

E-way bill generation picks up pace in June

DILASHA SETH

New Delhi, 29 June

Economic activity showed revival with a sharp uptick in goods and services tax e-way bill generation in the last week of June with several states beginning the unlocking process as Covid-19 cases see a decline.

According to the data by the GST Network (GSTN), the IT backbone of the unified indirect tax regime, 47.4 million e-way bills were generated on its portal as of June 27. This averages 1.75 million per day till June 27 against an average of 1.64 million bills per day up to June 20 and 1.61 million before that. This shows an average daily increase in successive weeks.

E-way bill generation rose by 22.6 per cent in the week ended June 27 at 14.6 million compared to 11.9 million in the previous week. In May e-way bill generation decelerated to a one-year low of 39.49 million, averaging 1.2 million per day, which partially reflected in GST collection declining to an eight-month low of ₹1.02 trillion. The GST collection numbers for May largely capture transactions or supplies made in April. March saw an average e-way bill generation of 2.29 million per day.

E-way bills are compulsory for the movement of all consignments worth more than ₹50,000, hence is an early indicator of trends in demand and supply in the economy. This reflects in macroeconomic indicators with a lag.

The economy had started showing recovery signs in September last year after the impact of national lockdown in the first quarter wore off. GST collection has been exceeding ₹1 trillion since October last year.

Other high-frequency indicators are also showing an uptick. Power consumption in the country grew 9.3 per cent in the first half of June to 55.86 billion units (BU), indicating some recovery in commercial and industrial electricity demand.

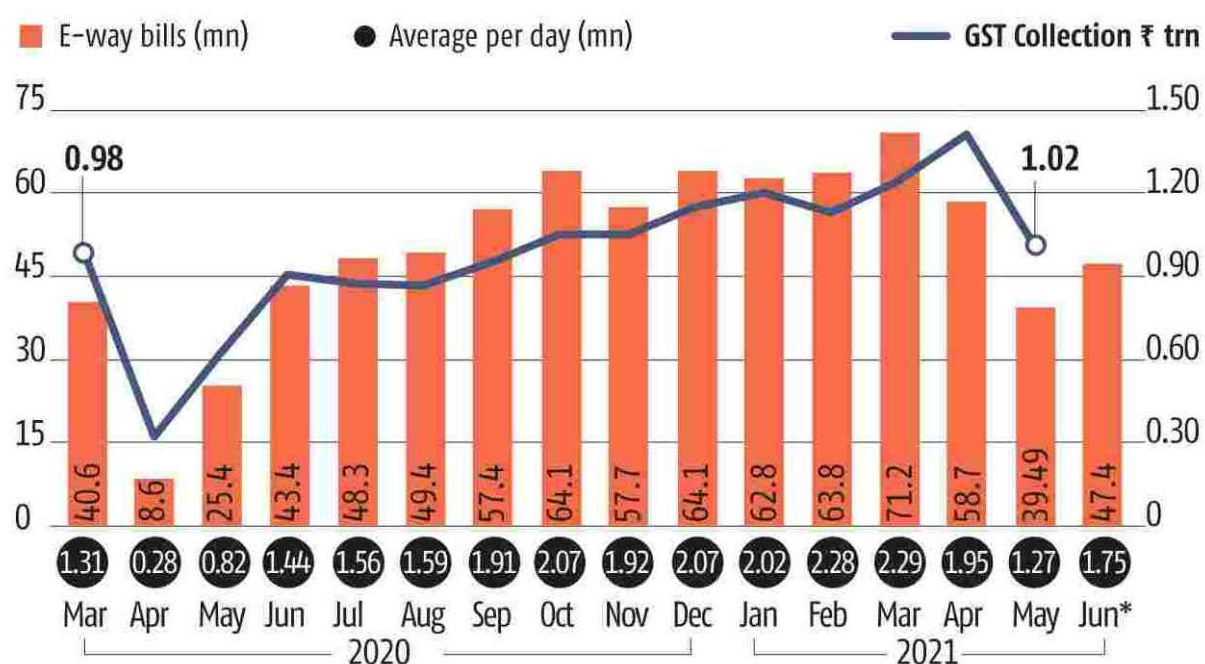
"The early high-frequency indicators confirm a sequential improvement in June 2021, although the trend relative to June 2020 remains mixed," said Aditi Nayar, chief economist, ICRA Ratings.

"On the positive side, the daily aver-

ILLUSTRATION: BINAY SINHA



E-WAY BILL GENERATION



*as on June 27, GST collection for June is not available

Source: GSTN

age GST e-way bills generated have improved ... YoY growth in electricity generation has risen mildly to 7.7 per cent in June 2021 so far (till June 28, 2021) from 7.3 per cent in May 2021," she said.

"Moreover, vehicle registrations during June 2021 were 7.2 per cent higher than in June last year. However, according to the data compiled by state refiners, petrol and diesel sales fell by 3.5 per cent and 7.5 per cent, respectively, during the first half of June 2021 relative to the same period last year," Nayar added.

Meanwhile, Union Finance Minister Nirmala Sitharaman on Monday

announced a ₹6.28-trillion package, including a new credit guarantee scheme for health, tourism, and micro borrowers, and expanding the Emergency Credit Line Guarantee Scheme (ECLGS) by half to ₹4.5 trillion and extending the Aatmanirbhar Bharat Rozgar Yojana.

However, the second pandemic wave has led to several global agencies cutting India's GDP forecast. S&P Global Ratings last week cut India's growth forecast for the current fiscal year to 9.5 per cent from 11 per cent earlier, and warned of risk to the outlook from further waves of the pandemic.