CHAPTER 10

ACCOUNTS AND RECORDS; E-WAY BILL



The section numbers referred to in the Chapter pertain to CGST Act, unless otherwise specified. Examples/Illustrations/Questions and Answers, as the case may be, given in the Chapter are based on the position of GST law existing as on 30.04.2026.

LEARNING OUTCOMES

After reading this Chapter, you shall be equipped to:

- enumerate the accounts and other records required to be maintained under GST by registered person.
- list the additional records required to be maintained by agent, manufacturer, service provider.
- describe the accounts and records to be maintained by person executing works contract, clearing and forwarding agent.
- Enumerate the accounts and records to be maintained by owner/operator of a warehouse/godown and transporter.
- describe the period for which the books of accounts or other records are required to be maintained.
- explain the provisions relating to e-way bills.

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1. INTRODUCTION



Assessment in GST is mainly focused on self-assessment by the taxpayers themselves. Every taxpayer is required to self-assess the taxes payable and furnish a return for each tax period i.e. the period for which return is required to be filed.

The compliance verification is done by the Department through scrutiny of returns and/or investigation. Thus, the compliance verification is to be done through documentary checks rather than physical controls. This requires certain obligations to be cast on the taxpayer for keeping and maintaining accounts and records. Such accounts and records may be used by the department for compliance verification.

Every registered person shall keep and maintain all records at his principal place of business. Responsibility has been casted on the owner or operator of warehouse or godown or any other place used for storage of goods and on every transporter to maintain specified records even if they are not registered under GST. They need not enroll for this purpose.



Further, Commissioner is empowered to notify a class of taxable persons to maintain additional accounts or documents for specified purpose or to maintain accounts in other prescribed manner. Similarly, the Commissioner can permit a class of taxable persons to maintain accounts in such manner as may be prescribed if that class of taxable person is not in a position to keep and maintain accounts in accordance with the provisions of GST Laws.

It is not mandatory to maintain the accounts in electronic form. Accounts and records may be maintained either electronically or manually. Further, there is no prescribed format for maintaining the accounts.



Chapter VIII – Accounts and Records [Sections 35 and 36] of the CGST Act and Chapter VII – Accounts and Records [Rules 56 to 58] of the CGST Rules, 2017,

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enumerates the accounts and records required to be maintained by a taxpayer and the period for which such accounts and records are required to be preserved. Further, E-way Bill provisions discussed in this Chapter are contained in section 68 read with rules 138, 138A, 138B, 138C 138D and 138E [Chapter XVI] of the CGST Rules, 2017. State GST laws also prescribe identical provisions in relation to accounts and records; E-Way Bill.

Provisions relating to Accounts and Records; E-way Bill under CGST Act have also been made applicable to IGST Act vide section 20 of the IGST Act.

Before proceeding to understand the accounts and records provisions, let us first go through few relevant definitions.

2. RELEVANT DEFINITIONS

- **Agent:** means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carried on the business of supply or receipt of goods or services or both on behalf of another [Section 2(5)].
- **Commissioner:** means the Commissioner of central tax and includes the Principal Commissioner of central tax appointed under section 3 and the Commissioner of integrated tax appointed under the Integrated Goods and Services Tax Act. [Section 2(24)]
- **Common portal:** means the common goods and services tax electronic portal referred to in section 146 [Section 2(26)].
- **Manufacture:** means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly. [Section 2(72)]
- **Taxable supply:** means a supply of goods or services or both which is leviable to tax under this Act [Section 2(108)].

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- **Place of business:** includes [Section 2(85)]:

  - a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
  - a place where a taxable person maintains his books of account; or
  - a place where a taxable person is engaged in business through an agent, by whatever name called.

- **Taxable person:** means a person who is registered or liable to be registered under section 22 or section 24 [Section 2(107)].
- **Principal place of business:** means the place of business specified as the principal place of business in the certificate of registration [Section 2(89)].
- **Proper officer:** in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board [Section 2(91)].
- **Registered person:** means a person who is registered under section 25, but does not include a person having a Unique Identity Number [Section 2(94)].
- **Tax period:** means the period for which the return is required to be furnished [Section 2(106)].
- **Document:** includes written or printed record of any sort and electronic record as defined in clause (t) of section 2 of the Information Technology Act, 2000 [Section 2(41)].
- **Voucher:** means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument [Section 2(118)].
- **Conveyance:** includes a vessel, an aircraft and a vehicle [Section 2(34)].

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❖ **Works Contract:** means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract [Section 2(119)]

3. ACCOUNTS AND OTHER RECORDS [SECTION 35]

STATUTORY PROVISIONS

Section 35	*Accounts and Other Records*
Sub-section	*Particulars*
(1)	*Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of* *(a) production or manufacture of goods;* *(b) inward and outward supply of goods or services or both;* *(c) stock of goods;* *(d) input tax credit availed;* *(e) output tax payable and paid; and* *(f) such other particulars as may be prescribed* *Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business:* *Provided further that the registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed.*

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(2)	*Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed.*
(3)	*The Commissioner may notify a class of taxable persons to maintain additional accounts or documents for such purpose as may be specified therein.*
(4)	*Where the Commissioner considers that any class of taxable persons is not in a position to keep and maintain accounts in accordance with the provisions of this section, he may, for reasons to be recorded in writing, permit such class of taxable persons to maintain accounts in such manner as may be prescribed.*
(6)	*Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74 or section 74A , as the case may be, shall, mutatis mutandis, apply for determination of such tax.*

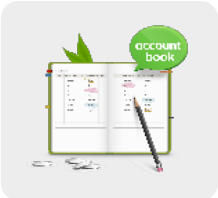


ANALYSIS

The provisions relating to accounts and records required to be maintained under GST are contained in sections 35 and 36 read along with Chapter VII - Accounts and Records of CGST Rules, 2017. Relevant provisions of CGST Rules, 2017 have been incorporated at relevant places.

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(I) Who is required to maintain books of accounts and at which place? [1]



Every registered person shall keep and maintain, books of accounts at his **principal place of business** (hereinafter referred to as PPoB) and books of account relating to additional place of business (hereinafter referred to as APoB) [as mentioned in the certificate of registration].

Where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business.

Supply of goods through an auction like tea, rubber, coffee



In terms of above provision, the books of accounts relating to each and every place of business are required to be maintained in that place itself. However, in case where goods like tea, rubber, coffee, etc. are supplied through an auction the difficulties were being faced by the principal and auctioneer in maintaining books of accounts at each and every APoB related to stock of said goods.

Consequently, it has been clarified that in such cases, the principal and the auctioneer may declare the warehouses, where such goods are stored, as their APoB. The buyer is also required to disclose such warehouse as his APoB if he wants to store the goods purchased through auction in such warehouses. For the purpose of supply of tea through a private treaty, the principal and an auctioneer may also comply with the said provisions.



Further, the principal and the auctioneer for the purpose of auction of tea, coffee, rubber etc., or the principal and the auctioneer for the purpose of supply of tea through a private treaty, may maintain the books of accounts relating to APoB at their PPoB instead of such APoB. Such principal and auctioneer shall intimate their jurisdictional proper officer in writing about the maintenance of books of accounts relating to APoB at their PPoB.

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[1] *Section 35(1) read with rule 56(7) and 56(10)*

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ITC availment: It is further clarified that the principal and the auctioneer for the purpose of auction of tea, coffee, rubber etc., or the principal and the auctioneer for the purpose of supply of tea through a private treaty, shall be eligible to avail ITC subject to the fulfilment of other provisions of the CGST Act read with the rules made thereunder[2] ***[Circular No. 23/23/2017 GST dated 21.12.2017 and Circular No. 47/21/2018 GST dated 08.06.2018].***

Unless proved otherwise, if any documents, registers, or any books of account belonging to a registered person are found at any premises other than those mentioned in the certificate of registration, they shall be presumed to be maintained by the said registered person.

(1) 'Kunal Enterprises', Chennai, has its Principal Place of Business (PPoB) in Chennai and an Additional Place of Business (APoB) — a branch office — in Coimbatore, both duly mentioned in the certificate of registration. Kunal Enterprises must keep separate books of account relating to the Coimbatore branch at the Coimbatore premises itself, and cannot maintain them centrally at the Chennai office, since each place of business specified in the registration certificate requires its own accounts to be kept there.



[2] *Refer Chapter 7 – Input Tax Credit in this Module for detailed provisions relating to ITC.*

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(II) Which accounts and records are required to be maintained?



A true and correct account of following is to be maintained:

(a) production or manufacture of goods;

(b) inward and outward supply of goods or services or both;

(c) stock of goods;

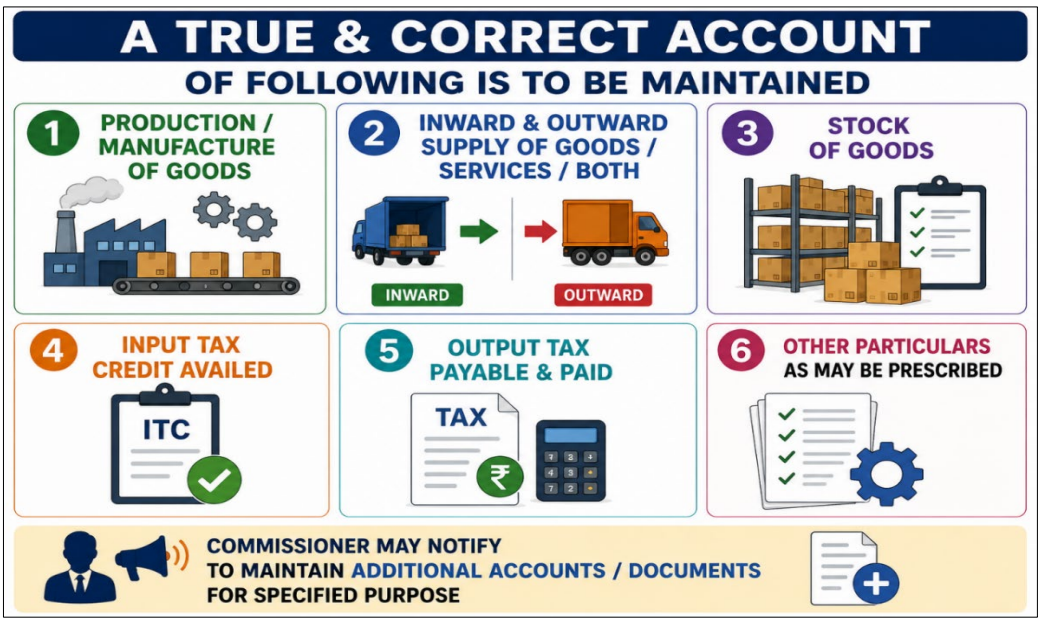
(d) input tax credit availed;

(e) output tax payable and paid

(f) such other particulars as may be prescribed

The Commissioner may notify a class of taxable persons to maintain additional accounts or documents for such purpose as may be specified therein.[3]

Where the Commissioner considers that any class of taxable persons is not in a position to keep and maintain accounts in accordance with the provisions of this section, he may, for reasons to be recorded in writing, permit such class of taxable persons to maintain accounts in such manner as may be prescribed.[4]



[3] *Section 35(3)*
[4] *Section 35(4)*

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The additional records to be maintained by specified persons are as under:-

(i) Registered person



In addition to the particulars mentioned in section 35(1), the rules also provide that the registered person[5] is required to maintain a true and correct account of:

- the goods/services imported/exported,
- supplies attracting payment of tax on reverse charge along with relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers6.
- separate account of advances received, paid and adjustments made thereto.



- particulars of:
  - ✓ names and complete addresses of suppliers **from whom he has received** the goods or services chargeable to tax under the Act;
  - ✓ names and complete addresses of the persons **to whom he has supplied** goods or services, where required under the provisions of this Chapter.
- particulars of the complete address of the **premises where goods are stored** by him, including goods stored during transit along with the particulars of the stock stored therein.

  However, if any taxable goods are found to be stored at any place(s) other than those so declared without the cover of any valid documents, the proper officer shall determine the amount of tax payable on such goods as if such goods have been supplied by the registered person.

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[5] *Rule 56(1), (3), (5) and (6)*

[6] *The detailed provisions relating to all such documents have already been discussed in Chapter 9: Tax invoice, Credit and Debit Notes of this Module.*

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A supplier is required to maintain following records relating to stock of goods and tax details. However, a supplier who has opted for composition scheme is not required to maintain such records[7]..



(a) **Stock of goods:** Accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.

(b) **Details of tax:** Account, containing the details of tax payable (including tax payable under reverse charge), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period.



(2) 'Nova Imports Pvt. Ltd.', a registered person, Mumbai, imports electronic components from China and exports finished gadgets to the UAE. In addition to regular books under section 35(1), Nova Imports must maintain a true and correct account of all goods imported and exported, since such records are separately mandated over and above the general accounting requirements.

(3) 'Meera Textiles', Surat, purchases raw cotton from 'Anand Ginning Mills', Ahmedabad, and supplies finished garments to 'Fashion Hub', Delhi. Meera Textiles must maintain particulars of the complete names and addresses of both Anand Ginning Mills (supplier) and Fashion Hub (recipient), in addition to other records.

(ii) Agent[8]

Every agent shall maintain accounts depicting the-

(a) particulars of authorisation received by him from each principal to receive or supply goods/services on behalf of such principal separately;

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[7] *Rule 56(2) and (4)*

[8] *Rule 56(11)*

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(b) particulars including description, value and quantity (wherever applicable) of goods /services received on behalf of every principal;

(c) particulars including description, value and quantity (wherever applicable) of goods/services supplied on behalf of every principal;

(d) details of accounts furnished to every principal; and

(e) tax paid on receipts or on supply of goods/services effected on behalf of every principal.



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(iii) Manufacturer[9]



Apart from other records, every registered person manufacturing goods has to maintain monthly production accounts showing quantitative details of raw materials/services used in the manufacture and quantitative details of the goods so manufactured including the waste and by products thereof.

(iv) Service Provider[10]

Every registered person supplying services has to additionally maintain the accounts showing quantitative details of goods used in the provision of services, details of input services utilised and the services supplied.

(v) Person executing works contract[11]

Every registered person executing works contract shall keep separate accounts for works contract showing -



- the names and addresses of the persons on whose behalf the works contract is executed;
- description, value and quantity (wherever applicable) of goods or services received for the execution of works contract;
- description, value and quantity (wherever applicable) of goods/services utilized in the execution of works contract;
- the details of payment received in respect of each works contract; and
- the names and addresses of suppliers from whom he received goods/services.

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[9] *Rule 56(12)*
[10] *Rule 56(13)*
[11] *Rule 56(14)*

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(vi) Carrier/clearing and forwarding agent[12]

- Any person having custody over the goods in the capacity of a carrier or a clearing and forwarding agent for delivery or dispatch thereof to a recipient on behalf of any registered person shall maintain true and correct records in respect of such goods handled by him on behalf of such registered person and shall produce the details thereof as and when required by the proper officer.

(4) 'Speedway Logistics', a transporter, carries consignments of textiles on behalf of 'Vikram Textiles Ltd.', a registered person, for delivery to buyers across States. Speedway Logistics must maintain true and correct records of all such goods handled on behalf of Vikram Textiles, even though Speedway itself is not the owner of the goods.

(5) 'Ashoka Clearing & Forwarding Agency', Kandla Port, handles customs clearance and forwarding of imported machinery parts on behalf of 'Precision Engineering Pvt. Ltd.'. Ashoka Agency is required to keep accurate records of such goods, since it holds custody of them for delivery to the registered person's premises.

