

# At 17% in July, GST e-way bill generation highest in four months

**FE BUREAU**

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**E-WAY BILL GENERATION** for goods transportation under the Goods and Services Tax (GST) system has come in at 6.42 crore in July, highest in four months and 17% higher than June, indicating a sustained pick-up in economic recovery.

Average daily e-way bill generation was 24.3 lakh in the last six



days of July, compared with 20.2 lakh in the week ended July, 25, 20.4 lakh in preceding week and 19.24 lakh in the first 11 days of July. Thanks to easing of the Covid-induced lockdowns, e-way bill generation by businesses rose to 5.5 crore in June from 4 crore in May. About 5.9 crore e-way bills were generated in April.

Higher e-way bill generation will also reflect in GST revenue. GST collections came in at an impressive ₹1.16 lakh crore in July (largely June transactions), up a third on year and a quarter on month, reflecting a smart economic recovery after the second Covid wave. That in July, the average daily e-way bill generation was higher than in May-June indicates the August mop-up (from July

sales) could be even higher.

Other high frequency data also indicate a rebound in economic activities. India's manufacturing activity grew at its fastest pace in three months in July (Nikkei Manufacturing purchasing managers' index), reversing a contraction in June, as states relaxed localised curbs imposed in the wake of the second Covid wave.

Merchandise exports also jumped 48% in July from a year before and 34% from the pre-pandemic level (July 2019), thanks to a robust demand from key markets and a rise in global commodity prices. Similarly, wholesale despatches of automakers has picked up pace in July. Maruti Suzuki, Hyundai Motors, Tata Motors and Toyota Kirloskar all reported strong growth numbers not just relative to July 2020 or June 2021 but even in comparison with July 2019, the new benchmark.

Thanks to steps taken to improve compliance and a shift of business away from the informal sector, GST seems starting to yield the revenue productivity its proponents ascribed to it. Even as the weighted average GST rate continues to be around 11% against the revenue neutral rate computed of 15% or thereabouts and major items like auto fuels are still outside GST net, the collections have shown an upswing for several months till the pandemic's second wave hit businesses.