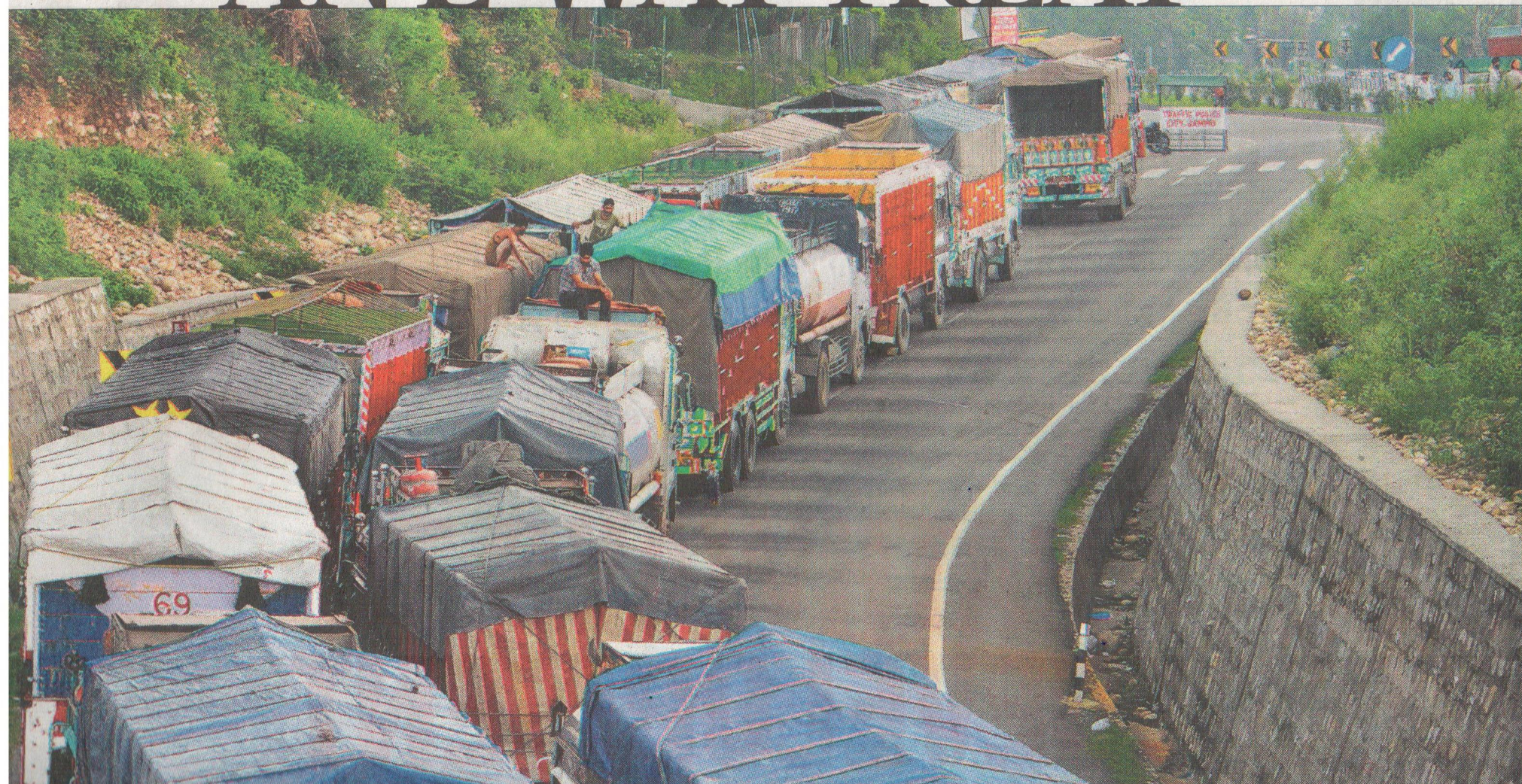


ANE-WAY TREAT



TRIBUNE FILE PHOTO: INDERJEET SINGH

The rollout of the e-way bill across the country will reduce cost of transactions and raise competitiveness, which will make the life of consumers easy. They can expect the industry to lower costs for the consumers, says Chandrajit Banerjee

THE introduction of the Goods and Services Tax (GST) from July 1, 2017, has transformed India into a single market with a single indirect tax regime. The rollout of the e-way bill represents a central component of this exercise. The first month of the implementation of the new system from April 1, 2018, was a major success, and industry has hailed its efficiency and smooth operation.

