

A study on E-way bill its journey, its significance and its functionalities



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The E-way bill came into effect from 1st April 2018 onwards it is mandatory for the value of goods whose value exceeds more than Rs 50,000. On the GST portal, the E-way bill is generated. This article throws lights on the journey of E-way bill, its importance, the modes of E-way bill and its functionalities. This paper also throws light on how the E-way bill made a significant contribution to the economic activities of the country during covid 19 pandemic.

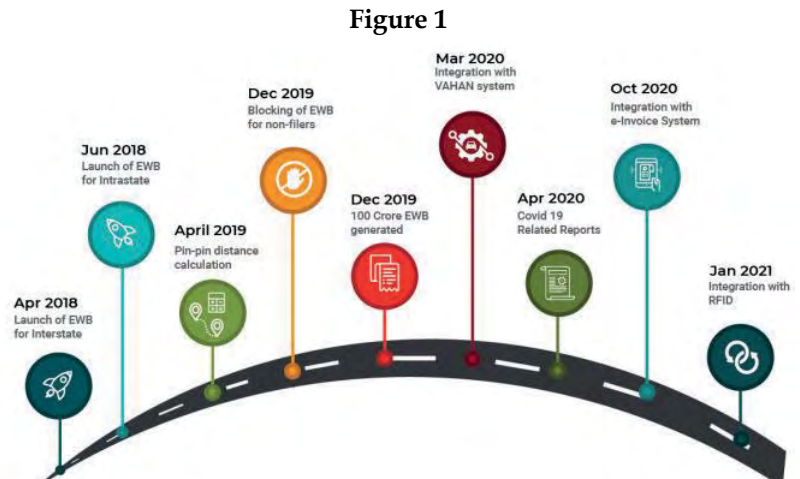
Introduction

E-way bill is otherwise known as the Electronic Way Bill that came into effect from 1st April 2018. It is compulsory for Inter-state when the goods are transmitted from one place to another and whose value is more than Rs 50,000. It is generated on the GST Portal that provides a proof that movement of goods has taken place. The E-way bill has two features the first component encompasses the details of recipient's GSTIN, place of delivery along with

the PIN code, invoice, date, value of goods, HSN code, the reasons for transporting the goods, transport document number it may be either the receipt number of the goods or the railway receipt or airway bill number. The second component comprises of the transporter details like the vehicle number. It mostly comprises of the transport details that is useful for generating the e-way bill.

Journey of E-way bill

The following figure shows the journey of E-way bill.



Source: <https://docs.ewaybillgst.gov.in/>

- In April 2018, the E-way bill for Interstate (supply of goods or services from one state to another) was launched.
- In April 2019, pin-to-pin distance calculation for E-way bill was started. The enhancement in The E-way bill system are as follows:
 - I. Based on the PIN codes the distances are calculated automatically which helps to generate the E-way bill.
 - II. The distance between the two states with the help of the PIN, codes are calculated.
 - III. Generation of enormous E-way bills for a single invoice or a document are blocked.
 - IV. Wherever the goods are in movement the extension of e-way bill is possible.
 - V. A list is prepared on the e-way bills which are about to expire.
- Recently, the government has decided to incorporate the e-way bill along with the vahan system. The main aim is to reduce the evasion of GST and to improve the operational efficiency

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of the nation. Ministry of Transport Road & Highways operate and use the vahan system since it contains the database of the vehicles. With the help of the vahan system, the verification of the vehicle number in The E-way bill would be made at an ease manner.

