

# Government issues final e-way bills rules and Forms; also replaces some Forms

September 1, 2017

## In brief

The Government has amended the CGST rules to incorporate the final e-way bill rules (rules) and Forms, and has also replaced a few Forms prescribed earlier (with effect from 01 July, 2017). The date from which the e-way bill rules will be made effective is yet to be notified.

## In detail

The key provisions of the Rules are as follows:

### **E-way bill rules:**

#### **Generation of e-way bills for movement of goods:**

- A registered person causing movement of goods of consignment value exceeding INR 50,000 shall furnish information in part A (relating to details of the recipient, invoice and transport document number) of Form EWB 1.
- The movement of goods may be (i) in relation to supply or (ii) for reasons other than supply or (iii) due to inward supply from an unregistered person.
- The information shall be furnished on the common portal before commencement of such movement. The registered person or the recipient shall generate e-way bill in Form GST EWB 1 after furnishing the vehicle number in Part

B of Form GST EWB 1, if the goods are transported by road in his own or hired vehicle, or by railways, or by air, or by vessel.

- Where the goods are handed over to a transporter for transport by road without generating e-way bill, the registered person shall furnish the information relating to transporter and the transporter shall generate the e-way bill.
- If the goods are transported for a distance of less than 10 km within the State or Union Territory (UT) from the place of business of the consignor to the place of business of the transporter for further transportation, the details of conveyance may not be updated in the e-way bill.
- When the goods are transferred from one conveyance to another conveyance, the transporter is required to update the details of conveyance in e-

way bill in Form GST EWB 1.

- In case of multiple consignments carried in one conveyance, the transporter may generate a consolidated e-way bill in Form GST EWB 2 indicating the serial numbers of e-way bills for each of the consignments. Further, when the consignor or consignee has not generated e-way bill and the value of goods carried in the conveyance is more than INR 50,000, the transporter will have to generate e-way bill on the basis of invoice, or bill of supply, or delivery challan and may also generate a consolidated e-way bill in Form GST EWB 2.
- The e-way bill generated in one State will be valid in all the States and UTs. Further, the facility of generation and cancellation of e-way bill may also be made available through SMS.

*Validity of e-way bill, cancellation, acceptance etc.*

- The e-way bill or consolidated e-way bill will remain valid for a period of 24 hours from the time of its generation, if the distance is up to 100 km. For every additional distance of 100 km or part thereof, the validity will extend by another 24 hours.
- The Commissioner can extend the validity period of e-way bill for specific categories of goods. Under exceptional circumstances, the transporter can generate another e-way bill after updating vehicle number details in Part B of Form GST EWB 1.
- An e-way bill can be cancelled within 24 hours of its generation if the goods are not transported, or are not transported as per details in e-way bill. However, an e-way bill which is verified in transit, cannot be cancelled.
- The registered recipient has to communicate acceptance or rejection of the consignment covered by e-way bill within 72 hours of the details being made available to him. Otherwise, the details shall be deemed to be accepted.
- E-way bill is not required to be generated in the following cases:
  - Where the goods are transported for a distance of less than 10 km within the State or UT from the place of business of the consignor to place of business of the transporter for further transportation, when the transportation is by road.
  - For transport of goods specified in the annexure to the rules (e.g. poultry, meat, live animals, various exempt goods, etc.).

- Goods transported by non-motorised conveyance.
- Transport of goods from port, airport, air cargo complex and land customs station to an inland customs depot or a container freight station for clearance by customs.
- Movement of goods within areas as may be notified.
- Generation of e-way bill is optional if the value of the consignment is less than INR 50,000.

*Documents and devices to be carried by transporter*

- Every person in charge of a conveyance shall carry the following documents:
  - Invoice or bill of supply or delivery challan.
  - Copy of e-way bill or e-way bill number, either physically or mapped to Radio Frequency Identification Device (RFID) embedded to the conveyance.
  - Instead of a tax invoice, an invoice reference number obtained by uploading the tax invoice issued in Form GST INV 1 can also be produced. Such invoice reference number is valid for a period of thirty days from the date of uploading.
- Certain category of transporters may be notified by the Commissioner 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.

*Verification of documents and conveyances*

- The authorised officers can intercept any conveyance to verify the e-way bill or the e-

way bill number and to physically verify the conveyance.

- For any inspection of goods in transit, the proper officer will record a summary report online in Part A of Form GST EWB 3 within 24 hours of inspection, and the final report in Part B of Form GST EWB 3 within three days of such inspection.
- Once the physical verification of goods has been done in a State, no further verification should be carried out again unless a specific information relating to evasion of tax is available subsequently.
- Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter can upload such information in Form GST EWB 4 on the GSTN website.

**Other changes in GST Forms:**

- Form GST ENR 1, which is application for enrolment of an unregistered person who is either owner, or operator of warehouse, or godown, or any other place used for storage of goods, and every transporter has been replaced. The change is effective from 01 July, 2017.
- Form GST RFD 1, which is refund application Form, has been replaced. The change is effective from 01 July, 2017.
- Minor language changes have been made in Form GST TRAN 2. The change is effective from 01 July, 2017.

**PwC Comments**

While the e-way bill rules were finalised in the meeting of GST Council on 05 August 2017, now they are formally notified (effective date yet to be notified). The rules are largely similar to the rules published prior to

introduction of GST, with few amendments.

These rules require the registered person to furnish information for inter-State and intra-State movement of consignment exceeding INR 50,000. These additional compliances would have to be evaluated by the industry.

Industry to evaluate the requirement to generate e-way bills for cases such as free of cost

supplies, supply of non-GST goods, movement for import or export up to port, movement for job-work, works contract, etc.

While the whole process is technology enabled, the Government should consider the representations of the industry on various aspects like enhancing the threshold for generation of e-way bills, dispensing with physical verification of conveyances leading to delays, requirement for intra-State movement, etc. have

not been considered. There is a significant apprehension in the industry on e-way bill rules mainly due to additional compliances and the adverse experiences faced in enforcement of way bill provisions in VAT regime.

### ***Let's talk***

For a deeper discussion of how this issue might affect your business, please contact your local PwC advisor

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