

E-way bill generation rebounds in Dec

E-way bills, or electronic permits generated by businesses for transporting goods within and across states, touched the second-highest level in December in 24 months, growing 17.6 per cent year-on-year to reach 112 million, according to data released by Goods and Services Tax Network portal.

This marked a significant increase from November's five-month low of 101.8 million.

E-way bills are mandatory for the movement of consign-

ments worth more than ₹50,000 and are, therefore, an early indicator of demand and supply trends in the economy. This reflects in macroeconomic indicators with a lag.

The momentum in E-way bill generation in December is expected to show up in the GST collection data for January 2025, which will be released on February 1. An increase in E-way bills indicates a higher movement of goods. Furthermore, as the end of the

quarter approaches, there is typically a rise in sales, contributing to the higher volume of E-way bills.

It's worth noting that e-way bills hit their peak at 117.2 million in October due to the festive season. Pratik Jain, partner at PwC, said the sequential rise in the number of e-way bills issued is a good sign and means that consumption in December was higher than in November. "It would logically mean that the GST collection

in January (for transactions pertaining to December) should be higher than the previous month," Jain said.

Meanwhile, Bipin Sapra, tax partner at EY India, said: "The increase in e-way bill numbers is a harbinger of increased manufacturing activity, which is a sign of economic recovery and growth. With three months to go for the fiscal year to close, this growth should help get GDP growth back on track."

MONIKA YADAV