Module 8 · E-way bill P19 · topic 8

SM pp. 733–746 (exercise 747–749). Asked in four of seven papers — J23 Q2(b) 5 marks, J24 Q2(a) 7 marks, D25 MCQ 2 marks, **J26 Q8(a) 7 marks (five situations)**. Expected ~2.2 marks. The answer is always "is an EWB needed, who generates it, how long is it valid, what if not".

Paper	Question
Jun'23	Q2(b) Drithi: ₹49,000 + 18% GST inter-State — is an EWB needed; consequence of not issuing
Jun'24	Q2(a) blocking of EWB generation for return defaulters (rule 138E)
Dec'25	Q1(x) MCQ validity of an EWB for over-dimensional cargo, 100 km
Jun'26	Q8(a) Shankar: sales return, free samples, branch transfer, EWB expiring en route, Part-B not updated

WHEN IS AN EWB NEEDED (RULE 138)

- Goods moved in a conveyance with value **exceeding ₹50,000** (one invoice / bill / challan, or the total of all in the conveyance) — in relation to a **supply**, for reasons **other than supply** (e.g. returns), or an inward supply from an **unregistered** person. Supply covers sale, branch transfer, barter. [SM 733]
- **Even below ₹50,000**: inter-State goods from a **principal to a job worker**; inter-State **handicraft** goods by a dealer exempt from registration (enrols in **FORM GST ENR-03** from 11-2-2025, then EWB-01). [SM 733, SM 744]
- ⚠ Value for the ₹50,000 test includes the GST charged (exempt supplies left out) — rule 138 explanation, our knowledge; the SM does not say it. J23 Q2(b): 49,000 + 18% = 57,820 → EWB needed.
- **Who**: registered supplier or recipient (Part A); unregistered supplier → registered recipient complies as if he were the supplier; **transporter** if neither generated it. Form **GST EWB-01** on the common portal; EBN visible to supplier, recipient and transporter. [SM 733–734]
- **Bill-to-ship-to** (A orders B to ship to C): either A or B generates — but **only one** EWB. B generates: Bill From B, Bill To A, Ship To C, Invoice-1; A generates: Bill From A, Bill To C, Invoice-2; Dispatch From is always B's place. [SM 742–743]
- **Two transporters** (X→Y→Z): one EWB; consignor fills Part A, assigns it to Transporter A, who assigns it to Transporter B at City Y; B updates Part B. [SM 742]
- **Consolidated EWB** (EWB-02): a transporter carrying several consignments in one vehicle; works like a trip sheet; each EWB keeps its own validity. Courier / e-commerce operator may fill Part A (proviso to rule 138(7)). [SM 734–735]

EWB NOT REQUIRED (SELECTED)

- Non-motor vehicle; port / airport / LCS to ICD or CFS for customs clearance; under customs supervision, seal or bond; transit cargo to / from **Nepal or Bhutan**; defence formations; **empty cargo containers**; to a weighbridge within **20 kms** with a delivery challan; by rail where the consignor is a Government or local authority; exempt goods (Annexure to rule 138(14), Schedule III); empty LPG cylinders not for supply. [SM 741]
- Jewellery etc. of Chapter 71 is exempt — but **imitation jewellery (7117) needs an EWB** (N. 26/2022-CT). [SM 741]
- **Part B not needed** where the distance between consignor / consignee and transporter is less than **50 Kms** and the movement is within the same State. Where no EWB is needed, carry the tax invoice / bill of supply (rule 55A). [SM 741]

VALIDITY, CANCELLATION, EXTENSION (RULE 138(9)–(10))

Cargo	Distance	Validity
Normal (from 1-1-2021)	up to 200 km, then every 200 km or part	1 day + 1 day each
Over-dimensional cargo / multimodal with a ship leg	up to 20 km, then every 20 km or part	1 day + 1 day each

- Validity starts when **Part B (vehicle number) is first updated** — not when Part A is filled. The first day ends at **midnight of the following day**. [SM 737–738, SM 742]
- **Extension**: in exceptional circumstances (incl. trans-shipment) the transporter extends after updating Part B, within **eight hours** from the time of expiry. The Commissioner may extend validity for categories of goods by notification. [SM 737–738]
- **Cancellation**: within **24 hours** of generation if goods not moved or not moved as per the EWB; not once verified in transit (rule 138B). Part A number stays valid **15 days** for updating Part B. [SM 736]
- **Inspection (rule 138C)**: summary report in Part A of EWB-03 within **24 hours**; final report in Part B within **3 days**, extendable by up to 3 days. [SM 741]

BLOCKING OF EWB GENERATION (RULE 138E · J24 Q2(a))