[12] *Rule 56(17)*

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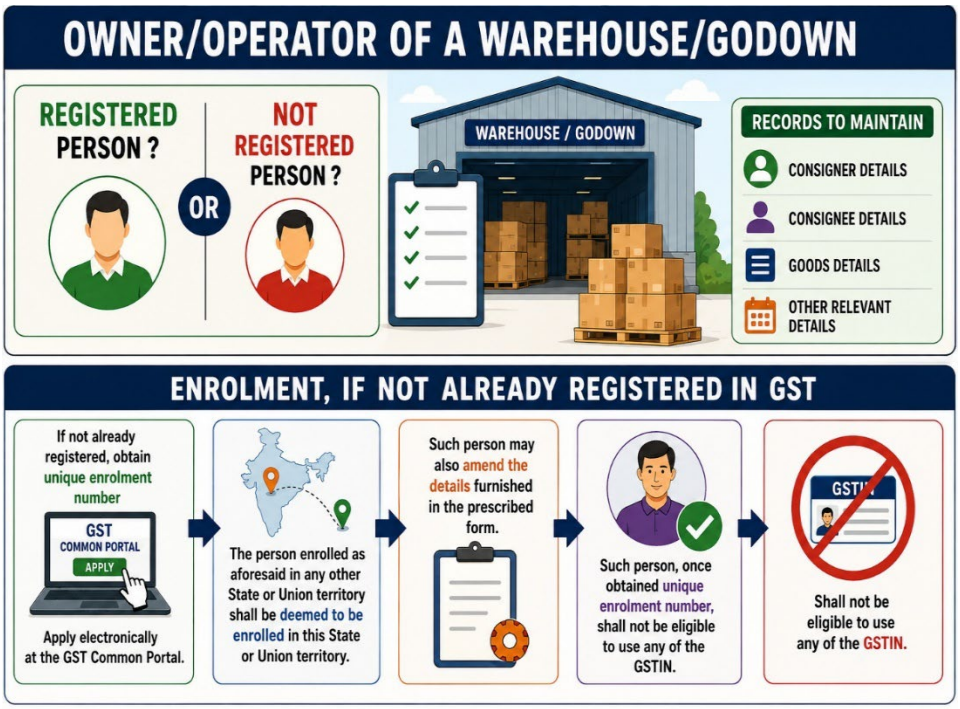
(vii) Owner/operator of a warehouse/ godown and transporter[13]

Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed.

Enrolment, if not already registered in GST[14]: If such persons are not already registered, they shall obtain a unique enrollment number by applying electronically[15] at the GST Common Portal.

The person enrolled as aforesaid in any other State or Union territory shall be deemed to be enrolled in the State or Union territory.

Such person may also amend the details furnished in the prescribed form. Such person, once obtained unique enrollment number, shall not be eligible to use any of the GSTIN.



[13] *Section 35(2) read with rule 58*
[14] *Rule 58(1), 58(2) & 58(3)*
[15] *in Form GST ENR-01*

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- **Transporter**[16] **:** Any person engaged in the business of transporting goods shall maintain records of goods transported, delivered and goods stored in transit by him along with GSTIN of the registered consignor and consignee for each of his branches.

- **Owner/operator of a warehouse/ godown**[17]**:-**

  Every owner or operator of a warehouse or godown shall maintain books of accounts with respect to the period for which particular goods remain in the warehouse, including the particulars relating to dispatch, movement, receipt, and disposal of such goods.

  The owner or the operator of the godown shall store the goods in such manner that they can be identified item-wise and owner-wise and shall facilitate any physical verification or inspection by the proper officer on demand.



(6) 'Bharat Roadways', a transport company with branches in Chandigarh, Ludhiana, and Amritsar, transports goods on behalf of various registered consignors and consignees. Bharat Roadways must maintain, for each branch separately, records of goods transported, delivered, and stored in transit, along with the GSTIN of the registered consignor and consignee for every consignment.

(7) 'Om Cold Storage', Nashik, stores agricultural produce belonging to multiple registered persons — 'Krishna Traders' and 'Vasant Agro' — in the same warehouse. Om Cold Storage must store and maintain the goods in such a manner that they can be identified item-wise and owner-wise, so that goods of each owner are distinguishable rather than commingled.

(III) How the accounts and records will be maintained[18]?

- **Records may be maintained manually**
  - ✓ **Each volume of books of account maintained manually by the registered** person **shall be serially numbered.**

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[16] *Rule 58(4)(a)*

[17] *Rule 58(4)(b) & rule 58(5)*

[18] *Second proviso to section 35(1) read with rule 56(7), (8), (9), (15), (16) and (18) and rule 57*

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❑ Records may be maintained in electronic form



- ✓ Books of account include any electronic form of data stored on any electronic device.
- ✓ The registered person may keep and maintain such accounts and other particulars in electronic form stored on any electronic device and record so maintained shall be authenticated by means of a digital signature.
- ✓ Proper electronic back-up of records shall be maintained and preserved in such manner that, in the event of destruction of such records due to accidents or natural causes, the information can be restored within a reasonable period of time.
- ✓ The registered person maintaining electronic records shall produce, on demand, the relevant records or documents, duly authenticated by him, in hard copy or in any electronically readable format.
- ✓ Where the accounts and records are stored electronically by any registered person, he shall, on demand, provide the details of such files, passwords of such files and explanation for codes used, where necessary, for access and any other information which is required for such access along with a sample copy in print form of the information stored in such files.

❑ No entry to be erased/overwritten



- ✓ Any entry in registers, accounts and documents shall not be erased, effaced or overwritten.
- ✓ All incorrect entries, otherwise than those of clerical nature, shall be scored out under attestation and there after correct entry shall be recorded.

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- ✓ Where the registers and other documents are maintained electronically, a log of every entry edited or deleted shall be maintained.

(8) ''Infotech Solutions Pvt. Ltd.', Bengaluru, maintains all its books of account — sales register, purchase register, and stock records — on a cloud-based accounting software instead of physical registers. This is permissible, since books of account maintained in electronic form on any electronic device are recognised as valid, provided the records are authenticated by means of a digital signature.

(9) 'Suresh Hardware Store' notices that a purchase entry of ₹ 50,000 was wrongly recorded as ₹ 5,000 in its manual purchase register. Instead of erasing the wrong figure, Suresh Hardware Store is required to score out the incorrect entry under attestation (with signature and date) and records the correct entry of ₹ 50,000 separately.



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- Accounts maintained by the registered person together with all the invoices, bills of supply, credit and debit notes, and delivery challans relating to stocks, deliveries, inward supply and outward supply shall be preserved for the period as provided in section 36 *[discussed subsequently in this Chapter]* and shall, where such accounts and documents are maintained manually, be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business where such accounts and documents are maintained digitally.
- Every registered person shall, on demand, produce the books of accounts which he is required to maintain under any law for the time being in force.

(IV) What are the consequences of failure to maintain the accounts[19] ?

Where the registered person fails to account for the goods and/or services in accordance with the provisions of section 35(1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73/section 74/ *section 74A*[20], as the case may be, shall, *mutatis mutandis*, apply for determination of such tax.

4. PERIOD OF RETENTION OF ACCOUNTS [SECTION 36]

Every registered person required to keep and maintain books of account or other records in accordance with the provisions of section 35(1) shall retain them until the expiry of 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.

However, a registered person, who is a party to an appeal or revision or any other

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[19] *Section 35(6)*

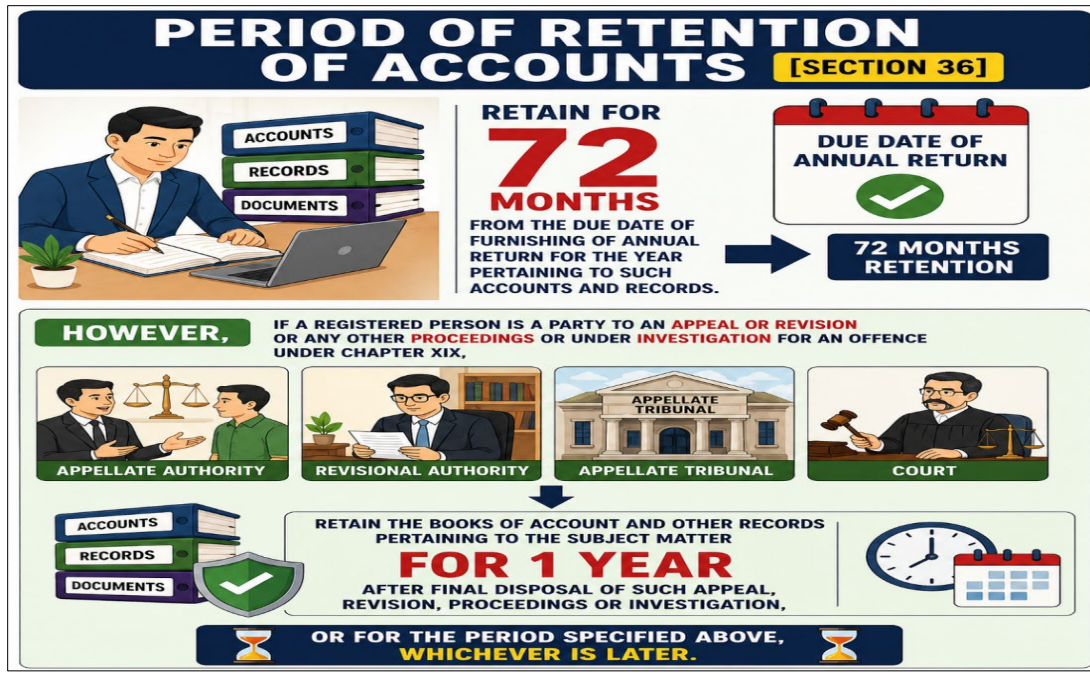
[20] *The provisions of section 74A contain provisions relating to determination of tax not paid/short paid or erroneously refunded or ITC wrongly availed/utilized for any reason pertaining to Financial Year 2024-25 onward. Detailed provisions of this section are discussed in Chapter-19 of Module-3 of the Study material. The provisions of sections 73 and 74 are applicable for tax determination relating to the past period up to the Financial Year 2023–24.*

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proceedings before any Appellate Authority or Revisional Authority or Appellate Tribunal or Court, whether filed by him or by the Commissioner, or is under investigation for an offence under Chapter XIX, shall retain the books of account and other records pertaining to the subject matter of such appeal or revision or proceedings or investigation for a period of one year after final disposal of such appeal or revision or proceedings or investigation, or for the period specified above, whichever is later.

(10) Vishwakarma Industries furnishes its annual return for FY 2024-25 on 31st December 2025 (the due date for furnishing annual return). It must retain its books of account and other records pertaining to FY 2024-25 until the expiry of 72 months from 31st December 2025, i.e., up to 31st December 2031, if no dispute or proceeding is pending.

(11) Nakshatra Exports Pvt. Ltd. is issued a demand order by the Department for FY 2023-24. Normal 72-months retention period for that year's records would end on 31st December 2030. However, Nakshatra Exports files an appeal against this order before the Appellate Authority, which is finally disposed of only in March 2032. In this case, Nakshatra Exports must retain the relevant records until March 2033 (one year after final disposal), as this is later than the normal 72-months retention period.



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5. ELECTRONIC WAY BILL [SECTION 68 READ WITH RELEVANT CGST RULES, 2017]



Under GST regime, for quick and easy movement of goods across India without any hindrance, all the check posts across the country are abolished. However, in order to monitor the movement of goods for controlling any tax evasion, e-way bill system has been introduced.

Under this system, a taxpayer - prior to movement of goods via a conveyance - would inform each transaction's details to the tax department, obtain an acknowledgement number for having thus informed, and then use this acknowledgement number as a valid document accompanying the conveyance carrying goods.

The idea is that the taxpayer be made to upload the details of each transaction to a common portal through the internet, and once uploaded, the common portal would automatically generate a document which can be tracked and verified easily by any stakeholder.

Statutory requirement

Section 68 stipulates that the Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed.

Rule 138 prescribes e-way bill as the document to be carried for the consignment of goods in certain prescribed cases.

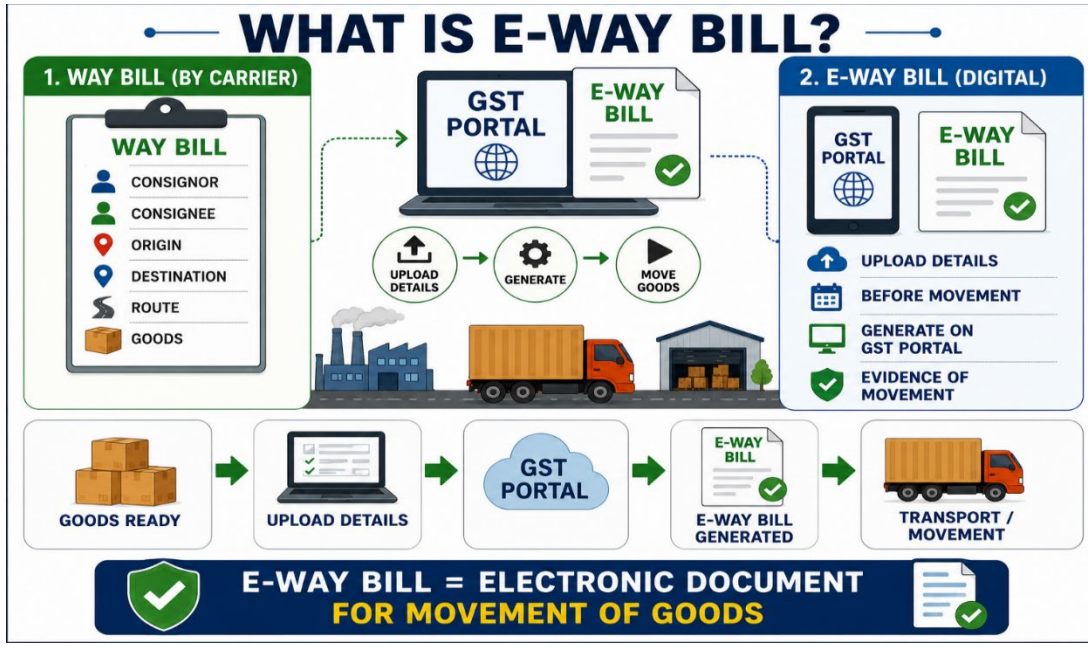
What is e-way bill?

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, the point of origin of the consignment, its destination, and route.

Electronic Way Bill (E-Way Bill) is a compliance mechanism wherein by way of a digital interface the person causing the movement of goods uploads the relevant

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information prior to the commencement of movement of goods and generates e-way bill on the GST portal. In other words, E-way bill is an electronic document generated on the GST portal evidencing movement of goods.



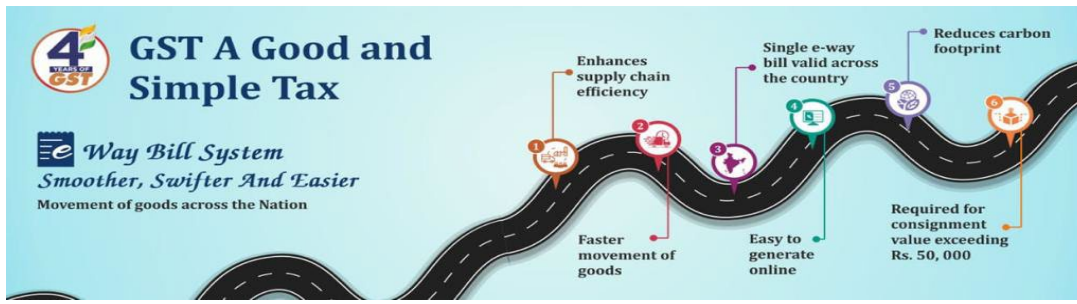
What are the benefits of e-way bill?

Following are the benefits of e-way bill mechanism:

(i) Physical interface to pave way for digital interface resulting in elimination of state boundary check-posts

(ii) It will facilitate faster movement of goods

(iii) It will improve the turnaround time of trucks and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs.



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E-way Bill is generated **electronically** in **Form GST EWB 01** on the common portal (www.ewaybillgst.gov.in). E-way Bill can be generated through various modes like Web (Online), Android App, SMS, using Bulk Upload Tool and API (Application Program Interface) based site to site integration etc.

Registration requirement of the person generating the e-way bill



The facility of generation, cancellation, updation and assignment of e-way bill is available to the supplier, recipient and the transporter, as the case may be. The pre-requisite for generation of e-way bill is that the person who generates e-way bill should be a registered person on GST portal and he should register on the e-way bill portal using his GSTIN.

Unregistered transporters: If the transporter is generating the e-way bill, but he is not registered person under GST law, it is mandatory for him to get enrolled on e-waybill portal before generation of the e-way bill to get 15-digit Unique Transporter Id called TRANSIN.

TRANSIN or Transporter id is a unique number generated by e-way bill system for unregistered transporter, once he enrolls on the system. It is similar to GSTIN format and is based on State code, PAN and check sum digit. This TRANSIN or Transporter id can be shared by transporter with his clients, who may enter this number while generating e-way bills for assigning goods to him for transportation.

Common enrolment process for registered transporters having GSTIN in multiple states with same PAN: There may be a transporter who is registered and has registration in more than one State/UT; then, he would have more than one GSTIN as well. A transporter who is registered in more than one State/UT having the same PAN, may apply for a **Unique Common Enrolment Number** by submitting the details in prescribed form using any one of his GSTINs.

Upon validation of the details furnished, a unique common enrolment number shall be generated and communicated to the said transporter. Once a transporter has obtained a unique common enrolment number, he shall not be eligible to use any of the GSTIN for the purposes of e-way bills under Chapter XVI of these rules.

