

# E-Way Bill: A Digital Approach toward GST in India

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## ABSTRACT

An attempt has been made in this conceptual paper to understand the concept of E-Way bill as a new digital approach toward GST in India. E-way bill is an electronic way bill generated for the specific consignment/movement of goods from one place to another, either inter-state or intra-state and of value more than Rs 50,000, required under the current GST regime. It is notified to be implemented all over India w.e.f. April 1, 2018. The e-way bill is an old wine in new bottle. It is a replacement of way bill which was a physical document and existed during the VAT regime for the movement of goods. Registered/Unregistered person can generate the e-way bill. The stakeholders of e-way bill are suppliers, recipient, transporters and Department officers. It is an attempt towards making India Digital programme to ensure easiness in movement of goods from one place to another for all the stakeholders. Basic ICT Infrastructure is requirement for its effective implementation. It is a vital mechanism to check tax evasion under GST and the government has been keen to get the system working. Government of India will notify the required changes in near future to make it more convenient and successful in India.

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## 1. Introduction

GST (Goods and Service Tax) is a new umbrella of taxation system which is designed to protect all the consumers from the shackles of cascading effect of indirect taxation system. It is destination based consumption tax and the tax belongs to the centre and the state wherein the consumption of the goods/services takes place. India came out with a single indirect taxation system wherein multiple layers of tax at centre/state level has been subsumed and only single tax system has been introduced w.e.f. July 2017. It is a biggest Indirect taxation reform in the history of India.

Supply of Goods/services can be either intra state (within same state) or inter-state (from one state to another). CGST (Central Goods and Service Tax) and SGST (State Goods and Service Tax) /UTGST (Union Territory Goods and Service Tax) are levied on Intra state supplies of goods/services. Whereas IGST (Integrated Goods and Service Tax) is levied on Inter State Supplies. For example; if goods are transferred from Amritsar to Bathinda (Within same state Punjab), CGST and SGST will be levied on supplies of goods. Equal share of GST will be distributed between CGST and SGST. SGST will be consumed by Punjab state because it is a case of intra state transfer of goods/services. On the other hand, if goods/services are transferred from Amritsar to Ahmadabad (From Punjab to Gujarat), then IGST will be levied by the central Government. Out of which equal proportion will be distributed between CGST and SGST (Here, SGST will be given to Gujarat state where goods have been consumed) as per GST slab rate decided by GST council.

## 2. Way-Bills/Entry tax

In case of transport of goods from one state to another state, a way-bill/entry tax was issued and levied two decades back in Service tax and VAT regime. It was issued by VAT authorities in the form of a printed booklet only to those

businesses/dealers who were regular taxpayers. However, manual issuance of way-bill booklets resulted in harassment by tax authorities and boosted corruption, so a few years ago states like Karnataka and Andhra Pradesh computerized it. That is how the way-bill became electronic. There are around 10 states where e-way bills are already being used. These have been given different names in different states. For instance, it is called e-sugam in Karnataka, e-Transit pass in Uttarakhand, e-Road Permit in Jharkhand and Bihar, Challan Inward/Outward in Sikkim. The compliance around waybills has caused restricted movement of goods across the states. And this is one anomaly GST has rectified by introducing E-way bill concept as an old wine in new bottle. It was one of the most successful and efficient system of prevention of tax evasion on one hand and an e-Governance initiative that provided the speedy and efficient services to the taxpayers on the other hand. This system was introduced and used by number of states.

## 3. E-Way Bill

E-way bill makes it an easy approach to quick and convenient movement of goods across India without any hindrance. All the check posts across the country are abolished. It is a kind of document generated electronically from a GST common portal to be carried by the person in charge of conveyance. To implement the E-way Bill, ICT based solution and infrastructure is required. Hence, as approved by the Goods and Services Tax (GST) Council, a web based solution has been designed and developed by National Informatics Centre and it is being rolled out for the use of taxpayers and transporters.

A movement of goods from one state to another in a transport vehicle/conveyance of more than Rs 50,000 in value cannot be made by a registered person without an e-way bill. It can be generated and cancelled through SMS also. When an e-way bill is generated, a unique e-way bill number (EBN) is

