad reduces drastically – As the verification of the e-Way
- Bill is done with the common portal, it will speed up the process of verification and allowing the vehicle to pass faster.
- **Self-policing by traders.** A trader while uploading gives the identification of the buying trader who will also account the transaction automatically.
- **Environment friendly** – The need of the paper form of the multiple copies of way bill is eliminated. Hence, the tons of paper are saved per day.
- **Generation of GSTR-1 returns** – GSTR-1 return of the supplier is auto prepared, hence he need not have to upload the same. Officials saved of monotonous work collecting and matching the manual way bill with the returns of the taxpayers.

### Disadvantage of E-way Bill

However there are some bottlenecks which are issues of concern for the logistics industry. Putting the disadvantages of E-Way Billing in a nutshell we have:

- **Accessibility to IT Infrastructure** – Small transporters especially from provincial areas will face trouble in securing access to GSTN gateway for generating the e-way bill. The government now faces the mammoth assignment

of ensuring that all transporters enormous or little from country or urban areas do have access to internet even in a hurry.

- Unless an organization has the IT system to help and generate e-way bills in real time, it will be a huge issue. We have very less time to get the necessary infrastructure up.
- **Different implementation timelines in states.** Industry analyst and businesses are confused state as currently 15 states have notified the implementation of e-way bill from February 1, 2018 but some states like Maharashtra and West Bengal have decided to defer it which is creating confusion for the businesses which have inter-state operations, as there is no clarity over this situation from CBEC as of now.
- **Keeping up multiple bills** – E-commerce retailers use several modes of transport to ensure that goods reach the customers from the warehouse or the manufacturer's area on time. Since a fresh e-way bill must be generated every time the mode of transport is changed E-com will definitely end up generating a large number of bills for every shipment.
- **Potential delays in generating e-way bills** – Many a times customers end up cancelling orders even while the goods are in travel, or return goods already purchased. Fresh e-way bills have to be generated each time this happens. This poses an issue for E-com retailers who use outsider logistics. They will be able to generate e-way bills simply after the transporter additionally transfers details on the GSTN, which can cause potential delays in shipment.

### Conclusion

The e-way bill provisions mean to remove the troubles of the erstwhile waybill system existing under VAT in different states, which was a major contributor to the bottlenecks at the check posts. The e-way bill provisions under GST will bring in a uniform e-way bill rule which will be applicable throughout the country. The physical interface will pave way for the digital interface which will facilitate faster movement of goods

Summing up, we find that there are expected positive effect of e-way bill and furthermore visible loopholes in the realization of the vision of the bill. At this juncture when the e-bill is in the genesis stage, it will be too soon to reach a determination with reference to whether the advantages of e-way bill outweigh disadvantages or vice-versa. Implementation is the key and that would decide what e-way bill would end up being like!

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