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This way the transporters who are GST registered can generate a Common Enrolment number which will allow him to use one registration number for generating the e-way bills and updating Part-B of e-way bill throughout the country. Only registered transporters, which are having GSTIN in multiple states with same PAN number, can register in common enrolment process[21].

E-way Bill provisions [as contained in rules 138, 138A, 138B, 138C, 138D and 138E – Chapter XVI of the CGST Rules, 2017] are elaborated as under:

(1) When is e-way bill required to be generated? [Rule 138(1)]

Whenever there is a movement of goods of consignment value exceeding ₹ 50,000:

(i) in relation to a supply; or

(ii) for reasons other than supply; or

(iii) due to inward supply from an unregistered person,

the registered person who causes such movement of goods shall furnish the information relating to the said goods as specified in Part A of Form GST EWB-01 before commencement of such movement.

It is important to note 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".

Who causes movement of goods?

If supplier is registered and undertakes to transport the goods, movement of goods is caused by the supplier. If recipient arranges transport, movement is caused by him. If goods are supplied by an unregistered supplier to a registered recipient, movement shall said to be caused by such recipient , if the recipient is known at the time of commencement of the movement of goods.

[21] *Rule 58(1A) of the CGST Rules, 2017*

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Meaning of consignment value of goods

Consignment value of goods shall be the value:

- ✓ determined in accordance with the provisions of section 15,
- ✓ declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and
- ✓ also includes the Central tax, State or Union territory tax, integrated tax and cess charged, if any, in the document and
- ✓ shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

In case of movement of goods for reasons other than supply, the movement is occasioned by means of a delivery challan which has to necessarily contain the value of goods. The value given in the delivery challan should be adopted in the e-way bill[22].

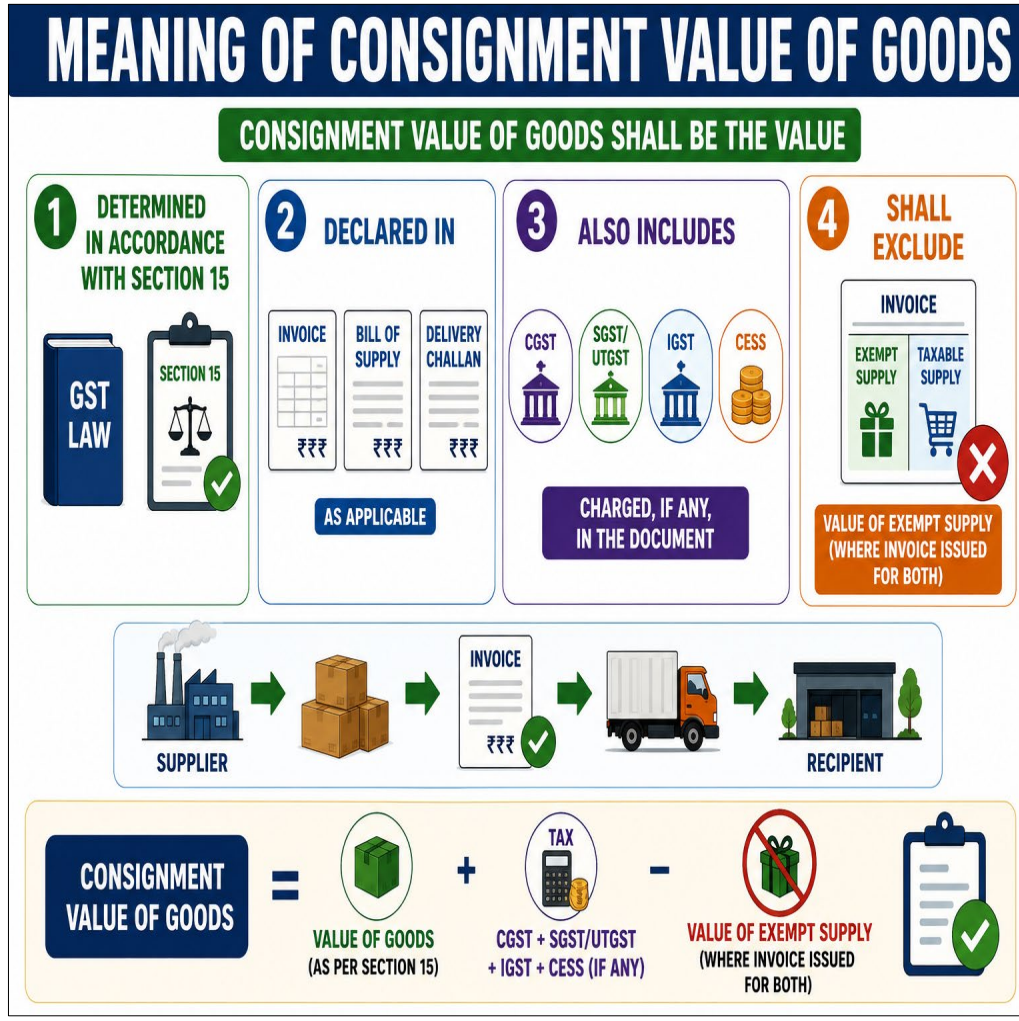


(12) Bhanupratap Shoe Manufacturers, registered in Punjab, sold shoes to a retail seller in Gujarat, at a value of ₹ 48,000 (excluding GST leviable @ 18%) and wants to send the consignment of such shoes to Gujarat. The consignment value will be ₹ 56,640 [₹ 48,000 × 118%]. Since the movement of goods is in relation to supply of goods and the consignment value exceeds ₹ 50,000, e-way bill is mandatorily required to be issued in the given case.

(13) Sindhi Textiles of Ludhiana, registered in Punjab, sends cloth to a job worker in Jalandhar, Punjab on a delivery challan. The value of cloth mentioned in the delivery challan is ₹ 48,000. Since the movement of goods is for reasons other than supply, the value given in the delivery challan is adopted for the purposes of the e-way bill. Such value does not exceed ₹ 50,000. Consequently, e-way bill is not required to be issued in this case.

[22] *As clarified by CBIC FAQs on E-way Bill.*

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Special situations where e-way bill needs to be issued even if the value of the consignment is less than ₹ 50,000:

(i) Inter-State transfer of goods by principal to job-worker

Where goods are sent by a principal located in one State or Union territory to a job worker located in any other State or Union territory, the e-way bill shall be generated either by the principal or the job worker, if registered, irrespective of the value of the consignment [Third proviso to rule 138(1)].

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(ii) Inter-State transfer of handicraft goods by a person exempted from obtaining registration

Where handicraft goods* are transported from one State or Union territory to another State or Union territory by a person who has been exempted from the requirement of obtaining registration [under clauses (i) and (ii) of section 24], the e-way bill shall be generated by the said person irrespective of the value of the consignment [Fourth proviso to rule 138].

*__Handicraft goods__ are the goods specified in ***Notification No. 56/2018 CT dated 23.10.2018*** which exempts the casual taxable persons making inter-State taxable supplies of such handicraft goods from obtaining registration upto specified turnover limit *[Refer Chapter 8 – Registration]*.

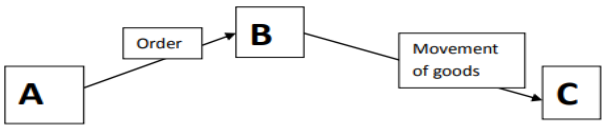
E-way Bill in case of 'Bill To Ship To' Model

In a "Bill To Ship To" model of supply, there are three persons involved in a transaction, namely:

'A' is the person who has ordered 'B' to send goods directly to 'C'.

'B' is the person who is sending goods directly to 'C' on behalf of 'A'.

'C' is the recipient of goods.



In this complete scenario. two supplies are involved and accordingly two tax invoices are required to be issued:

Invoice -1: which would be issued by 'B' to 'A'.

Invoice -2: which would be issued by 'A' to 'C'.

It is clarified that as per the CGST Rules, 2017, for the movement of goods which is taking place from "B" to "C" on behalf of "A", either A or B can generate the e-way bill but it may be noted that **only one e-Way Bill** is required to be generated *[Press Release dated 23.04.2018]*.

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(14) Ashok Enterprises (A), Delhi, places an order with 'Bhagwati Manufacturers' (B), Jaipur, instructing them to ship the goods directly to 'Chandra Retailers' (C), Lucknow. Two tax invoices are required — Invoice-1 by Bhagwati Manufacturers (B) to Ashok Enterprises (A), and Invoice-2 by Ashok Enterprises (A) to Chandra Retailers (C) — even though goods move directly from B to C.

In the above transaction, since the actual movement of goods takes place from Bhagwati Manufacturers (B), Jaipur to Chandra Retailers (C), Lucknow, either Ashok Enterprises (A) or Bhagwati Manufacturers (B) may generate the e-way bill for this movement — but only one e-way bill is required to be generated for the entire movement, not two.

(2) Information to be furnished in e-way bill:

An e-way bill Form GST EWB-01 contains two parts:

(I) **Part A** [comprising of details of GSTIN of supplier & recipient, place of delivery (indicating PIN Code also), document (Tax invoice, Bill of Supply, Delivery Challan or Bill of Entry) number and date, value of goods, HSN code, and reasons for transportation, etc.]: to be furnished by the **registered person** who is causing movement of goods** of consignment value exceeding ₹ 50,000/- and

(II) **Part B** (transport details) [Transporter document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and Vehicle number, in case of transport by road]: to be furnished by the **person who is transporting the goods**.

**However, information in Part-A may be furnished:

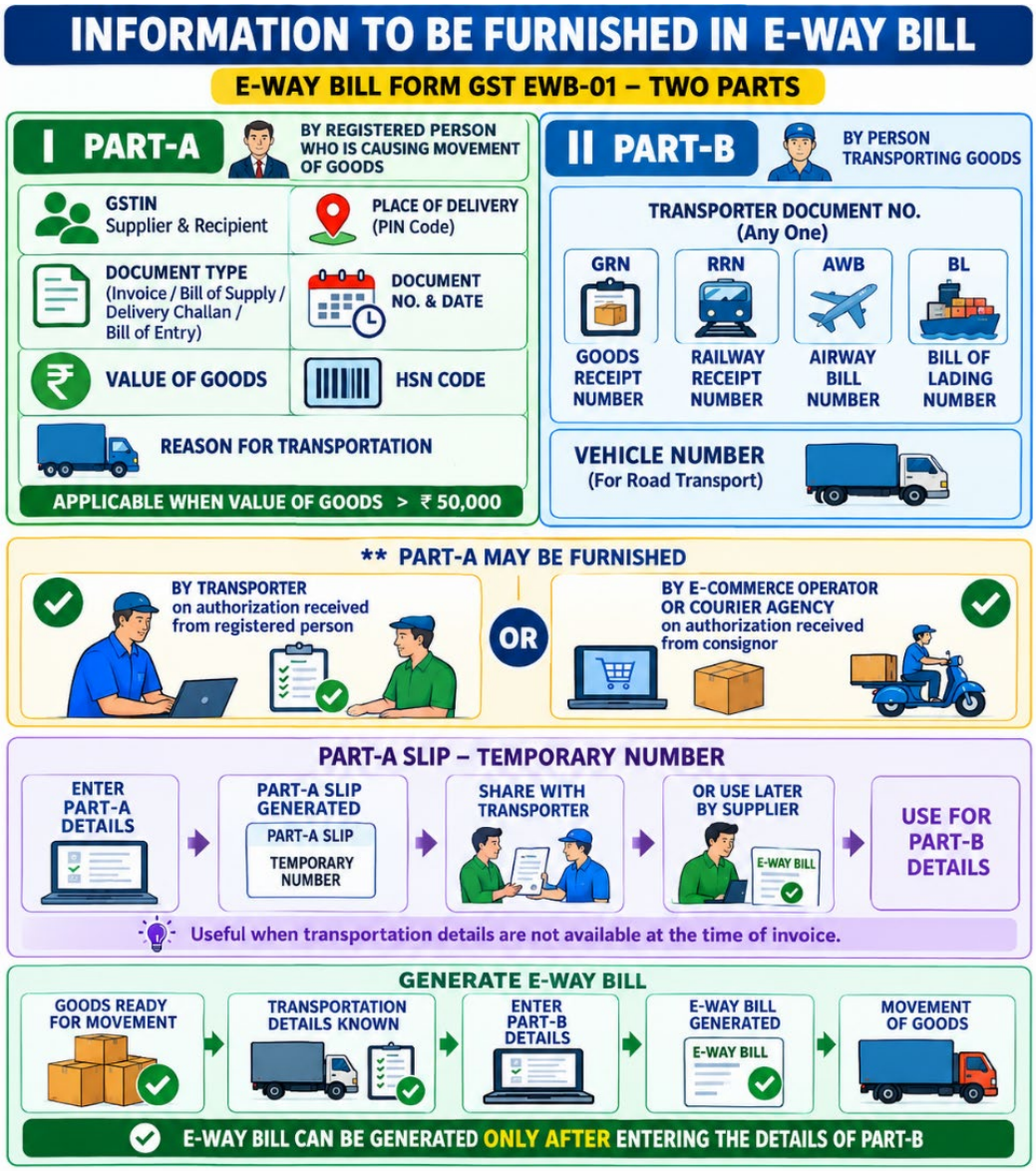
- ✓ by the transporter, on an authorization received from such registered person [First proviso to rule 138(1)] or
- ✓ by the e-commerce operator or courier agency, where the goods to be transported are supplied through such an e-commerce operator or a courier agency, on an authorization received from the consignor [Second proviso to rule 138(1)].

Once the consignor/consignee enters all the details in Part-A of e-way bill, a Part-A slip is generated which contains a temporary number. This slip can be shared with the transporter or used by the supplier himself later to enter the details in Part-B of e-way bill and generate the e-way bill.

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This will be useful, when supplier has prepared invoice relating to his business transaction, but doesn't have the transportation details. Thus, he can enter invoice details in Part A of e-way bill and keep it ready for entering details of mode of transportation in Part B of e-way bill.

Once the goods are ready for movement from the business premises and transportation details are known, the user can enter the Part-B details and generate the e-way bill for movement of goods. **E-way Bill can be generated only after entering the details of Part-B.**



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(3) Who is mandatorily required to generate e-way bill?

E-way bill is to 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, e-way bill is to be generated by the transporter. Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than ₹ 50,000, it shall be the responsibility of the transporter to generate it. This has been explained in detail below:

- **Where the goods are transported by a registered person - whether as consignor or recipient as the consignee** (whether in his own conveyance or a hired one or a public conveyance, by road), the said person shall have to generate the e-way bill (by furnishing information in part B on the common portal) [Rule 138(2)].
- **Where the e-way bill is not generated by the registered person and the goods are handed over to the transporter, for transportation of goods by road**, the registered person shall furnish the information relating to the transporter in Part B on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A [Rule 138(3)].
- **Where the goods are transported by railways or by air or by vessel**, the e-way bill shall be generated by the registered person, being the supplier or the recipient, who shall, either before or after the commencement of movement, furnish, information in part B [viz transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number)] on the common portal [Rule 138(2A)].

Other important points:

- **Where the goods are transported by railways:** there is no requirement to carry e-way bill along with the goods, but railways has

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to carry invoice or delivery challan or bill of supply as the case may be along with goods. Further, e-way bill generated for the movement is required to be produced at the time of delivery of the goods. Railways shall not deliver goods unless the e-way bill required under rules is produced at the time of delivery [Proviso to rule 138(2A)].

- The registered person or, the transporter may, at his option, generate and carry the e-way bill even if the value of the consignment is less than ₹ 50,000 [First proviso to rule 138(3)].

- **Where the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter**, he or the transporter may, at their option, generate the e-way bill [Second proviso to rule 138(3)].

- **Where the goods are supplied by an unregistered supplier to a recipient who is registered**, the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods [Explanation 1 to rule 138(3)].

- **Generation of unique enrolment number**

  Following persons required to generate the e-way bill shall submit the details electronically on the common portal in prescribed form and, upon validation of the details so furnished, a unique enrolment number shall be generated and communicated to the said person:-

  (i) An unregistered person making inter-State transport of handicraft goods exempted from obtaining compulsory registration and required to generate e-way bill irrespective of the value of the consignment.

  (ii) An unregistered person opting to generate e-way bill

  [Fourth proviso to rule 138(3)]

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(4) When is it not mandatory to furnish the details of conveyance in Part-B?

E-way bill is valid for movement of goods by road only when the information in Part-B is furnished[23].