- Those vehicles whose number is available in the vahan database their e-way bill will be generated or the user will be allowed to generate the e-way bill. However, in case of the other vehicle whose database is not mentioned in the vahan system that particular individual will get a message which states that their database is not accessible under the vahan system and hence these vehicles will not be allowed to generate the E-way bill. In such situation the user, have to update the vehicle details in the vahan system then only the generation of e-way bill will be possible.
- **Importance of E-way bill during the Covid 19 pandemic:** E-way bill system plays a crucial role in the economic activities of the country since it helped to monitor the movements of essential goods that were transported across the country. The documents of the medical supplies report played an essential role to understand the movement of the medical supplies like the Covid 19 test kits, garments, Disinfectants, Oxygen Therapy equipment, pulse oximeters and Medical devices from across the nation to government departments.
- The E-way bill and the E-invoice system have been integrated flawlessly. The authorization of the E-way bill system functions on E-invoice system and Invoice Reference Portal (IRP), which is used in the process of generating the E-way bill. In the e-invoicing system the e-way bill has been directly integrated it depends entirely on the choice of the taxpayers either they can generate the e-way bill along with e-invoice or at a later stage they can do so with the aid of the IRN (Invoice Registration Number) as a reference. Yet, E-way bill is considered invalid in case there is no proper E-invoice at places wherever the e-invoices can be generated. The time and the effort taken by the taxpayers could be saved if the taxpayer sends both the transportation and invoice details to IRP, so that the IRP generates the e-way bill on the portal.
- **E-way bill integration with RFID:** RFID (Radio Frequency Identification Device) can identify the objects through means of the radio waves. A transporter has to acquire the RFID tag which can be fixed at a particular spot of the vehicle most probably on the window which the individuals uses while transmitting the goods from one place to the other. It is a tag, which possess the details of the E-way bill, and the reader will be able to grasp and identify the E-way bill detail along with the vehicle detail while it passes on the highway RFID tag reader. Directly the details of these things will updated on the government portal. Some of the states

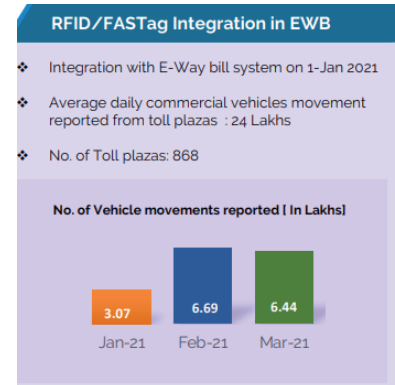


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have made it mandatory for the vehicles to possess the RFID. This tag aids the organization to track the supply chain at an ease manner and hence it will be ease to track the goods, which are missing. It also helps in E-commerce too.

The following figure shows the Fastag /RFID integration with E-invoice system



Source: <https://docs.ewaybillgst.gov.in/>

From Figure 2 it is understood the average commercial vehicle movements reported from the toll plazas were nearly 24 lakhs.

Significance of E-way bill system

The e-way bill system has many advantages and one among them is that it helps the officers to identify fraudulent taxpayers since the report helps the officers to identify the taxpayers

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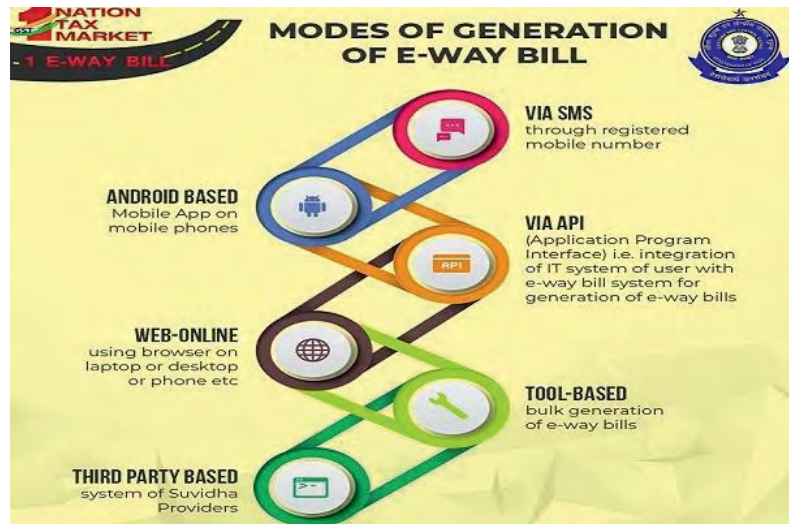
who have evaded the GST tax. The government might lose its large source of revenue if the taxpayer claims the input tax credit that is not true. It can be easily identified with the aid of the supply chain. Some of the other impacts of functionalities in the E-way bill are as follows

- I. Pin-to-pin distance calculation for E-way bill helps to have a control over the inappropriate distance entry and therefore the reduction in the recycling of the Electronic waybill can be enhanced.
- II. By blocking the generation of the enormous e-way bill on one particular invoice helps to decrease the multiple generations of e-way bills for the same invoice and thus it helps the taxpayers to comply with the tax laws.
- III. Extending the E-way bill for the goods, which are in movement helps the transporters when the goods are kept in the go-downs.
- IV. The taxpayers as well as the transporters can now know the status of the E-way bills that are going to expire within 4 days.
- V. The integration of the E-way bill along with the Vahan system helps to create an awareness to the users in case of incorrect vehicle numbers.