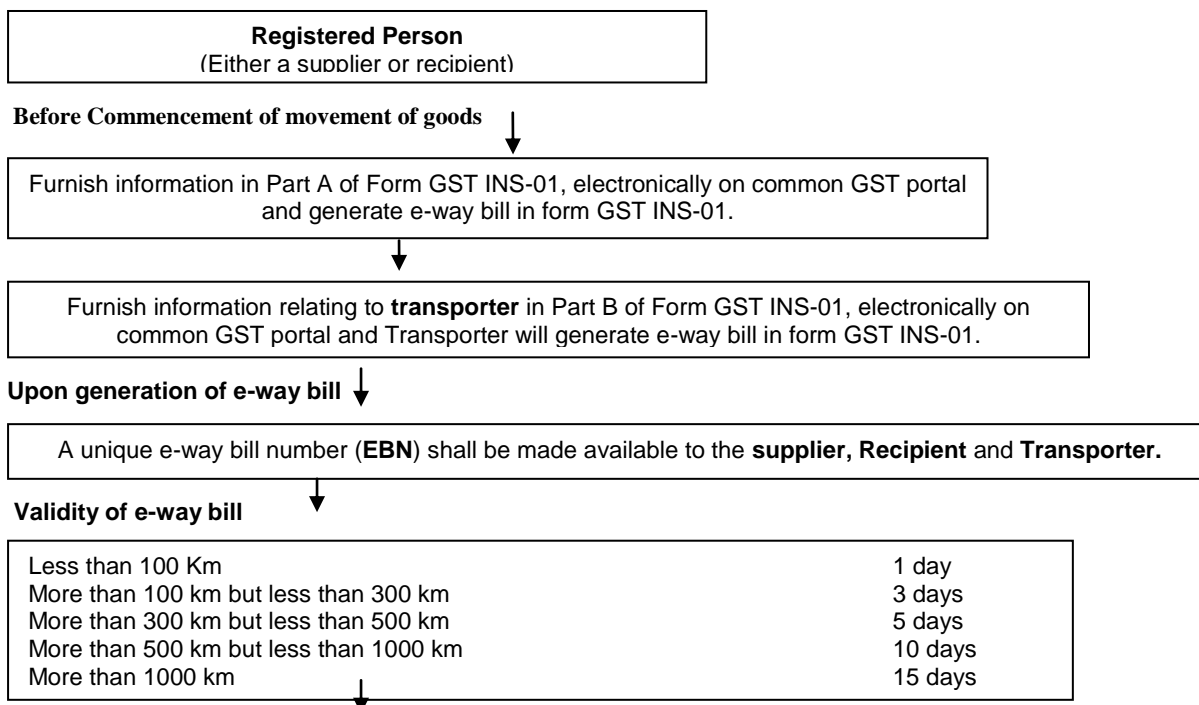
allocated and is available to supplier, recipient and the transporter. Transport of goods of more than Rs. 50,000 (Single invoice/bill/delivery challan) in value in a vehicle cannot be made by a registered person without an e-way bill. For certain specified goods like Inter-state movement of goods by the Principal to the job-worker by the Principal/registered job-workers and Inter-state Transport of Handicraft goods by a dealer are exempted from GST registration, the generation of e-way bill is mandatorily if even the value of consignment of goods is less than Rs. 50000.

**4. Features of e-Way Bills**

1. **Easy and quick generation of methods** – There are a number of methods which are provided using which the users can easily and quickly generate the e-Way Bills.
2. **Checks and balances** – The number of checks and balances have been introduced as per the requirements so that errors/mistakes of the users are eliminated.
3. **Multiple modes for e-Way Bill generation** – This system support different modes of e-Way Bill generation. The user can register the mode of e-Way Bill generation and use them for e-Way Bill generation.
4. **User friendly System** – The system is user friendly with lots of easy to use operations by the users.
5. **Creating own masters** – The user has a provision to create his own masters like customers, suppliers, products and transporters. The system facilitates to use them while generating the e-Way Bill.
6. **Managing sub-users** – The taxpayer or registered person can create, modify and freeze the sub-users for generation of the e-Way Bill and assign them to his employees or branches as per need. This system also facilitates him to assign the roles/activities to be played by the sub-user on the system.

7. **Monitoring the e-Way Bills generated against me** – The system facilitates the registered person to know the number of e-Way Bills, generated by other registered persons, against him/her. There is an option to user to reject these e-Way Bills, if they do not belong to him.
8. **Generating the GSTR-1 from the e-Way Bills** – Based on the e-Way Bills generated, the system pulls the GSTR-1 related information and pushes it to the taxpayers GSTR-1 returns. This avoids the taxpayers in uploading these transaction details.
9. **Consolidated e-Way Bill** – The system supports the transporters to prepare the consolidated e-Way Bill and hand over to the person in charge of the conveyance instead of giving the multiple e-Way Bills for movement of multiple consignments like parcel in one vehicle.
10. **Enabling the unregistered transporters to use e-Way Bill** – There is a provision for unregistered transporters to enrol and create a user for him to generate the e-Way Bills and update the vehicle numbers.
11. **Alerting the taxpayers** – The system alerts and notifies the users through the web and SMS about the various activities like new notifications, rejected EWB, verified EWB, etc.
12. **QR bar code on the e-Way Bill** – The QR code on the e-way bill helps for easier and faster verification of the e-Way Bill by the tax officers.
13. **Integrating with RFID for tracking the movement of the e-Way Bill** – The provision has been made to integrate with the RFID for tracking the movement of e-Way Bill by the tax officers, without stopping the vehicle on the road.