Exceptions:

Details of conveyance may not be furnished in Part-B of the e-way bill where the goods are transported **for a distance of upto 50 km** within the State/Union territory:

- ❑ from the place of business of the consignor to the place of business of the transporter for further transportation[24] or
- ❑ from the place of business of the transporter finally to the place of business of the consignee[25].

(5) Unique e-way bill number (EBN)

Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal [Rule 138(4)].

(6) Transfer of goods from one conveyance to another

Where the goods are transferred from one conveyance to another, the consignor or the recipient, who has provided information in **Part A**, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in **Part B** of the e-way bill on the common portal [Rule 138(5)].

Consignment of goods may be required to be transferred from the original conveyance to due to unforeseen exigencies like break down of the vehicle. In such case, the transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, update the details of the conveyance.

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[23] *Explanation 2 to rule 138(3)*

[24] *Third proviso to rule 138(3)*

[25] *Proviso to rule 138(5)*

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In some cases, consignments are transported by the transporter through transshipment using multiple vehicles (same mode of transportation) for carrying the same consignment before it is delivered to the recipient at the place of destination. Hence for each movement from one place to another, the transporter needs to update the vehicle number in which he is transporting that consignment in part B of the e-way bill.

The user can update Part-B (Vehicle details) as many times as he wants for movement of goods to the destination. However, the updating should be done within the validity period.

There can also be a case where one e-way bill can go through multiple modes of transportation before reaching destination. As per the mode of transportation, the EWB can be updated with new mode of transportation by using the option of 'Update Vehicle Number'.



(15) Babbal Associates is moving the goods from Cochin to Chandigarh through road, ship, air and road again. First, Babbal Associates generates the EWB by entering first stage of movement (by road) from its place to shipyard and enters the vehicle number. Next, it will submit the goods to shipyard and update the mode of transportation as ship and transport document number on the e-way bill system.

After reaching Mumbai, Babbal Associates or concerned transporter updates movement as road from shipyard to airport with vehicle number. Thereafter, Babbal Associates or transporter updates using 'update vehicle number' option on the portal, the Airway Bill number.

Again, after reaching Delhi, Babbal Associates updates movement through road with vehicle number. This way, the e-way bill will be updated with multiple modes of transportation.

Assigning the e-way bill number to another transporter

The consignor/recipient, who has furnished the information in **Part A**, or the transporter, may assign the e-way bill number to another registered/enrolled transporter for updating the information in **Part B** for further movement of the consignment [Rule 138(5A)]. However, once the details of the conveyance have been updated by the transporter in **Part B**, the consignor or recipient, as the case may be, who has furnished the information in **Part A** shall not be

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allowed to assign the e-way bill number to another transporter [Proviso to rule 138(5A)].

(7) Consolidated E-way bill

After e-way bill has been generated, where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in **Form GST EWB-02** may be generated by him on the said common portal prior to the movement of goods [Rule 138(6)].

Consolidated e-way bill is a document containing the multiple e-way bills for multiple consignments being carried in one conveyance (goods vehicle). That is, the transporter carrying multiple consignments of various consignors and consignees in a single vehicle can generate and carry a single document - consolidated e-way bill instead of carrying separate document for each consignment in a conveyance.

Consolidated EWB is like a trip sheet and it contains details of different e-way bills in respect of various consignments being transported in one vehicle and these e-way bills will have different validity periods. Hence, Consolidated EWB does not have any independent validity period. Further, individual consignment specified in the Consolidated EWB should reach the destination as per the validity period of the individual EWB.

Further, where the consignor/consignee has not generated the e-way bill in Form GST EWB-01 and the aggregate of the consignment value of goods carried in the conveyance is more than ₹ 50,000, the transporter, except in case of transportation of goods by railways, air and vessel, shall, in respect of inter-State supply, generate the e-way bill in Form GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in **Form GST EWB-02** on the common portal prior to the movement of goods [Rule 138(7)]. The generation of **Form GST EWB-02** is optional and not mandatory.

However, where the goods to be transported are supplied through an e-commerce operator or a courier agency, the information in Part A of Form

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GST EWB-01 may be furnished by such e-commerce operator or courier agency [Proviso to rule 138(7)]. This proviso is not yet effective.

(8) Information submitted for e-way bill can be used for filing GST Returns

The information furnished in **Part A** of the e-way bill shall be made available to the registered supplier on the common portal who may utilize the same for furnishing the details in **Form GSTR-1** [Rule 138(8)].

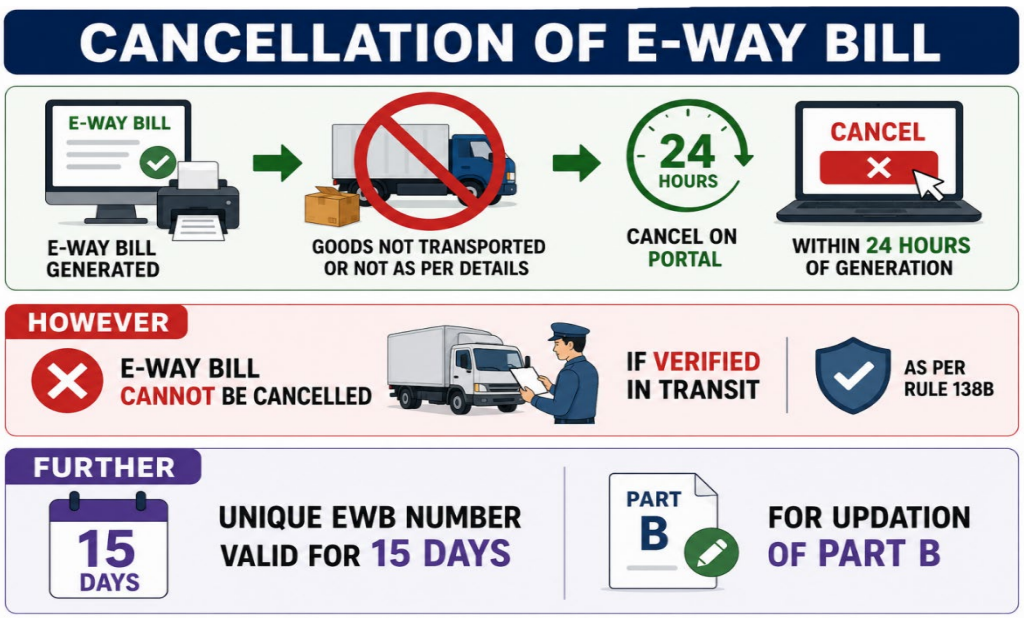
However, when the information has been furnished by an unregistered supplier/unregistered recipient, he shall be informed electronically, if the mobile number or the e-mail is available [Proviso to rule 138(8)].

(9) Cancellation of e-way bill

Where an e-way bill has been generated, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal within 24 hours of generation of the e-way bill [Rule 138(9)].

However, an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B [First proviso to rule 138(9)].

Further, unique EWB number generated is valid for a period of 15 days for updation of Part B [Second proviso to rule 138(9)].



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(16) Harish Traders, Surat, generates an e-way bill at 10 AM for a consignment of textiles to be sent to 'Kavita Garments', Rajkot. However, due to a sudden order cancellation by Kavita Garments, the goods are never actually dispatched. Harish Traders can cancel the e-way bill electronically on the common portal within 24 hours of its generation, i.e., by 10 AM the next day.

(17) Deepak Agro Industries, Bhatinda, generates an e-way bill for a consignment to 'Rana Foods', Chandigarh, but the vehicle carrying the goods is intercepted and verified in transit by a proper officer under rule 138B before Deepak Agro Industries attempts to cancel it. In this case, the e-way bill cannot be cancelled at all, since verification in transit bars cancellation, regardless of whether the 24-hour window has lapsed.

(18) Nilesh Plastics, Vapi, generates a unique e-way bill number (EBN) on 1st August but is unable to immediately finalise the vehicle details (Part B) due to a transporter change. Nilesh Plastics can update Part B of the e-way bill using the same EBN at any time within 15 days from the date of its generation, i.e., up to 16th August, since the EBN remains valid for that period for such updation.

(10) Validity period of e-way bill/consolidated e-way bill [Rule 138(10)]

The validity of e-way bill depends on the distance to be travelled by the goods. For a distance of less than 200 km the e-way bill will be valid for a day from the relevant date. For every 200 km thereafter, the validity will be additional one day from the relevant date.

Sl. No.	Distance within country	Validity period from relevant date*
1.	Upto 200 km	One day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship

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2.	For every 200 km or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
3.	Upto 20 km	One day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
4.	For every 20 km or part thereof thereafter	One additional day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship

***Relevant date** means the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill.

This can be explained by following examples –

(i) Suppose an e-way bill is generated at 00:04 hrs. on 14th March. Then first day would end on 12:00 midnight of 15 -16 March. Second day will end on 12:00 midnight of 16 -17 March and so on.

(ii) Suppose an e-way bill is generated at 23:58 hrs. on 14th March. Then first day would end on 12:00 midnight of 15 -16 March. Second day will end on 12:00 midnight of 16 -17 March and so on[26].

The validity of the e-way bill starts when first entry is made in Part-B i.e. vehicle entry is made first time in case of road transportation or first transport document number entry in case of rail/air/ship transportation, whichever is

[26] *As clarified by FAQs on E-way Bill by CBIC.*

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the first entry. It may be noted that validity is not re-calculated for subsequent entries in Part-B[27].



(19) A consignor hands over his goods for transportation on Friday to transporter. However, the assigned transporter starts the movement of goods on Monday. The validity period of e-way bill starts only after the details in Part B are updated by the transporter for the first time.

In the given situation, consignor can fill the details in Part A on Friday and handover his goods to the transporter. When the transporter is ready to move the goods, he can fill Part B i.e. the assigned transporter can fill the details in Part B on Monday and the validity period of the e-way bill will start from Monday *[CBIC Press Release dated 31.03.2018]*.



(20) A registered person has to transport goods from its warehouse to its depot located at a distance of 500 km in a normal cargo. In the given case, if e-way bill is generated, it will be valid for 3 days.

****Over dimensional cargo** means a cargo carried as a single indivisible unit and which exceeds the dimensional limits prescribed in rule 93 of the Central Motor Vehicle Rules, 1989, made under the Motor Vehicles Act, 1988.

Extension of validity period

If validity of the e-way bill expires, the goods are not supposed to be moved. In general, the validity of the e-way bill cannot be extended However, the validity of the e-way bill can be extended in following cases:

Extension by Commissioner for certain categories of goods: Commissioner may, on the recommendations of the Council, by notification, extend the validity period of an e-way bill for certain categories of goods as may be specified therein.

Extension by transporter in exceptional circumstances: Under circumstances of an exceptional nature, including trans-shipment, the goods cannot be transported within the validity period of the e-way bill, the

[27] *As clarified by FAQs on E-way Bill web portal.*

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transporter may extend the validity period after updating the details in Part B, if required.

Thus, the transporter, who is carrying the consignment as per the e-way bill system at the time of expiry of validity period, can extend the validity period. Such transporter can extend the validity of the e-way bill, if the consignment is not being reached the destination within the validity period due to exceptional circumstance like natural calamity, law and order issues, trans-shipment delay, accident of conveyance, etc. He needs to explain this reason in details while extending the validity period[28]. The validity of the e-way bill may be extended within 8 hours from the time of its expiry.

(11) Acceptance of e-way bill

The details of the e-way bill generated shall be made available to the -

(a) supplier, if registered, where the information in Part A has been furnished by the recipient/transporter; or

(b) recipient, if registered, where the information in Part A has been furnished by the supplier/transporter,

on the common portal, and the supplier/recipient, as the case may be, shall communicate his acceptance or rejection of the consignment covered by the e-way bill [Rule 138(11)].

In case, the person to whom the information in Part-A is made available, does not communicate his acceptance or rejection within the specified time, it shall be deemed that he has accepted the said details. The time-limit specified for this purpose is:

(i) 72 hours of the details being made available to him on the common portal

or

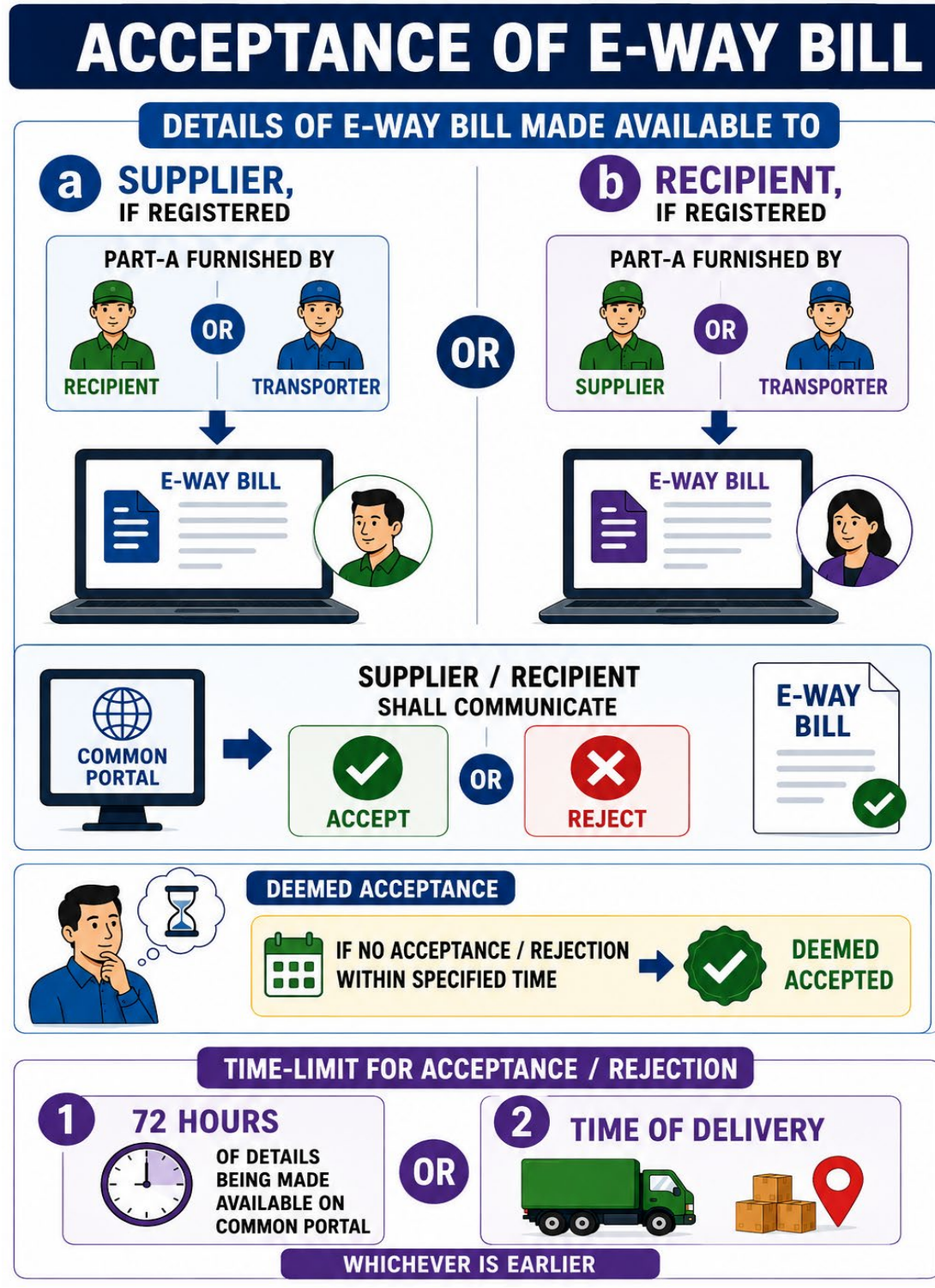
(ii) the time of delivery of goods,

whichever is earlier [Rule 138(12)].

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[28] *As clarified by FAQs on E-way Bill web portal.*

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(12) E-way bill generated in one State is valid in another State

The e-way bill generated under this rule or under rule 138 of the Goods and Services Tax Rules of any State or Union territory shall be valid in every State and Union territory [Rule 138(13)].



(21) Om Prakash Traders', Chandigarh (a Union Territory), generates an e-way bill for goods destined for 'Krishna Distributors', Shimla (Himachal Pradesh). During transit, the goods pass through Punjab. The transporter need not obtain any additional or State-specific e-way bill for Punjab or Himachal Pradesh, as the e-way bill generated in the Union Territory of Chandigarh is valid across every State and Union Territory in India.