Initially, the e-way bill system, which digitally tracks the movement of goods, was to be introduced from February 1, 2018, but it was deferred for a couple of months due to various technical reasons. After expanding the capacity of the portal to accept bills, it was reintroduced on April 1 for inter-state movement of goods. Through the month, the system was further expanded to include intra-state tracking of goods for certain states.

The facilitative transport system demonstrates the commitment and strong efforts of different central and state government bodies working together. The Central Board of Indirect Taxes and Customs (CBIC, earlier known as CBEC) undertook the task in a mission mode and ensured that all parts of the system work efficiently. The e-way bill portal managed by the National Informatics Centre (NIC) is functioning well, and is now also monitored by the GST Network (GSTN). State governments too have dismantled state checkpoints and barriers, enabling faster movement of trucks. For industry, this smooth and facilitative system represents a significant progress in its competitiveness.

The e-way bill system, which involves electronic waybills to be carried by transporters when moving goods exceeding Rs 50,000 in value, ensures seamless movement of goods across states borders. This has several benefits to the national economy.

Bottlenecks removed

To begin with, by the removal of checking and tax pay-

ment at state borders, the transit time has been significantly cut down. Earlier, trucks often waited hours to cross from one state to another and challans were required to be generated to enable further movement of goods. The savings in transportation time translates into cost savings for the logistics, warehousing and transportation sectors.

It has been estimated that India's logistics costs prior to the introduction of e-way bill, were far higher than those in key economies, cutting the competitiveness of Indian goods and adding to costs for the consumer. The new system promises to contribute significantly towards adding to productivity and efficiencies in the Indian economy.

Apart from lowering costs, the e-way bill would also curb tax evasion and thereby boost government revenues. It eliminates physical checking of goods by introducing digital matching of waybills.

Gaining currency

Since its introduction on April 1, over 28 million e-way bills have been generated during the month. The online system now has the capacity to take more load and more than 100 technical teams are working to ensure that the entire ecosystem works smoothly.

To ensure that manufacturers and transporters do not face implementation challenges, CBIC, GSTN and NIC conducted multiple webinars and worked with agencies for compliance. A user-friendly guide as well as FAQ were released to alleviate information gaps. An IT grievance redressal mechanism was set up to address complaints regarding technical glitches on the GST portal. These steps helped industry and transporters to understand procedures and resulted in the successful implementation of the new system.

For intra-state movement of goods, the e-way bill is to be applied in a phased manner and 11 states have

already implemented the system. The remaining states are expected to introduce it by June 1, 2018. This will further add to the efficient movement of goods across the country.

Make it simple

Earlier, the government had made changes to the e-way bill rules to further simplify the procedure for the movement of goods under the GST, giving more relief to smaller businesses, FMCG, courier and e-commerce companies. Under the new rules, if both exempted and taxable goods are moved, only the value of the taxable supply will be considered for the purpose of generating an e-way bill.

With laudable efforts made by the GST Council, CBIC, NIC and state governments, the system appears to have stabilised. Going forward, as more states roll out the e-way bill, it will be important to ensure that the system continues to meet its fullest potential for lowering logistics costs and ensuring ease of doing business, particularly at the state level.

While state barriers have been eliminated, states should take care that new checkpoints are not created which could hamper the movement of goods. Further, it would be useful to consider RFID tags for trucks which could be used for them to pass through checkpoints without having to stop. Random checks on most days would be better than checks for all trucks on any given day, which would lead to long queues. Finally, the states which are yet to introduce the system should be encouraged to do so within the stipulated period.

With the rollout of the e-way bill across the country, industry can look forward to lower costs for consumers and better markets for its products.

— *The writer is the Director General of the Confederation of Indian Industry*