Modes of E-way bill generation

There are various ways in which the E-way bill can be generated and some of them have been listed below:

- I. Website
- II. Bulk Generation
- III. SMS
- IV. GST Suvidha Provider



Source: <https://taxguru.in/wp-content/uploads/2018/01/Modes-of-Generation-of-E-way-Bills-1.jpg>

- V. Android application
- VI. API (Application Program Interface)

The normal E-way can be generated where the goods are transmitted and they have one type of HSN (Harmonized System of Nomenclature) which is mainly used to categorize the goods in a systematic manner. The Bulk E-way bill can be generated when there are multiple types of goods and that comes under the category of multiple HSN codes in that case the bulk E-way bill can be generated.

NSDL GST Portal can be utilized by different kinds of entities like that of taxpayers, transporters, and so on. The NSDL e-Gov has developed the functionality of e-way bill on the portal since it has licensed GST Suvidha Provider.

From figure 3, it is understood that The E-way bills generated are high in the year 2019-20 while compared to 2018-19 & 2020-21. Similarly, one can clearly understand that the verification of E-way bills was high during

the year 2019-20 while compared to 2018-19 & 2020-21.

Need for the transporter and consignor/consignee to register on the e-way bill

The consignor/consignee fills Part A of the E-way bill details whereas Part B is usually filled by the transporters since it indicates the details like transportation modes. The transporter plays a crucial role in generating the e-way bill whether it may be a normal or bulk generation of an E-way bill. The transporters

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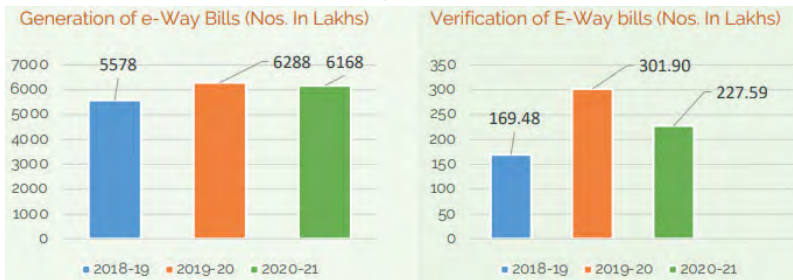
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Source: <https://www.gstsuvidhakendra.org/wp-content/uploads/2019/11/GSP-GST-Suvidha-Provider-%E2%80%93-Complete-Understanding.jpg>

The following figure shows the generation of E-way bills and Verification of E-way bill

Figure 3



Source: <https://docs.ewaybillgst.gov.in/>

have the responsibility to fill Part A of the E-way bill in case the consignor/ consignee are not registered and due to which the e-way bills cannot be generated. It can be completed only if both Part-A and Part-B details are filled and then as usual the transporters have to fill Part-B details (Second Proviso of rule 138(3) of CGST rules).

Those transporters who are not having GSTIN will be required to enroll themselves on the Electronic Way Bill system by providing the PAN details and it must match with the transporter details. Once the enrolment process is over the transporter will get the user Id, password and 15 digit number which is based on the state code. The transporter should correctly record all the details at the time of generating the E-way bill. Transporter Id is

essential to generate the Part A of the E-way bill.

2023-2024 Budget Highlights for E-way Bills

A new section 158A in the CGST Act is proposed to be added according to which the Government may share the information contained in the following documents after getting the consent of suppliers and recipient:

- i. Particulars furnished in the application for registration under section 25
- ii. GSTR 3B filed under section 39
- iii. Annual returns filed under section 44
- iv. E-invoices and E-way particulars - i.e. Particulars uploaded on the common

portal for generation of documents under section 68

Conclusion

E-way bill helps to ensure that the goods transported comply with the laws and regulations of GST and at the same time; it helps to track the goods that are transported and acts as a preventive measure to reduce the evasion of tax under the GST regime by the taxpayer. The integration of the e-way bill system with the Vahan system, Fastag/RFID enhances the operational efficiency of the E-way bill system. The E-way bill system aids the logistic industry by enhancing the average distances at the time of traveling and it also helps to reduce the cost and travel time.

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