Points to remember

1. E-way bill is not valid for movement of goods without vehicle number on it.
2. If there is a mistake, incorrect or wrong entry in the e-way bill, then it cannot be edited or corrected. Only option is cancellation of e-way bill within 24 hours of generation and generate a new one with correct details.
3. E- Way Bill may be updated with vehicle number any number of times.
4. The latest vehicle number should be available on e-way bill and should match with the vehicle carrying it in case checked by the department.
5. If multiple invoices are issued by the supplier to recipient, that is, for movement of goods of more than one invoice of same consignor and consignee, multiple e-way bills have to be generated. That is, for each invoice, one e-way bill has to be generated, irrespective of the fact whether same or different consignors or consignees are involved. Multiple invoices cannot be clubbed to generate one e-way bill. However, after generating all these e-way bills, one Consolidated e-way bill can be prepared for transportation purpose, if goods are going in one vehicle.

(13) Situations where e-way bill is not required to be generated

Notwithstanding anything explained above, no e-way bill is required to be generated in the following cases:

(a) where the goods being transported are the ones given below:

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S. No.	Description of Goods
1.	Liquefied petroleum gas for supply to household and non-domestic exempted category (NDEC) customers
2.	Kerosene oil sold under PDS
3.	Postal baggage transported by Department of Posts
4.	Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
5.	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71) [excepting imitation Jewellery (7117)]
6.	Currency
7.	Used personal and household effects
8.	Coral, unworked (0508) and worked coral (9601)]

(b) where the goods are being transported by a non-motorised conveyance

(c) where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs

(d) in respect of movement of goods within such areas as are notified under of rule 138(14)(d) of the State or Union territory GST Rules in that particular State or Union territory

(e) where the goods [other than de-oiled cake], being transported, are exempt from tax[29]

(f) where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel

[29] *vide Notification No. 2/2017 CT(R) dated 28.06.2017*

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(g) where the supply of goods being transported is treated as no supply under Schedule III of the CGST Act[30]

(h) where the goods are being transported -

(i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or

(ii) under customs supervision or under customs seal

(i) where the goods being transported are transit cargo from or to Nepal or Bhutan

(j) where the goods being transported are exempt from tax under *Notification No. 7/2017 CT (R) 28.06.2017* [Supply of goods by the CSD to the Unit Run Canteens or to the authorized customers and supply of goods by the Unit Run Canteens to the authorized customers] and Notification No. 26/2017 CT (R) 21.09.2017 [Supply of heavy water and nuclear fuels by Department of Atomic Energy to Nuclear Power Corporation of India Ltd. (NPCIL)]

(k) any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee

(l) where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail

(m) where empty cargo containers are being transported

(n) where the goods are being transported upto a distance of 20 km from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with rule 55.

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[30] *Provisions of Schedule III have been discussed in detail in Chapter 1 – Supply under GST of Module 1.*

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(o) where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply

(14) Documents and devices to be carried by a person-in-charge of a conveyance [Rule 138A]

The person-in-charge of a conveyance shall carry -

(a) the invoice or bill of supply or delivery challan, as the case may be; and

(b) a copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a RFID** embedded on to the conveyance [except in case of movement of goods by rail or by air or vessel] in such manner as may be notified by the Commissioner.

*Carrying e-way bill number in electronic form implies that person-in-charge of conveyance can merely quote the e-way bill number to the proper tax officer. Tax officer will do all the requisite verifications, based on that number.

**RFIDs are Radio Frequency Identification Device used for identification.

However, in case of imported goods, the person in charge of a conveyance shall also carry a copy of the bill of entry filed by the importer of such goods and shall indicate the number and date of the bill of entry in Part A of e-way bill.

Invoice Reference Number in lieu of tax invoice

In case, e-invoice is issued[31], the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.

In such a case, the registered person will not have to upload the information in Part A of e-way bill for generation of e-way bill and the same shall be auto-populated by the common portal on the basis of the information furnished in the prescribed form relating to e-invoice.

[31] *in the manner prescribed under sub-rule (4) of rule 48*

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The Commissioner may, by notification, require a class of transporters to obtain a unique RFID and get the said device embedded on to the conveyance and map the e-way bill to the RFID prior to the movement of goods.

Documents in lieu of e-way bill

Where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill:

(a) tax invoice or bill of supply, or bill of entry; or

(b) a delivery challan, where the goods are transported for reasons other than by way of supply.

(15) Verification of documents and conveyances [Rule 138B]

The Commissioner or an officer empowered by him in this behalf may authorize the proper officer to intercept any conveyance to verify the e-way bill in physical or electronic form for all inter-State and intra-State movement of goods.

The Commissioner shall get RFID readers installed at places where the verification of movement of goods is required to be carried out and verification of movement of vehicles shall be done through such device readers where the e-way bill has been mapped with the said device.

The physical verification of conveyances shall be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf.

However, on receipt of specific information on evasion of tax, physical verification of a specific conveyance can also be carried out by any other officer after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.

(16) Inspection and verification of goods [Rule 138C]

A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of a prescribed form within 24 hours of inspection and the final report in Part B of said form shall be recorded within 3 days of such inspection.

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However, where the circumstances so warrant, the Commissioner, or any other officer authorised by him, may, on sufficient cause being shown, extend the time for recording of the final report in Part B of said form, for a further period not exceeding 3 days.

The period of 24 hours or, as the case may be, 3 days shall be counted from the midnight of the date on which the vehicle was intercepted.

Where the physical verification of goods being transported on any conveyance has been done during transit at one place within the State/Union territory or in any other State/Union territory, no further physical verification of the said conveyance shall be carried out again in the State/Union territory, unless a specific information relating to evasion of tax is made available subsequently.

The hard copies of the notices/orders issued by a tax authority may be shown as proof of initiation of action by a tax authority by the transporter/registered person to another tax authority as and when required.

Only such goods and/or conveyances should be detained/confiscated in respect of which there is a violation of the provisions of the GST Acts or the rules made thereunder.



(22) Where a conveyance carrying 25 consignments is intercepted and the person-in-charge of such conveyance produces valid e-way bills and/or other relevant documents in respect of 20 consignments, but is unable to produce the same with respect to the remaining 5 consignments, detention/ confiscation can be made only with respect to the 5 consignments and the conveyance in respect of which the violation of the Act or the rules made thereunder has been established by the proper officer[32].

(17) Facility for uploading information regarding detention of vehicle [Rule 138D]

Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the transporter may upload the said information in **specified form** on the common portal.

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[32] *As clarified vide Circular No. 49/23/2018 GST dated 21.06.2018*

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(18) Blocking of e-waybill generation facility [Rule 138E]

Blocking of e-waybill generation facility means disabling a taxpayer from generating the e-way bill. Blocking of GSTIN for e-way bill generation would only be for the defaulting supplier GSTIN and not for the defaulting Recipient or Transporter GSTIN. Suspended GSTIN cannot generate e-way bill as supplier. However, the suspended GSTIN can get the e-way bill generated as recipient or as transporter.

As per rule 138E, no person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in Part A of Form GST EWB-01 in respect of any outward movement of goods of a registered person, who -

(i) being a person paying tax under composition scheme[33] has not furnished the statement for payment of self-assessed tax for 2 consecutive quarters, or

(ii) being a person paying tax under regular scheme has not furnished the returns for a consecutive period of 2 tax periods, or

(iii) being a person paying tax under regular scheme has not furnished GSTR-1 (Statement of outward supplies) for any 2 months or quarters, as the case may be.

(iv) being a person whose registration has been suspended under the provisions of rule 21A of the CGST Rules.

However, Commissioner (jurisdictional commissioner) may, on receipt of an application from a registered person in prescribed form, on sufficient cause being shown and for reasons to be recorded in writing, by order, in prescribed form allow furnishing of the said information in Part A of Form GST EWB-01, subject to prescribed conditions and restrictions. An order rejecting said request shall not be passed without giving the said person a reasonable opportunity of being heard. The permission granted or rejected by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be granted or, as the case may be, rejected by the Commissioner.

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[33] *or under Notification No. 2/2019 CT (R) dated 07.03.2019*

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BLOCKING OF E-WAY BILL GENERATION FACILITY [RULE 138E]

MEANING



DISABLING TAXPAYER FROM GENERATING E-WAY BILL

APPLIES TO

ONLY DEFAULTING SUPPLIER GSTIN



DEFAULTING

SUPPLIER

NOT FOR RECIPIENT / TRANSPORTER GSTIN



RECIPIENT



TRANSPORTER

SUSPENDED GSTIN

CANNOT GENERATE E-WAY BILL AS SUPPLIER



CAN GET E-WAY BILL GENERATED



AS RECIPIENT



AS TRANSPORTER

WHEN E-WAY BILL GENERATION IS BLOCKED (NO INFORMATION IN PART A)

1. COMPOSITION TAXPAYER



NOT FURNISHED STATEMENT FOR PAYMENT OF SELF-ASSESSED TAX

FOR 2 CONSECUTIVE QUARTERS

2. REGULAR TAXPAYER



NOT FURNISHED RETURNS

FOR 2 CONSECUTIVE TAX PERIODS

3. REGULAR TAXPAYER



NOT FURNISHED GSTR-1 (OUTWARD SUPPLIES)

FOR 2 MONTHS / QUARTERS

4. REGISTRATION SUSPENDED



REGISTRATION SUSPENDED

UNDER RULE 21A OF CGST RULES

RELIEF BY COMMISSIONER (JURISDICTIONAL COMMISSIONER)



APPLICATION IN PRESCRIBED FORM → SUFFICIENT CAUSE TO BE SHOWN → REASONS TO BE RECORDED IN WRITING → COMMISSIONER MAY ALLOW → SUBJECT TO CONDITIONS & RESTRICTIONS



ORDER REJECTING REQUEST NOT WITHOUT GIVING REASONABLE OPPORTUNITY OF BEING HEARD



PERMISSION GRANTED / REJECTED BY COMMISSIONER OF STATE TAX OR COMMISSIONER OF UNION TERRITORY TAX

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(19) It may be noted that the expressions 'transported by railways', 'transportation of goods by railways', 'transport of goods by rail' and 'movement of goods by rail' used in the provisions discussed above does not include cases where leasing of parcel space by railways takes place.



(23) Mr. A, a registered person paying tax under regular scheme in Delhi, has not filed Form GSTR-1 for last 2 months. Mr. B, Haryana, (a regular return filer) wants to generate an e-way bill for goods to be supplied to Mr. A.

There will be no restriction in generating e-way Bill for Mr. B who is making outward movement of goods, as he is a regular return filer.

Mr. A wants to generate an e-way bill in respect of an outward an outward supply of goods to Mr. H. E-way bill generation is blocked in this case as it's an outward movement of goods of Mr. A who has not filed Form GSTR-1 for past 2 months.

Consignee/ recipient taxpayer storing goods in the transporter's godown



Generally, textile traders use transporters' godown for storage of their goods due to their weak financial conditions. The transporter takes delivery of the goods and temporarily



stores them in his warehouse for further transportation of the goods till the consignee/recipient taxpayer's premises. In this case, the recipient taxpayer has to declare the transporter's godown as an APoB.



Supplier's premises



Transporter's godown Recipient taxpayer's APoB



Recipient taxpayer's PoB

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E-way Bill requirements

The goods in movement including when they are stored in the transporter's godown (even if the godown is located in the recipient taxpayer's city/town) prior to delivery shall always be accompanied by a valid e-way bill. The transportation under the e-way bill shall be deemed to be concluded once the goods have reached the transporter's godown (recipient taxpayer's APoB). Hence, e-way bill validity in such cases will not be required to be extended. Further, whenever the goods move from the transporter's godown to the recipient taxpayer's any other PoB, a valid e-way bill shall be required.

Requirement of maintaining accounts and records

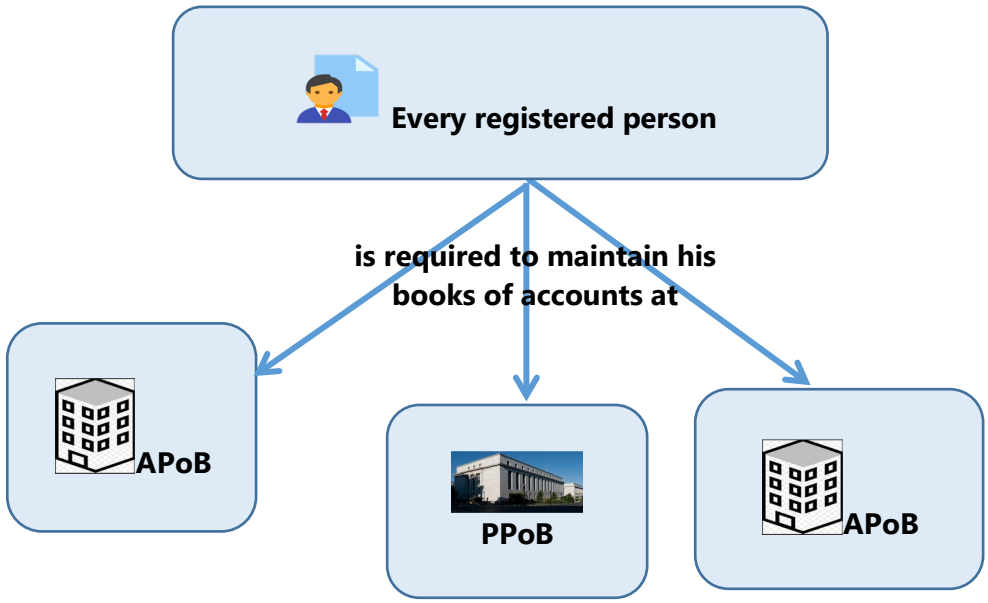
1. **Transporter**, being a warehouse keeper, has to maintain accounts and records as specified in section 35 read with rule 58 *[as discussed earlier in this chapter]*.

2. **Recipient taxpayer** shall also maintain accounts and records as required under rules 56 and 57 *[as discussed earlier]*. Furthermore, as per rule 56(7), books of accounts in relation to goods stored at the transporter's godown (i.e., the recipient taxpayer's APoB) by the recipient taxpayer may be maintained by him at his PPoB. Thus, the facility of declaring APoB by the recipient taxpayer is in no way putting any additional compliance requirement on the transporters. *[Circular No. 61/35 /2018 GST dated 04.09.2018]*

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LET US RECAPITULATE

Who is required to maintain his books of accounts and at which place?

