GSTZONE

E-Way Bill & Goods in Transit

Moving goods without losing a truck

The complete guide, plus all 10 sections and rules

Text sourced from the Central Board of Indirect Taxes and Customs

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A Khemchandani Finance initiative

Start here

An e-way bill is required whenever goods worth more than ₹50,000 move - and the trigger is movement, not sale. Stock transfers between your own branches, goods going out for job work, items sent to an exhibition and returns all count.

Validity runs on distance, not on time from generation: one day for every 200 kilometres, counted from when the vehicle number is first entered in Part B. Over-dimensional cargo gets one day per 20 kilometres. Extension is possible, but only within eight hours either side of expiry.

If the paperwork fails at a checkpoint, Section 129 takes over: detention, a notice for tax and penalty, and release either on payment or against a bond. Courts have consistently held that a genuine clerical error with no intent to evade should not attract full penalty - but that argument is made afterwards, while your goods sit still.

A worked example

Bhopal to Chennai, and the day that goes missing

Distance by road	**About 1,400 km**	Seven 200-km slabs
Validity granted	**7 days from Part B entry**	Not from Part A
Part A filled Monday, truck loaded Thursday	**Clock starts Thursday**	Three days were never counted

> **The point:** The common error runs the other way: businesses fill Part A early, assume the clock started, and find the bill expired mid-journey. Enter Part B when the vehicle actually moves.

The mistakes that cost people money

- Assuming no sale means no e-way bill. Branch transfers and job-work dispatches need one just the same.
- Letting a bill expire in transit and driving on. Expired documentation at a checkpoint is treated far more seriously than a request for extension.
- Forgetting that a suspended GSTIN blocks e-way bill generation entirely, so a filing default can stop your trucks.

What this guide covers

Every provision, explained

RULE 138 · CGST RULES, 2017

Information to be furnished prior to commencement of movement of goods and generation of e-way bill

The e-way bill rule. A registered person moving goods of consignment value above fifty thousand rupees fills Part A of EWB-01 with the invoice details and Part B with the vehicle number, and the bill is generated before the movement starts. Validity is one day for every two hundred kilometres (one day per twenty kilometres for over-dimensional cargo), the transporter may update the vehicle, and an unused bill can be cancelled within twenty-four hours. The Annexure lists movements that need no e-way bill at all.

- Consignment value is the invoice value including tax but excluding exempt goods carried in the same conveyance.
- Part B is not required for a movement within the State up to fifty kilometres to or from a transporter - but Part A still is.
- Validity is one day per 200 km, counted from the time Part B is first entered; extension is possible within eight hours either side of expiry.

RULE 138A · CGST RULES, 2017

Documents and devices to be carried by a person-in-charge of a conveyance

The person in charge of the conveyance must carry the invoice, bill of supply or delivery challan and the e-way bill in physical or electronic form, or have the invoice reference number, or a device mapped to the RFID where the Commissioner has notified it.

RULE 138B · CGST RULES, 2017

Verification of documents and conveyances

The Commissioner or an authorised officer may intercept a conveyance to verify the e-way bill; RFID readers and physical verification both count, and the verification is recorded.

RULE 138C · CGST RULES, 2017

Inspection and verification of goods

A summary of every inspection of goods in transit goes in Part A of EWB-03 within twenty-four hours and the final report in Part B within three days. Once a consignment has been physically verified in one State, it cannot be stopped again in transit unless there is specific information of evasion - the protection against repeated stops.

RULE 138D · CGST RULES, 2017

Facility for uploading information regarding detention of vehicle

Where a vehicle is intercepted and detained for more than thirty minutes, the transporter may report it in EWB-04 - the formal way to record harassment on the road.

RULE 138E · CGST RULES, 2017

Restriction on furnishing of information in PART A of FORM GST EWB-01

The e-way bill facility is blocked for a person who has not filed returns for two consecutive tax periods (or two quarters under QRMP), or who is restricted under Rule 86B and has not filed for two periods, until the returns are filed or the Commissioner allows it in EWB-05 and EWB-06.

RULE 138F · CGST RULES, 2017

Information to be furnished in case of intra-State movement of gold, precious stones, etc. and generation of e-way bills

For intra-State movement of gold, precious stones and jewellery where the State has mandated it, an e-way bill is generated in EWB-01 with only Part A - no transport details - and the usual fifty-thousand threshold and exemptions do not apply.

RULE 139 · CGST RULES, 2017

Inspection, search and seizure

Inspection, search and seizure: authorisation in INS-01 by an officer not below Joint Commissioner, seizure order in INS-02, an order in INS-03 prohibiting removal where seizure is not practicable, and an inventory of what was seized.

RULE 140 · CGST RULES, 2017

Bond and security for release of seized goods

Seized goods may be released provisionally on a bond for the value of the goods in INS-04 with a bank guarantee covering the tax, interest and penalty; if the person does not produce the goods when required, the guarantee is encashed.

RULE 141 · CGST RULES, 2017

Procedure in respect of seized goods

Perishable or hazardous seized goods may be released on payment of their market price or the tax and penalty, and if that is not paid the officer may dispose of them at once and adjust the proceeds against the dues.

When you need more than a guide

This document tells you what the law says. It cannot tell you what it means for your specific numbers, your notice, or your year - and that is usually where the money is.

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