

E-way bill generation in July hits all-time high of 10.48 cr

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E-way bill generation touched an all-time high of 10.48 crore in July, surpassing the previous high of 10.35 crore in March this year, GST Network (GSTN) data showed.

Although GSTN has not given any reason for the record rise, it could be attributed to multiple factors including improvement in consumption as well as compliance.

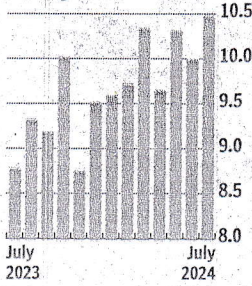
Though there is no straight co-relation between e-way bill generation and GST collection, the former could have some positive impact on collection.

Tax collected for goods consumed and services availed in July will be known when the government releases the data on September 1.

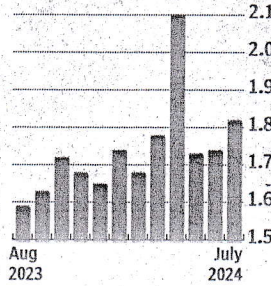
This is the fifth-time since the introduction of the e-way

Gaining momentum

E-way bill (in cr)



GST collection (in ₹ lakh cr)



Source: Finance Ministry, GSTN

bill in 2018, and third successive time in the current fiscal, when the bill generation crossed 10 crore in a month.

An e-way bill is an electronic document evidencing the movement of goods. It also indicates whether tax has been paid for the moving goods.

As per Rule 138 of the CGST Rules, 2017, every registered person involved in the movement of goods of

consignment value of more than ₹50,000 (can be lower for intra-state movement) is required to generate an e-way bill.

FESTIVE SPIRIT

Experts attribute many reasons for the higher e-way bill generation.

Ankur Gupta, Practice Leader (Indirect Tax) at SW India said that businesses typically increase production and distribution in anti-

icipation of the festive season which begins in August.

This results in a higher movement of goods, and consequently, more e-way bills are generated in July as part of pre-festive preparations.

Additionally, the monsoon season often affects logistics and transportation. Companies may adjust their shipping schedules, either advancing or delaying shipments, leading to a temporary rise in e-way bill generation.

“India’s overall economic growth during this period has also driven higher demand for goods and services, resulting in increased interstate and intra-state transportation of goods,” he said.

Mahesh Jaising, Partner with Deloitte, said the sustained increase in e-way bill generation reflects not only a buoyant economy but also brings in a greater transparency and adherence to regulatory requirements.

“The rise in core inflation

to 3.4 per cent from 3.1 per cent in July further indicates renewed consumer demand. This trend is expected to positively influence GST collections, driven by improved compliance and the government’s push for technology-driven governance,” he said.

GST COLLECTION

Now all eyes will be on collection in August.

Rajat Bose, Partner, Shardul Amarchand Mangaldas & Co, said that given the buoyancy in GST collections due to increased compliance, GST collections are likely to settle at an elevated level with a more robust economic recovery in the coming months.

“However, it is to be kept in mind, that the intra-State e-way bills resulting in CGST plus SGST revenue will be more relevant from the GST revenue point of view as IGST will largely be utilised as input tax credit in B2B supplies,” he cautioned.