

# E-Way Bill under GST

## 1. Introduction

The **E-Way Bill (Electronic Way Bill)** is a key compliance requirement under the Goods and Services Tax (GST) regime in India. It is a digital document generated on the GST portal that records the movement of goods. The purpose of the E-Way Bill is to **track the transportation of goods** and ensure that proper tax is paid on such goods, thereby preventing tax evasion.

As logistics and goods transport are essential to commerce, the E-Way Bill ensures a uniform and tech-enabled method to manage the transportation of taxable goods throughout the country.

## 2. What is an E-Way Bill?

An E-Way Bill is a document required for movement of goods where the **value exceeds ₹50,000**, whether for supply, return, job work, inward supply from unregistered persons, or other reasons.

It contains:

- Details of the **supplier**
- Details of the **recipient**
- Description and value of goods
- **Transporter details** (if applicable)
- HSN code and tax rates
- Vehicle details

It is generated electronically on the **E-Way Bill Portal** (<https://ewaybillgst.gov.in>).

---

## 3. Legal Provisions

The E-Way Bill is governed by:

- **Rule 138 of CGST Rules, 2017**
- Applicable for both **inter-state** and **intra-state** transportation
- Mandatory under **Section 68 of CGST Act**

## 4. When is an E-Way Bill Required?

An E-Way Bill is mandatory when:

1. **Goods are moved** from one place to another, and
2. The **consignment value exceeds ₹50,000**, and

3. The movement is:
    - For supply
    - For reasons other than supply (e.g., transfer between branches)
    - Due to inward supply from an unregistered person
- 

#### 4.1 Exceptions – When E-Way Bill Is Not Required

- Goods valued below ₹50,000
- Transport by non-motorized conveyance (e.g., hand cart)
- Goods transported within a notified area
- Transport of exempted goods (like milk, fresh fruits, newspapers)
- Empty cargo containers

### 5. Who Should Generate the E-Way Bill?

Scenario	Responsibility
Registered supplier	Generates E-Way Bill
Registered recipient	If goods are received from an unregistered supplier
Transporter	If neither supplier nor recipient generates it

#### Example:

XYZ Ltd. in Hyderabad supplies goods worth ₹70,000 to ABC Traders in Chennai. As the value exceeds ₹50,000 and it's an inter-state supply, XYZ Ltd. must generate the E-Way Bill.

### 6. Structure of E-Way Bill

The E-Way Bill comprises two parts:

#### Part A:

- GSTIN of supplier and recipient
- Invoice number and date
- Value of goods
- HSN code
- Place of delivery
- Reason for transport

#### Part B:

- Vehicle number (or transporter ID)
- Mode of transport (road/rail/air/ship)

**Note:** Part B must be filled before the movement begins.

## 7. Validity of E-Way Bill

The validity depends on the **distance to be covered**:

Distance	Validity
Up to 200 km	1 day
For every additional 200 km	+1 day

- For **Over Dimensional Cargo (ODC)**: 1 day per 20 km

### Example:

If goods are transported 650 km, the E-Way Bill is valid for 4 days (200+200+200+50).

## 8. E-Way Bill Generation Process

You can generate an E-Way Bill through:

1. **GST E-Way Bill Portal**
2. **SMS-based method**
3. **Mobile App**
4. **API integration** (for large businesses)

### Steps:

1. Log in to the e-way bill portal
2. Go to “Generate New”
3. Fill Part A and B
4. Submit to get a 12-digit E-Way Bill Number (EBN)
5. Print or carry a soft copy during transportation

## 9. Documents Required During Transportation

The person in charge of the vehicle must carry:

1. **Invoice/bill of supply/delivery challan**
2. **E-Way Bill (physical or electronic copy)**
3. **Transporter’s challan (if applicable)**

## 10. Cancellation of E-Way Bill

- Can be cancelled within **24 hours** of generation
- Only if goods are **not transported** or the E-Way Bill has **errors**
- Cannot be cancelled if verified in transit

## 11. Penalties for Non-Compliance

**If E-Way Bill is not generated:**

- Goods may be **detained/seized**
- Penalty = **100% of tax payable or ₹10,000**, whichever is higher
- Additional penalties under **Section 122 of CGST Act**

**Example:**

Goods worth ₹1,00,000 being transported without E-Way Bill. If tax liability is ₹18,000, penalty = ₹18,000.

## 12. E-Way Bill for Multi-Modal Transport

If goods are transported using multiple modes (e.g., road + rail), the E-Way Bill must be **updated** with new vehicle or transport document details at each stage.

## 13. Transporter's Role

- A transporter can **generate and update** Part B on behalf of the supplier or recipient
- Must carry E-Way Bill or EBN during transit
- Can use **bulk generation facility** for multiple consignments

## 14. E-Way Bill for Job Work or Branch Transfers

- Required even if **goods are not sold** (e.g., job work, internal branch transfers)
- Inter-state movement of goods to a job worker **requires E-Way Bill regardless of value**

## 15. Consolidated E-Way Bill

If a transporter carries **multiple consignments in one vehicle**, a **consolidated E-Way Bill** can be generated containing multiple EBNs.

**Example:**

A truck carries five consignments from five suppliers. A consolidated E-Way Bill simplifies the transport documentation.

## 16. Real-Life Example

**Scenario:**

ABC Manufacturing Ltd. in Delhi sends finished goods to its branch in Jaipur worth ₹1,20,000. Goods are transported by road using a hired vehicle.

**Compliance Steps:**

1. ABC Ltd. generates an E-Way Bill on the GST portal.
2. Fills Part A with invoice details, GSTIN of Jaipur branch, HSN, and value.
3. Fills Part B with vehicle number.
4. Shares a printed copy of the E-Way Bill with the driver.
5. Driver carries invoice and E-Way Bill during transport.

**17. E-Way Bill System Benefits**

1. **Reduces paperwork** and manual intervention
2. **Promotes compliance** and reduces tax evasion
3. **Seamless movement of goods** across states
4. **Real-time tracking** of goods
5. **Reduces check-post delays** and logistical bottlenecks

**18. Integration with FASTag and RFID**

- Vehicles carrying goods with E-Way Bills are often tagged with **RFID**.
- Data from E-Way Bills is mapped with **FASTag** entries at toll plazas for real-time movement validation.

**19. Common Errors to Avoid**

- Not filling Part B (vehicle details)
- Wrong HSN code or value
- Expired E-Way Bill during transit
- Transporting goods without proper documents

**20. Conclusion**

The E-Way Bill is a critical part of the GST compliance framework. It ensures the smooth and transparent movement of goods, reduces tax evasion, and facilitates digital record-keeping. Businesses must stay compliant by understanding the generation process, validity, roles, and legal implications of E-Way Bills. With proper planning and digital tools, E-Way Bill compliance can be managed efficiently, reducing logistic delays and avoiding penalties.