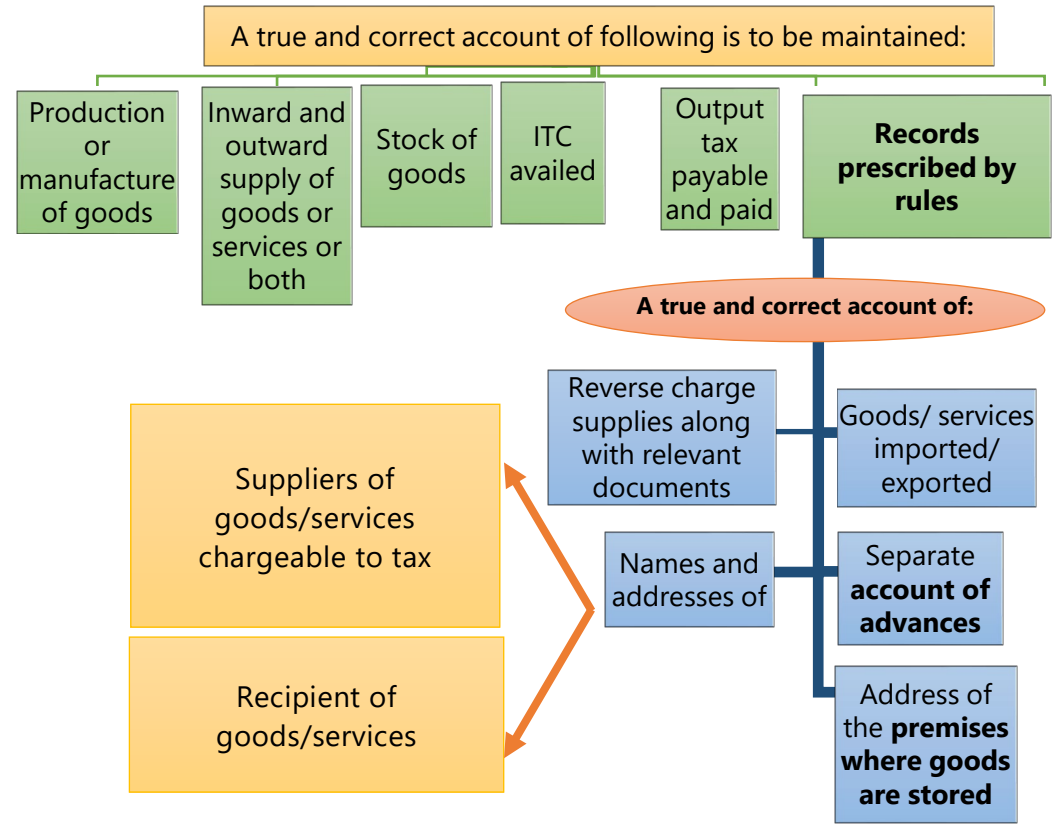


Accounts and records required to be maintained

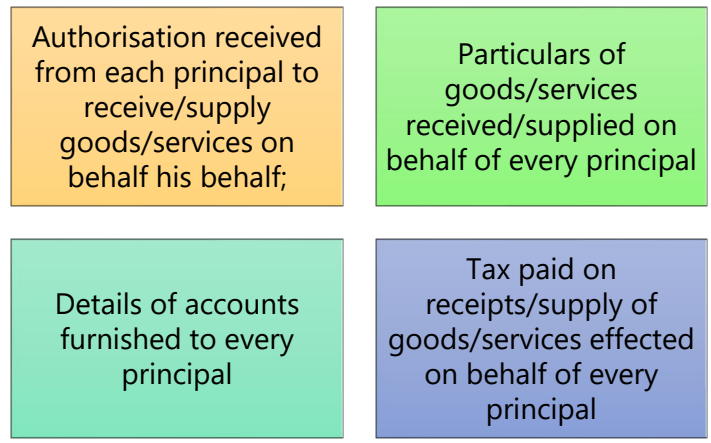
Records which are to be maintained only by a supplier other than a supplier opting for composition levy	
Account of stock of goods received and supplied including opening balance, receipt, supply, goods lost/stolen, destroyed, written off, gifted, free samples, stock balance.	**Account of details of tax** payable,collected and paid, ITC claimed, together with register of tax invoice, credit-debit notes, delivery challan issued/received during any tax period

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Accounts and records required to be maintained

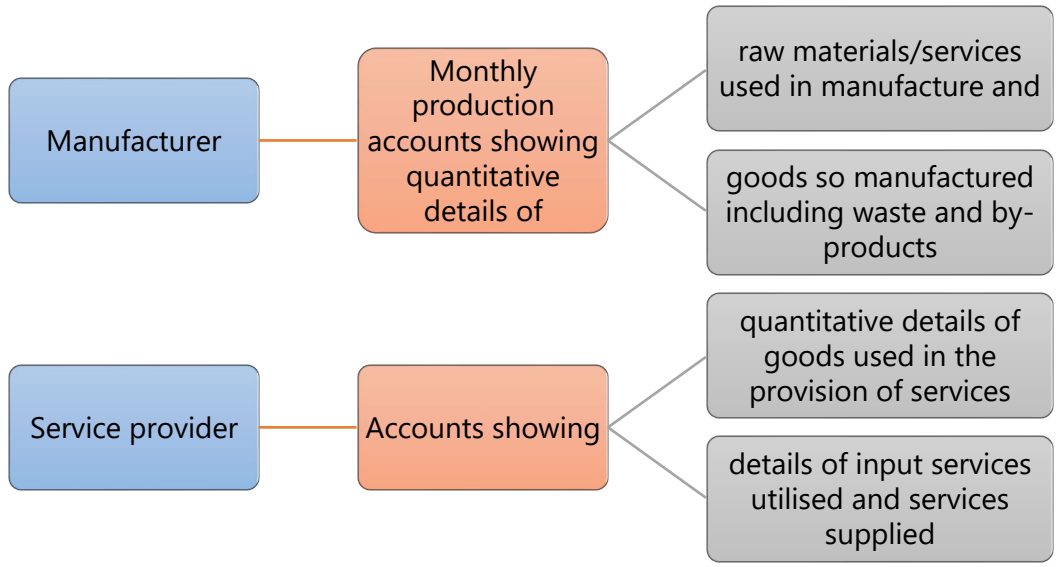


Records to be maintained by agent

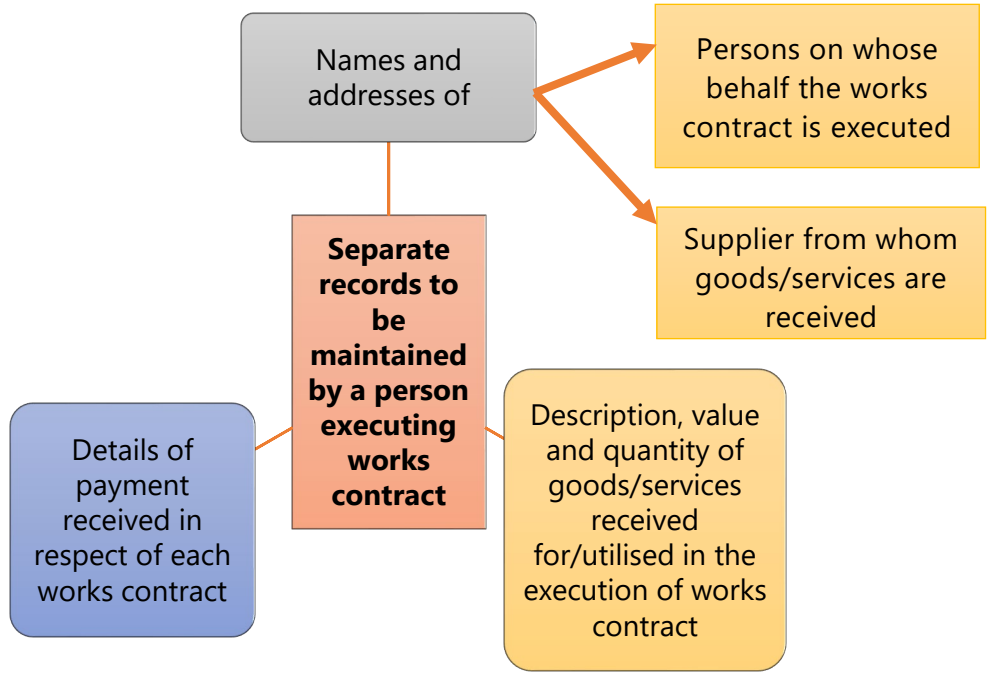


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Records to be additionally maintained by a manufacturer and service provider

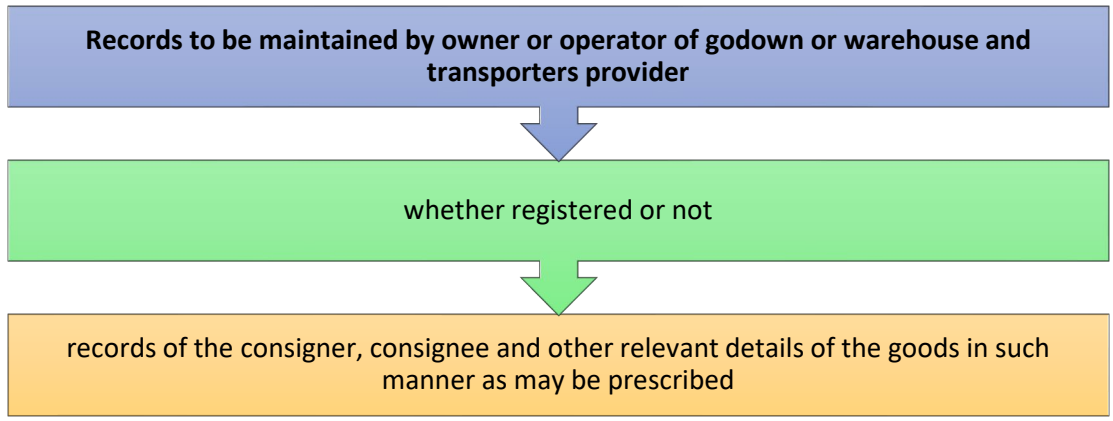


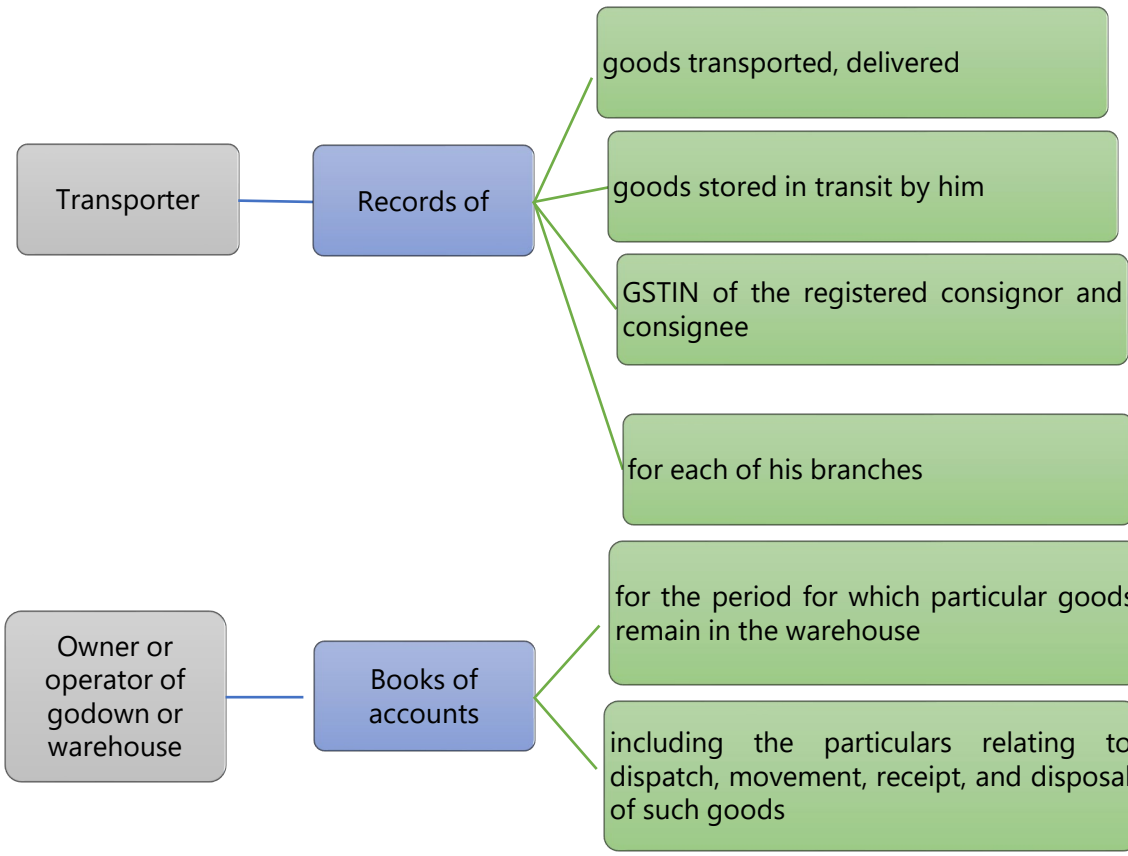
Separate records for works contract to be maintained by a person executing works contract



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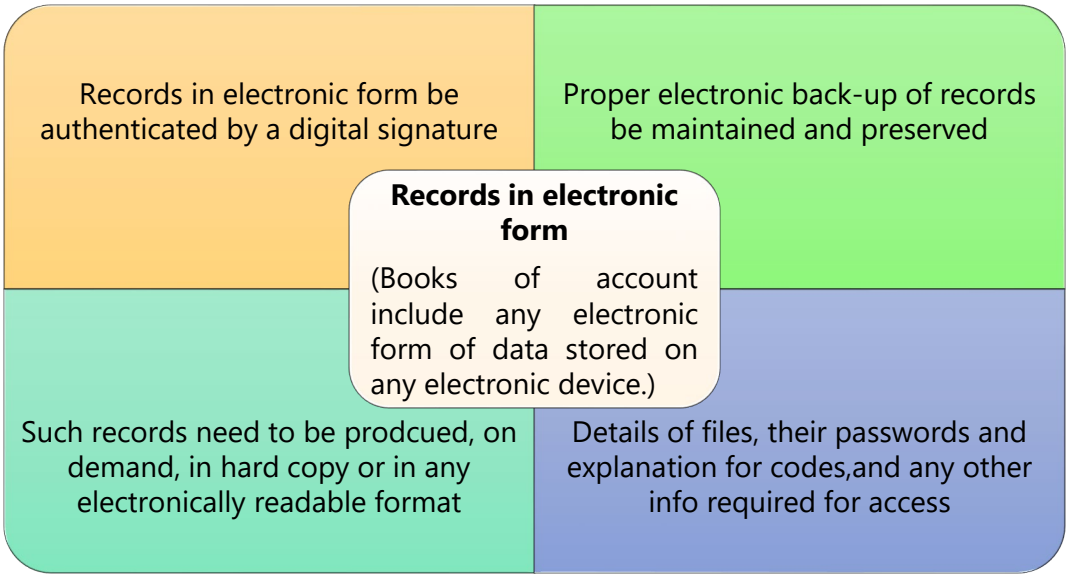
Records to be maintained by owner or operator of godown or warehouse and transporters provider





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How the accounts and records will be maintained?



No entry to be erased/overwritten

Incorrect entries, other than those of clerical nature, be scored out under attestation and there after correct entry be recorded.

In case electronic records beng maintained, a log of every entry edited or deleted shall be maintained.

Books of account maintained manually be serially numbered

Books of accounts, are required to be produced, on demand.

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Failure to maintain the accounts

Failure to maintain the accounts

- PO shall determine the tax payable on the unaccounted goods and/or services, as if the same had been supplied by such person
- Provisions of section 73/74/74A shall, *mutatis mutandis*, apply for determination of such tax

Period of retention of accounts

72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

Where an appeal/ revision/ any other proceedings before any Appellate/ Revisional Authority or Appellate Tribunal or Court, or an investigation is going on

