

At 9.73 cr, e-way bill generation at record high in Feb after Oct 2023

ON THE MOVE. Signals improved compliance and economic activity, robust GST collection ahead

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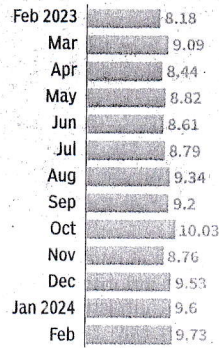
E-way bill generation surged to 9.73 crore in February, the highest in four months and also the new second all-time-high generation. This is expected to have a positive impact on GST collection in March. The February figures are significant as the month had only 29 days.

The Finance Ministry will come out with the collection data for March on April 1.

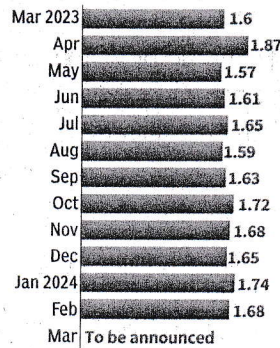
An e-way bill is an electronic document generated on a portal, evidencing the movement of goods. It also indicates whether tax has been paid or not for the moving goods. As per Rule 138 of the CGST Rules, 2017, every registered person involved in the movement of goods (which may not necessarily be on account of supply) of consignment value of more than ₹50,000 (can be

E-way surge

E-way bill (in crore)



Collection (in ₹-lakh cr)



Source: Finance Ministry and GSTN

lower for intra-state movement) is required to generate an e-way bill.

COMPLIANCE CLIMBS

During the last three months (December, January and February), more than 9.5 crore e-way bills had been generated. Also, October saw the all-time

high generation of over 10 crore. A basic reason for this rise is better compliance. Although, this is not the main reason behind the collection of over ₹1.66-lakh crore, experts feel this is one important reason behind higher collection and the trend is expected to continue further.

So, what does the high generation imply? Vivek Jalan, Partner, Tax Connect Advisory, said, "E-way bill is a deterrent to evaders of GST, as it tracks the movement of goods and supply thereof. In the last six years of GST implementation, most of the cases going to the Courts are due to certain non-compliances in e-way bill regulations, some genuine suppression and some inadvertent mistakes."

UPTICK IN ACTIVITY

Ankur Gupta, Practice Leader at SW India, feels that the surge in e-way bill indicates several significant trends in India's economic landscape. Firstly, it reflects a notable increase in consumption across various sectors, with heightened economic activity driving the need for transportation and logistics services. The rise in e-way bills is particularly evident in industries such as FMCG and electronics, where year-end supplies

and increased demand contribute to the surge. "We might witness the highest e-way bill generation in March 2024 breaking the October 2023 figure due to year-end supplies across industries especially FMCG and electronic sectors," he said.

While some experts feel that higher generation of e-way bills will have an impact on GST collection, some opine that this could have multiplier effect. Jalan said that taxpayers have now streamlined their e-way bill compliances to a large extent. The large e-way bill generation may be a reflection of such streamlining. Further, "large e-way bill generation also does reflect on the high GST Collections in March 2024," he said.

According to Gupta, the impact of surge in e-way bill is expected to manifest at the macroeconomic level, with increased production, job creation, and overall economic growth.