Decision on E-way bills

Why in news?

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Union government has decided to implement nationwide GST e-way bills from February 2018.

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What is an e-way bill?

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- The e-way bill can be electronically generated on GSTN either by the supplier or recipient of the consignment, before the movement of goods.
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- The transporter needs to carry an electronically generated way bill, with every consignment having value exceeding INR 50,000.
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- Which will be valid for varying durations depending on the distance travelled.
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- Over 150 items of common use, including LPG cylinders, vegetables, foodgrain and jewellery, will be exempt from such transport permits, which can be checked by designated tax officials by intercepting a transporting vehicle.
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- Few States like Karnataka have already imposed their own requirements for such bills. Click here to know more about e-way bills
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What is the recent decision on e-way bill?

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- Starting February 1, all inter-State movement of goods worth over Rs. 50,000 will be tracked with the introduction of the e-way bill system under

the GST regime.
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- All consignments moving more than 10 km from their origin will require prior registration and generation of an e-way bill through the GST Network.
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- Goods moved on non-motorised conveyance, such as carts, have been left out.
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- New decision requires all States must implement the bill system for capturing intra-State trade.
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- Therefore, a fully integrated tracking system for all taxable goods can be expected only then.
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What are the practical challenges?

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- Firms operating across States, will now face differing compliance requirements for inter-State trade and intra-State trade, depending on when individual States launch their own e-way bill systems.
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- Inter-State movement of goods was also tracked under the VAT (value-added tax) regime but intra-State transactions were not, this will add financial burdens to the traders.
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- The major area of concern is there is only a one-day validity for distances up to 100 Km, this will affect most business firms.
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- Proper implementation of e-way bills require robust connectivity and infrastructure, but India is yet to address such issues.
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Source: The Hindu

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