1 year after final disposal of such appeal/revision/proceedings/investigation

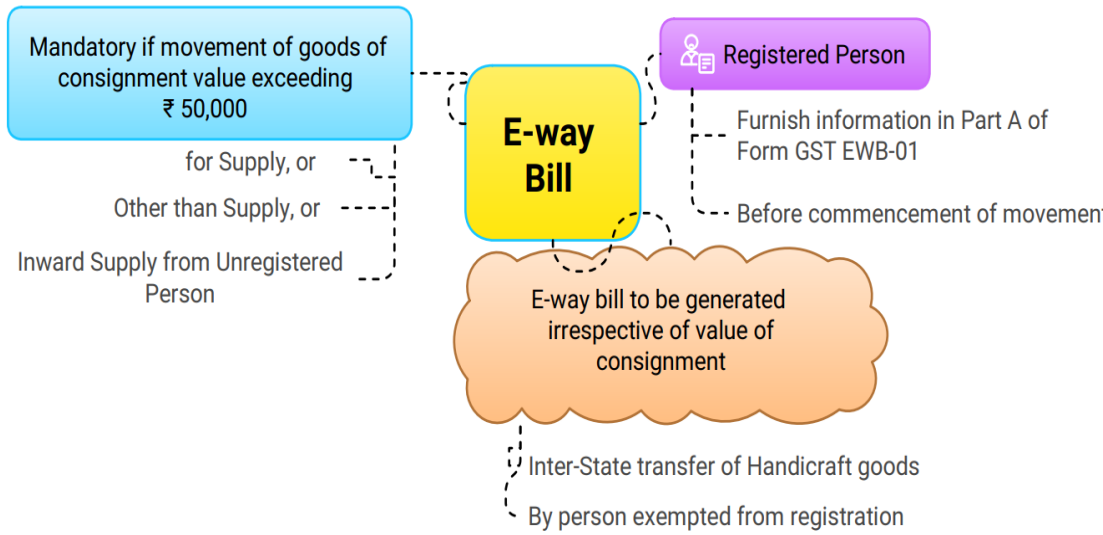
or

72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

whichever is later

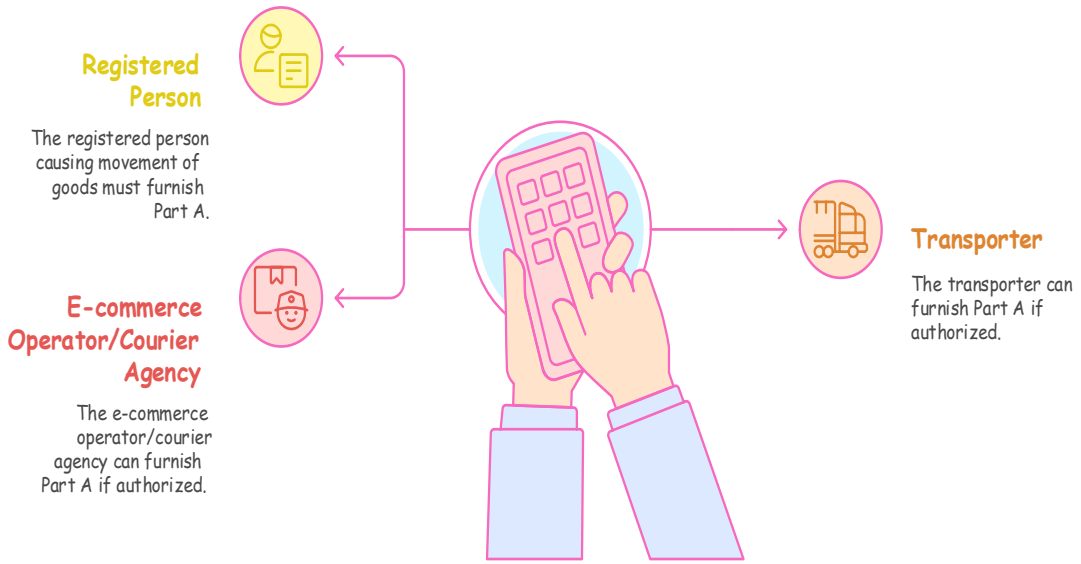
E-Way Bill

E-way bill requirement and Exceptions

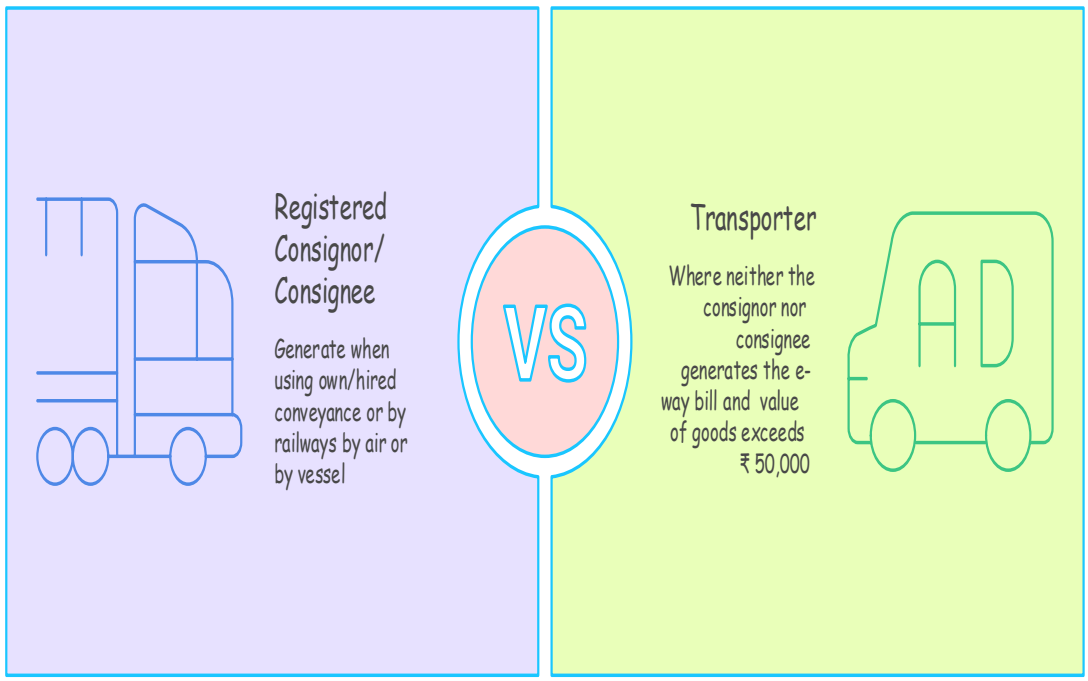


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Persons required to furnish Part A of e-way bill

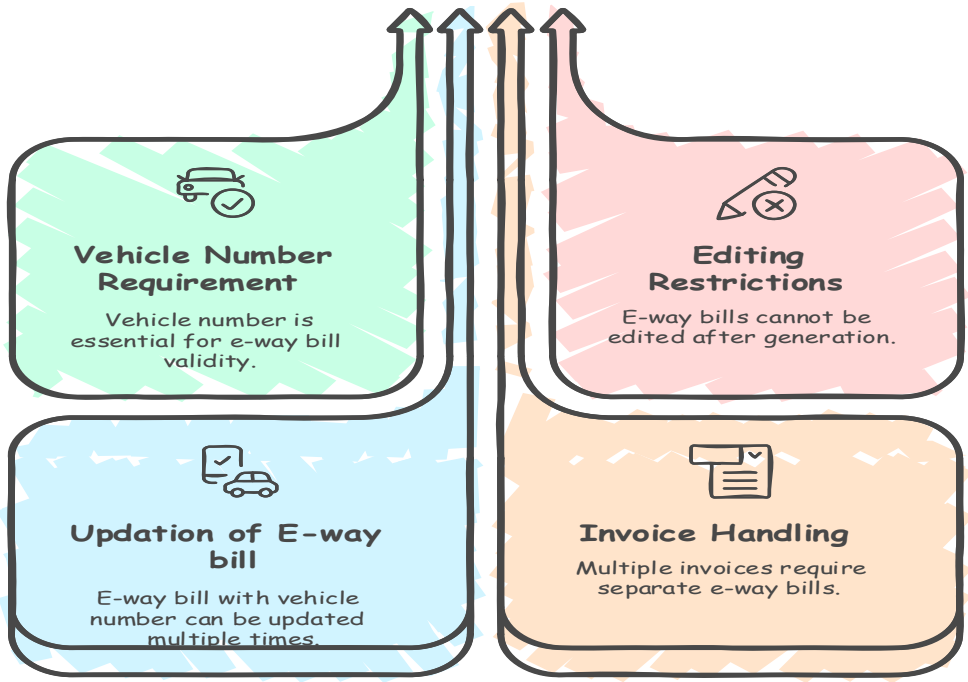


Who can generate the E-way bill?

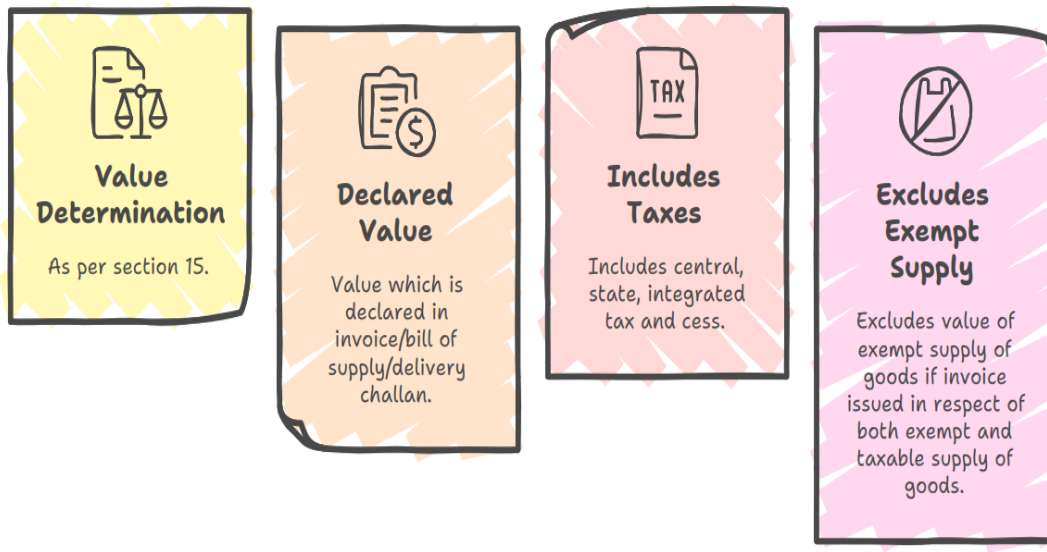


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Navigating E-way bill compliance

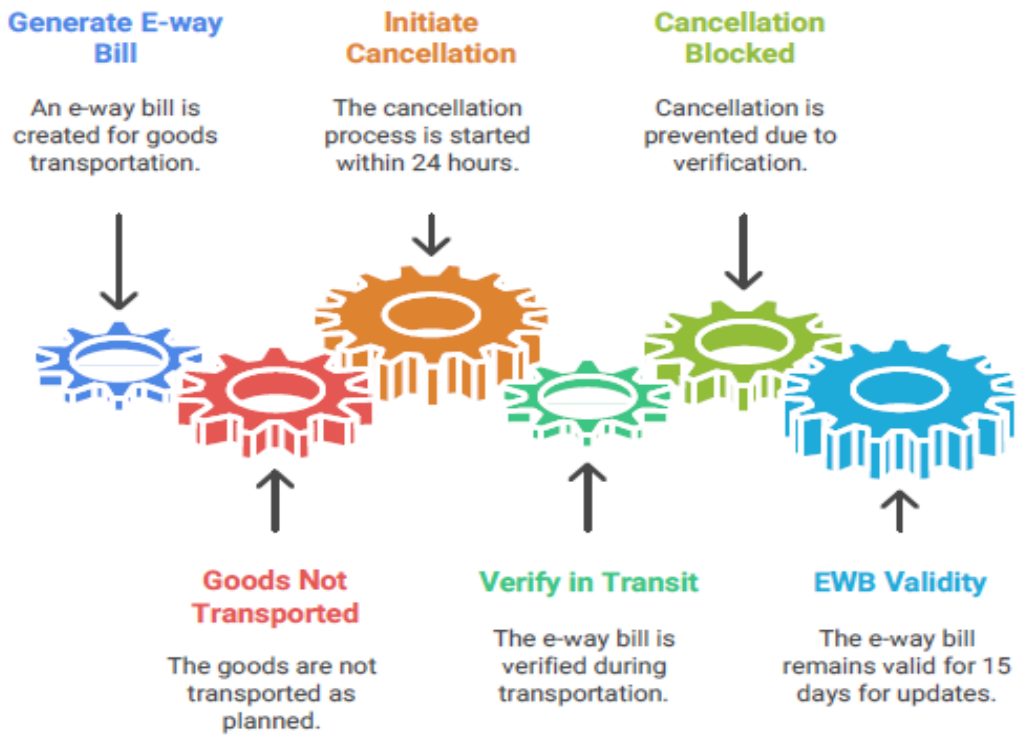


Consignment Value of Goods

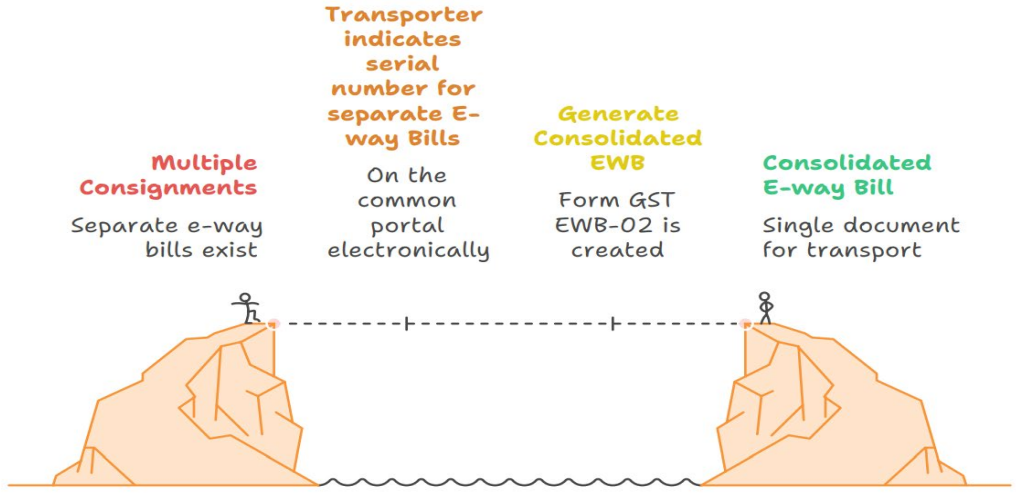


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E-way bill Cancellation

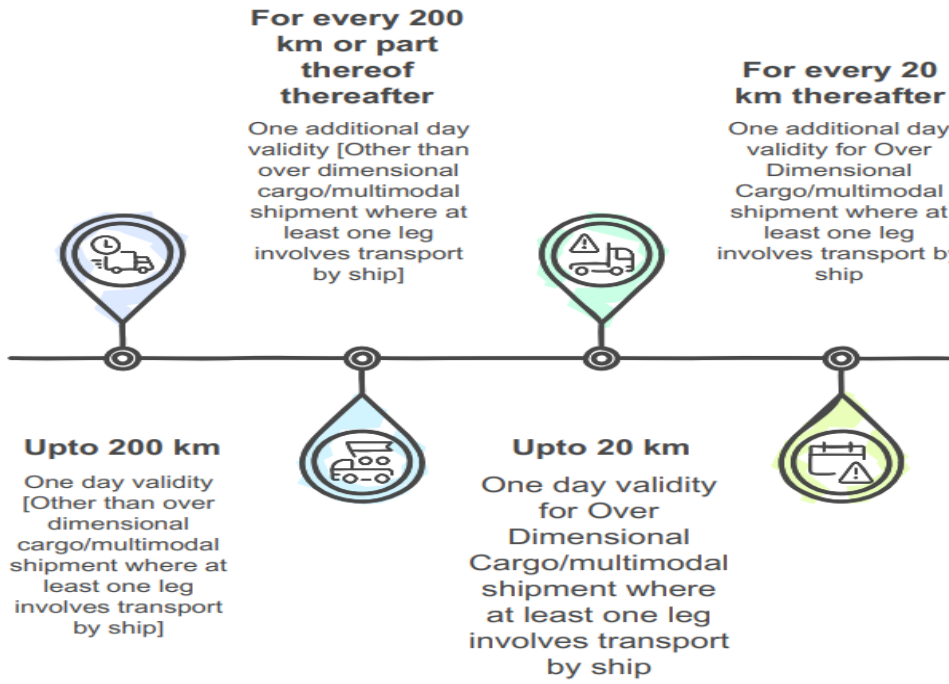


Generating a consolidated E-way bill

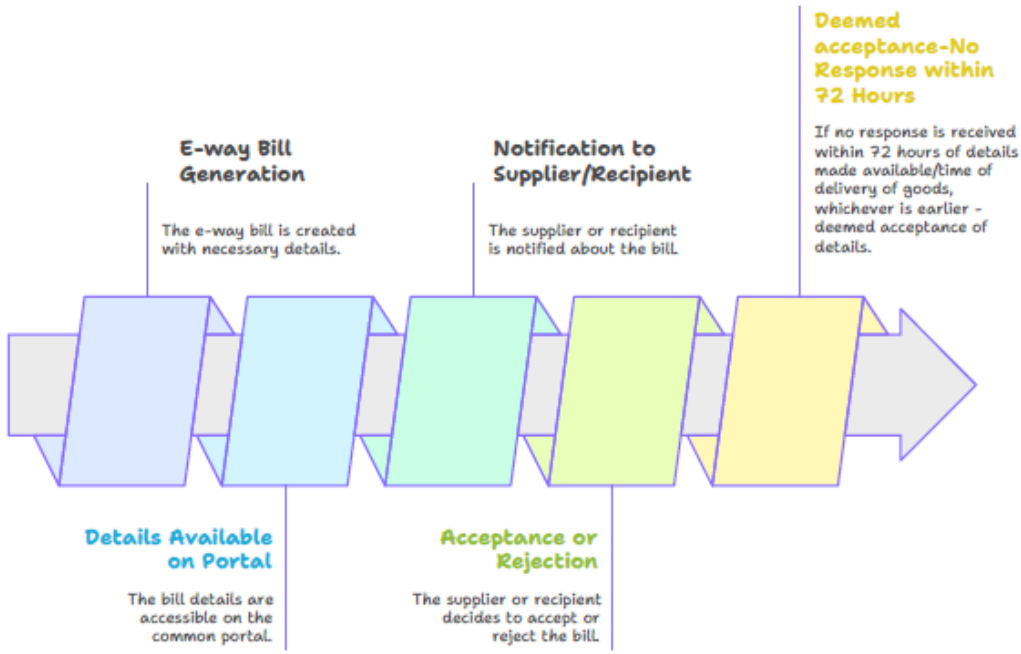


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Validity period of e-way bill/consolidated e-way bill based on distance

