

Back on track: On GST e-way bill system

After an aborted attempt in February, the government has finally managed to successfully [roll out the e-way bill system](#) for tracking the movement of goods under the Goods and Services Tax net from April 1. No major execution challenges have been reported by businesses so far, and the IT backbone that generates the e-way bills — that are now required even before goods are loaded for transport — has so far held up without glitches. On the first two days of the e-way system, which included a Sunday, 5.5 lakh e-way bills were generated, and the GST Network has said that the system is now geared to cope with a much higher capacity. Equally heartening is the revival in GST collections, that had dipped to 83,716 crore in November 2017, after a fairly robust 90,000 crore-plus inflow for the first three months of the new indirect tax system. As per final data released by the Centre on Monday, collections for the three months since then are far healthier than initial indications suggested, with February recording 89,264 crore, the highest since September 2017. Finance Secretary Hasmukh Adhia expects collections to pick up further as the authorities get a better sense of who is regularly filing returns and paying taxes. His confidence reflects the government's belief that analytics deployed on GST data compiled for nine months would deliver a bigger bounty, even as e-way bills make it tougher to avoid tax dues.

E-way bill rollout successful; no glitch so far, says government

Everyone's fingers are crossed that the e-way bill portal, which now has over 20,000 registered transporters and 11 lakh taxpayers, will hold up, going forward. It is important to note that since the system for tracking inter-State movement of goods was launched at the beginning of a financial year, the actual load that the portal will have to bear on a normal business day may be much higher than the initial trends. This is because many businesses had already moved and stocked up goods by March 31, ahead of the system kicking in, and are still completing usual year-end processes such as recording closing stock. A staggered schedule for rolling out e-way bills for intra-State trade in a few States at a time is expected soon. Given that India's transport sector is still largely unorganised and many vehicle drivers are not fully conversant with the technical nuances, it is important that anti-evasion squads deployed to check e-way bills operate with a light touch to start with, and limit the frequency of inspections for goods moving across States. Else, the system could end up creating a bottleneck for transporting goods in a country where goods movement already takes inordinately long due to infrastructure deficiencies. A similar approach would be ideal for other anti-evasion measures in the pipeline, including the matching of invoices from buyers and sellers, and the reverse-charge mechanism (expected by June-end) under which large businesses would need to pay tax on behalf of unregistered small suppliers.

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