**5. Process of Generation & Issue of e-Way Bill under GST**



**Verification of e-way Bill**

An officer authorised by the State can intercept any conveyance to verify the e-Way Bill or the e-Way Bill number in physical form for all inter-State and intra-State movement of goods.

**Submission of Final Inspection Report Online**

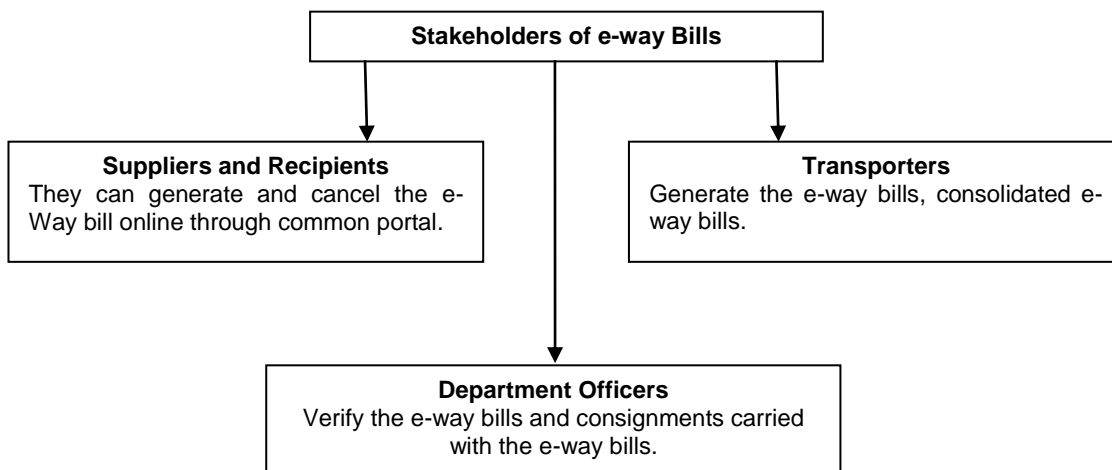
A summary report of every inspection of goods in transit shall be recorded online by the proper officer in specified format within twenty four hours of inspection and the final report in specified format shall be recorded within three days of the inspection.

**Online Report by Transporter if vehicle is detained for period exceeding 30 minutes**

Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in a specified format on the common portal.

**6. Stakeholders of E-way Bills**

There are four stakeholders to e-way Bill in GST system namely Suppliers, Recipient, Transporters and Departmental officers. It can be explained with the help of following figure:



**7. Advantages of e-Way Bills**

1. **Time Saving System:** As e-Way bills can be generated anywhere though facilitation centre as notified by the commissioner or common portal, the trader need not to visit tax offices to collect and submit the Way bill forms as used to be done in earlier tax regime system in some states. It will save the time of supplier, recipient and transporter.
2. **Speedy verification:** The officers can have an advantage of easier verification of the goods through e-way bills. As the verification of e-way bill is done online through common portal, it will speed up the verification process and allowing the vehicle to pass faster. Vehicles need not to waste time in mobile squad. It will reduce the waiting time and speedy movement of goods.
3. **Self policing by traders:** A trader while uploading gives the identification of the buying trader who will also account the transaction automatically.
4. **Eco friendly:** As the whole process is online through common portal, there is no need of carrying a physical multiple copies of Delivery Challan and way bills as used to be carried earlier in VAT and service tax regime. The need of paper form of copies of way bills is eliminated. Hence it

will help in the saving of paper per day, in turn the environment too.

5. **Relief to Departmental officers from Monotonous work:** Officials saved of monotonous work collecting and matching the manual way bill with the returns of the taxpayers.
6. **Prevention of tax evasion:** The tax evasion can be prevented at the level of supply of goods to be transported throughout the country. It can be of great help for hassle free movement of goods across India and will be of ease in tracking the movement of goods with e-way Bill number.

**8. Implementation of E-Way Bill in India**

Latest updates as issued on March 23, 2018 stated that generation of e-way bills is mandatory for Inter-state movement of goods throughout India w.e.f. April 1, 2018. On April 10, 2018, notifications have been issued with regard to Intra-state Implementation of e-way bills for states of Uttar Pradesh, Gujarat, Kerala, Andhra Pradesh and Telangana to begin from April 15, 2018. In coming days, it is expected to get new notifications of implementation from the GST Council and Government of India.

**9. Conclusion**

It can be concluded that the implementation has been started with regard to compulsory issue of e-way bill for the inter-state and intra state (few states) movement of goods of more than Rs 50,000 in value from April 1, 2018 and April 15, 2018 respectively. It is to be seen in future that how

Government of India makes a sincere effort towards the development of ICT infrastructure, training of employees and awareness programmes for the traders, transporters, suppliers, recipients and tax departments. Hence we can say that 'It is a digital approach toward GST in India'.

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