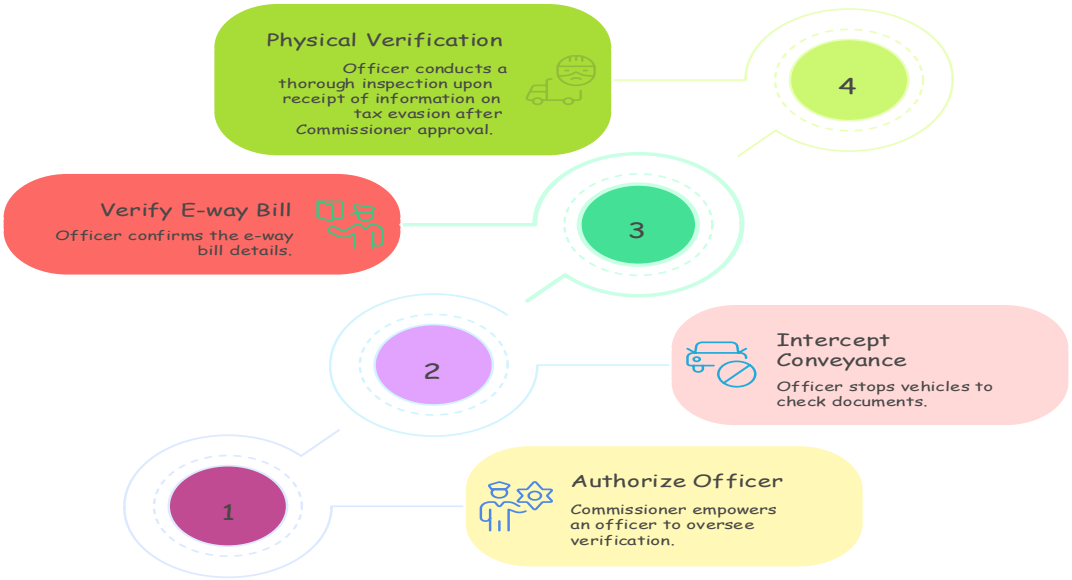


Acceptance/Rejection of e-way bill

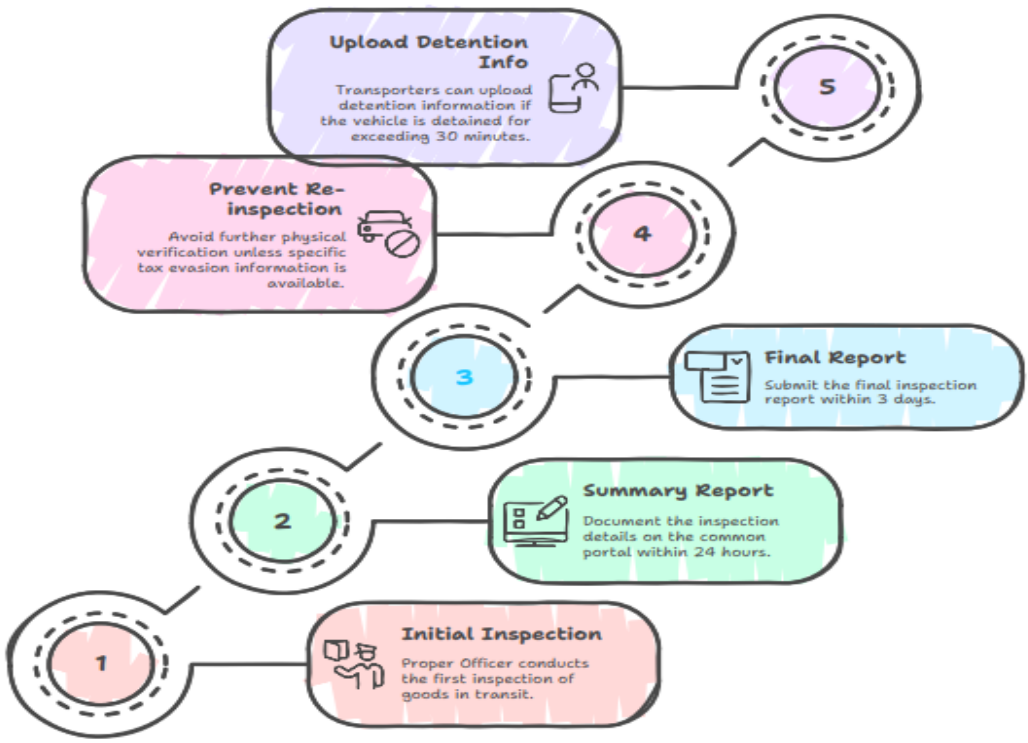


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Verification of documents and conveyances

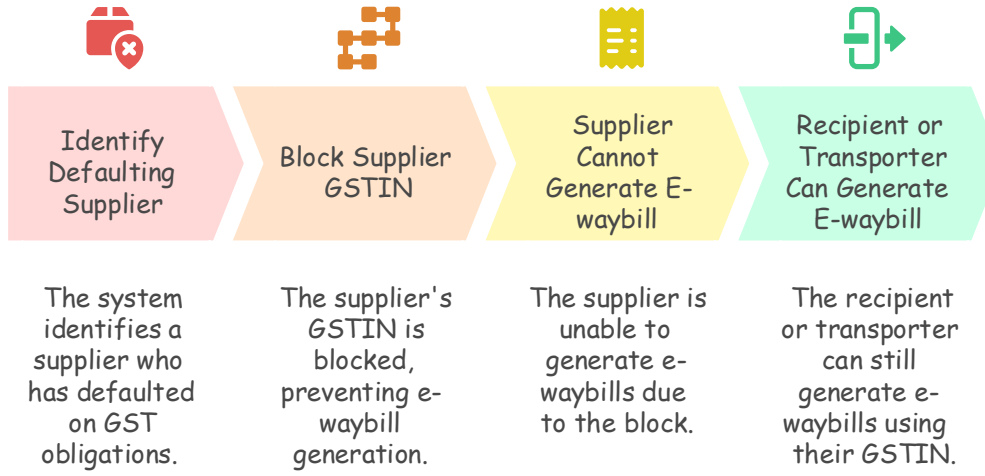


Inspection and verification of goods

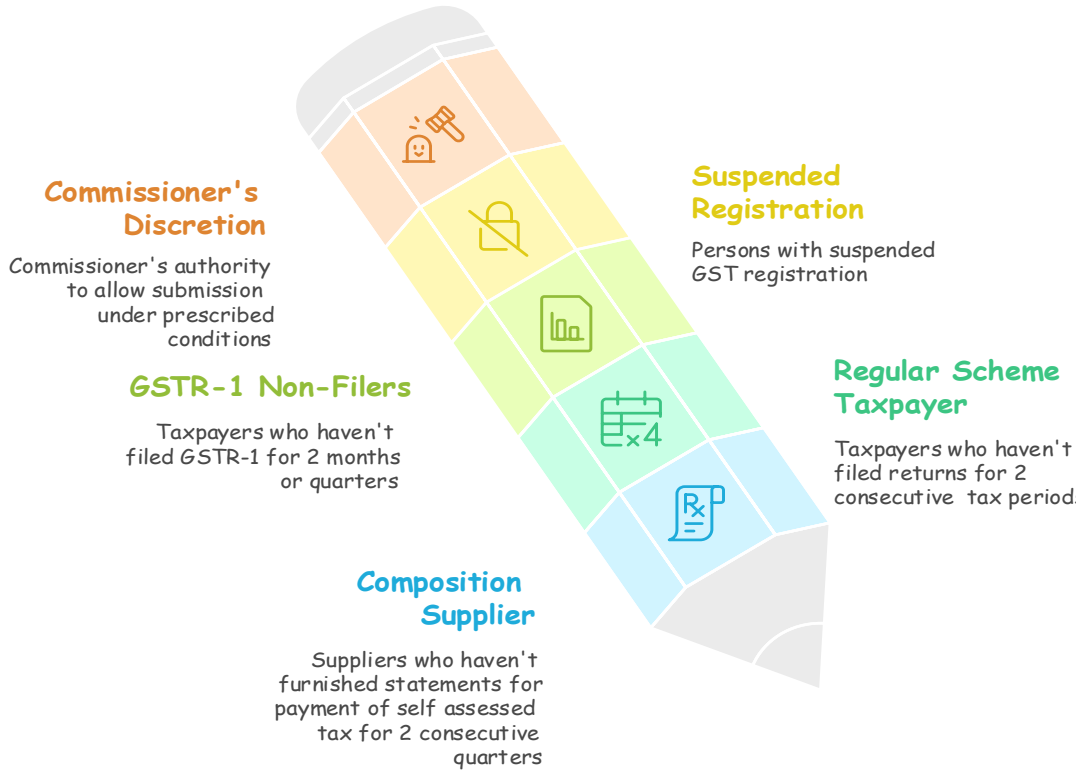


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Blocking of e-way bill generation facility



Restriction on furnishing of information in Part A of Form GST EWB-01



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TEST YOUR KNOWLEDGE

1. *Mala Services Ltd. is a supplier of management consultancy services registered in Haryana. It has approached you to ascertain the period for which the books of accounts or other records need to be maintained?*

2. *Essel Groups has started making taxable supplies and gets registered under GST law. You are required to advice it about the accounts and records required to be maintained by it as required under section 35(1).*

3. *Swad Restaurant has opted for composition scheme in the current financial year. Discuss the records which are not to be maintained by a supplier opting for composition levy though required to be maintained by a normal tax-payer as enumerated in rule 56.*

4. *ABC Manufacturers Ltd. engages Raghav & Sons as an agent to sell goods on its behalf wherein the invoice for supply or procurement on behalf of ABC Manufacturers Ltd. is issued by Raghav & Sons in its own name. For the purpose, ABC Manufacturers Ltd. has supplied the goods to Raghav & Sons located in Haryana. Enumerate the accounts required to be maintained by Raghav & Sons as per rule 56(11).*

5. *Sindhi Toys Manufacturers, registered in Punjab, sold electronic toys to a retail seller in Gujarat, at a value of ₹ 48,000 (excluding GST leviable @ 18%). It wants to send the consignment of such toys to the retail seller in Gujarat.*

   You are required to advise Sindhi Toys Manufacturers on the following issues:

   (a) Whether e-way bill is mandatorily required to be generated in respect of such movement of goods?

   (b) If yes, who is required to generate the e-way bill?

   (c) What will be the consequences for non-issuance of e-way bill?

6. *Power Electricals Ltd., a registered supplier of air-conditioners, is required to send from Mumbai (Maharashtra), a consignment of parts of air-conditioner to be replaced under warranty at various client locations in Gujarat. The value of consignment declared in delivery challan accompanying the goods is ₹ 70,000. Power Electricals Ltd. claims that since movement of goods to Gujarat*

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is caused due to reasons other than supply, e-way bill is not mandatorily required to be generated in this case.

You are required to examine the technical veracity of the claim made by Power Electricals Ltd.

7. *Beauty Cosmetics Ltd. has multiple wholesale outlets of cosmetic products in Mumbai, Maharashtra. It receives an order for cosmetics worth ₹ 1,20,000 (inclusive of GST leviable @ 18%) from Prasannaa, owner of a retail cosmetic store in Delhi. While checking the stock, it is found that order worth ₹ 55,000 can be fulfilled from the company's Dadar (Mumbai) store and remaining goods worth ₹ 65,000 can be sent from its Malad (Mumbai) store. Both the stores are instructed to issue separate invoices for the goods sent to Prasannaa. The goods are transported to Prasannaa in Delhi, in a single conveyance owned by Radhey Transporters.*

You are required to advise Beauty Cosmetics Ltd. with regard to issuance of e-way bill(s).



ANSWERS

1. Section 36 stipulates that every registered person required to keep and maintain books of account or other records in accordance with the provisions of sub-section (1) of section 35 shall retain them until the expiry of 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.

However, a registered person, who is a party to an appeal or revision or any other proceedings before any Appellate Authority or Revisional Authority or Appellate Tribunal or court, whether filed by him or by the Commissioner, or is under investigation for an offence under Chapter XIX, shall retain the books of account and other records pertaining to the subject matter of such appeal or revision or proceedings or investigation for a period of one year after final disposal of such appeal or revision or proceedings or investigation, or for the period specified above, whichever is later.

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2. Section 35(1) stipulates that a true and correct account of following is to be maintained:

(a) production or manufacture of goods;

(b) inward and outward supply of goods or services or both;

(c) stock of goods;

(d) input tax credit availed;

(e) output tax payable and paid

(f) such other particulars as may be prescribed.

3. Following records are not required to be maintained by a supplier who has opted for composition scheme as per rule 56(2) and (4), but are required to be maintained by a normal tax payer:

(I) **Stock of goods:** Accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.

(II) **Details of tax:** Account, containing the details of tax payable (including tax payable under reverse charge), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period.

4. Rule 56(11) provides that every agent shall maintain accounts depicting the-

(a) particulars of authorisation received by him from each principal to receive or supply goods or services on behalf of such principal separately;

(b) particulars including description, value and quantity (wherever applicable) of goods or services received on behalf of every principal;

(c) particulars including description, value and quantity (wherever applicable) of goods or services supplied on behalf of every principal;

(d) details of accounts furnished to every principal; and

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(e) tax paid on receipts or on supply of goods or services effected on behalf of every principal.

5. **(a)** Rule 138(1) provides that e-way Bill is mandatorily required to be generated if the goods are moved, *inter alia*, in relation to supply and the consignment value exceeds ₹ 50,000. Further, explanation 2 to rule 138(1) stipulates that the consignment value of goods shall be the value, determined in accordance with the provisions of section 15, declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes CGST, SGST/UTGST, IGST and cess charged, if any, in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

Accordingly, in the given case, the consignment value will be as follows:

= ₹ 48,000 × 118%

= ₹ 56,640.

Since the movement of goods is in relation to supply of goods and the consignment value exceeds ₹ 50,000, e-way bill is mandatorily required to be issued in the given case.

(b) An e-way bill contains two parts namely, Part A to be furnished by the registered person who is causing movement of goods of consignment value exceeding ₹ 50,000/- and part B (transport details) is to be furnished by the person who is transporting the goods.

Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or a public conveyance, by road, the said person shall generate the e-way bill on the common portal after furnishing information in Part B [Rule 138(2)].

Where the goods are transported by railways or by air or vessel, the e-way bill shall be generated by the registered person, being the supplier or the recipient, who shall, either before or after the commencement of movement, furnish, on the common portal, the information in Part B [Rule 138(2A)].

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Where the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A [Rule 138(3)].

Where the consignor or the consignee has not generated the e-way bill and the aggregate of the consignment value of goods carried in the conveyance is more than ₹ 50,000/, the transporter, except in case of transportation of goods by railways, air and vessel, shall, in respect of inter-State supply, generate the e-way bill on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill on the common portal prior to the movement of goods [Rule 138(7)].

(c) It is mandatory to generate e-way bill in all cases where the value of consignment of goods being transported is more than ₹ 50,000/- and it is not otherwise exempted in terms of rule 138(14). If e-way bills, wherever required, are not issued in accordance with the provisions contained in rule 138, the same will be considered as contravention of rules.

As per section 122(1)(xiv), a taxable person who transports any taxable goods without the cover of specified documents (e-way bill is one of the specified documents) shall be liable to a penalty of ₹ 10,000/- or tax sought to be evaded (wherever applicable) whichever is greater. Moreover, as per section 129(1), where any person transports any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the Rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure.

6. The goods to be moved to another State for replacement under warranty is not a 'supply'. However, rule 138(1), *inter alia*, stipulates that every registered person who causes movement of goods of consignment value exceeding ₹ 50,000:

(i) in relation to a supply; or

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(ii) for reasons other than supply; or

(iii) due to inward supply from an unregistered person,

shall, generate an electronic-way bill (E-way Bill) before commencement of such movement.

CBIC vide FAQs on E-way Bill has also clarified that even if the movement of goods is caused due to reasons others than supply [including replacement of goods under warranty], e-way bill is required to be issued.

Thus, in the given case, since the consignment value exceeds ₹ 50,000, e-way bill is required to be mandatorily generated. Therefore, the claim of Power Electricals Ltd. that e-way bill is not mandatorily required to be generated as the movement of goods is caused due to reasons other than supply, is not correct.

7. Beauty Cosmetics Ltd. would be required to prepare two separate e-way bills since each invoice value exceeds ₹ 50,000 and each invoice is considered as one consignment for the purpose of generating e-way bills.

The *FAQs on E-way Bill* issued by CBIC clarify that if multiple invoices are issued by the supplier to one recipient, that is, for movement of goods of more than one invoice of same consignor and consignee, multiple e-way bills have to be generated. In other words, for each invoice, one e-way bill has to be generated, irrespective of the fact whether same or different consignors or consignees are involved. Multiple invoices cannot be clubbed to generate one e-way bill. However, after generating all these e-way bills, one consolidated e-way bill can be prepared for transportation purpose, if goods are going in one vehicle.

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