- Composition / QRMP-type payer not filing the self-assessed tax statement for **2 consecutive quarters**; regular taxpayer not filing returns for **2 consecutive tax periods** (was "2 months"); GSTR-1 not filed for any 2 months or quarters; registration **suspended** under rule 21A (N. 94/2020-CT). [SM 739–740]
- The Commissioner may allow generation on an application showing sufficient cause, with reasons in writing. [SM 739]
- Blocking applies only to the defaulter's **outward** movement as supplier — not to it as recipient or transporter (N. 15/2021-CT; SM Example 4: Gada & Co. can still generate for goods to defaulter Potat & Co.). [SM 740]

CONSEQUENCE OF NO / INVALID EWB · S.129 DETENTION

Penalty for release	Owner comes forward	Owner does not
Taxable goods	200% of tax payable	higher of 50% of value or 200% of tax
Exempted goods	2% of value or ₹25,000, less	5% of value or ₹25,000, less

Notice within **7 days** of detention, order within 7 days of service; unpaid for **15 days** → goods / conveyance sold (rule

144A); conveyance released on paying the penalty or **one lakh rupees**, less. Owner = consignor or consignee when the invoice travels with the goods (Circular 76/50/2018). Since 1-1-2022 s.129 is delinked from s.130. [SM 1019–1020] Appeal against a s.129(3) order needs a **twenty-five per cent.** pre-deposit of the penalty. [SM 953]

⚠ TRAPS AND SM SLIPS

- SM MCQ 4 key gives "(c) both parts filled" for when validity starts; the SM text says validity starts on the first Part-B update — answer **Part B**, and if the options force it, note the rule. [SM 738, SM 742, SM 747]
- SM 737 says extension "within eight hours from the time of its expiry"; the rule reads "within eight hours before or after its expiry" — ⚠ our knowledge.
- States may notify their own intra-State EWB limits / exemptions (SM 741 item 10) — ⚠ in an intra-State question, state that you apply the ₹50,000 rule unless the State's limit is given.
- Goods sent abroad for an **exhibition** are not a supply → delivery challan, no invoice, not zero-rated, no bond / LUT; invoice only when sold or not brought back within **6 months** (Circular 108/27/2019; SM Illus. 3). [SM 743, SM 745–746]

PROBLEMS BOX · VALIDITY AND S.129 SUMS (RECOMPUTED BY SCRIPT)

FORMAT · VALIDITY DAYS

Days = distance ÷ **200 km** (ODC / ship leg: ÷ **20 km**), any part = a full day. Expiry = midnight at the end of the day after generation, plus one day for each further day. [SM 737–738]

WORKED PATTERN · SM EXAMPLES 1–2 AND MCQ 8

- 500 km, normal cargo → **3 days**. [SM 737]
- Generated April 1, 2026 at 6pm, 90 kms → valid **till mid night of April 2, 2026**. [SM 738]
- Generated 00:10 hrs on 16th September → first day ends at midnight of 17th September (b). [SM 748]

D25 Q1(x) · PTP Q1(x) (OUR WORKING)

ODC 100 km from 12 Jan 14:00 → 100 ÷ 20 = 5 days → expires at **midnight of 17th–18th January (B)**. Normal cargo 750 km → 750 ÷ 200 = 3.75 → **4 days (b)**.

WORKED PATTERN · S.129 PENALTY (SM 932 EXAMPLE, ILLUS. 18)

DEF Traders: goods ₹10,00,000, GST 18% → tax	1,80,000
Owner comes forward: 200% of tax	3,60,000
Owner absent: higher of 5,00,000 / 3,60,000	5,00,000

[SM 932] Illus. 18: value 15,00,000, GST 2,70,000, owner absent → higher of 7,50,000 and 5,40,000 = **7,50,000** (SM prints "7,50,00"). [SM 1020]

J26 Q8(a) SHANKAR (OUR WORKING)

- (i) Sales return 48,000 + 18% = 56,640 > 50,000 → EWB needed (non-supply movement).
- (ii) Free samples 40,000 → below the limit → not needed.
- (iii) Branch transfer 90,000 within the State → not a supply (same GSTIN) but still a movement → EWB needed.
- (iv) Expired en route → transporter extends validity, updating Part B, within 8 hours of expiry; else s.129.
- (v) Part B missing, Salem → Trichy (over 50 km) → EWB incomplete, validity never started → treated as no EWB, s.129.

PRACTISE THESE

J23 Q2(b) · J24 Q2(a) · D25 Q1(x) · J26 Q8(a) · PTP Q1(x) · Postal Q3(b) consolidated EWB · SM Illus. 1–3, solved cases 1–2 (SM 742–746) · SM sums 1–3 (SM 749) · SM M8 MCQs 1–10 (SM 747–748) · MCQ bank Q57–Q59, Q126–Q129 · ICMAI Practice Workbook: no problem on this module.

MEMORY HOOK

"Fifty thousand with tax; A for paper, B for wheels; two hundred a day, twenty if it's huge; cancel in a day, extend in eight." No EWB → s.129: 200% of tax, or half the value if nobody claims it.