



## RFID Technology in GST E-way Bills

### What is the issue?

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- Union government planned to implement e-way bills from 1<sup>st</sup> Feb 2018 but it was postponed. Click [here](#) to know more GST e-way bill.
- The challenges in implementing the e-way bill can be addressed using RFID technology.

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### What was the decision on e-way bill?

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- The e-way bill is virtually an electronic version of the way bill in the value-added tax (VAT) regime which required to be carried as a physical printout for the benefit of the checking authorities.
- Union government had made a compulsory introduction of the electronic way (e-way) bill from February 1, for the movement of consignments above Rs 50,000.
- The decision was even accepted by 15 states to follow the same deadline for the introduction of intra-state e-way bills.
- But due to practical challenges of patchy implementation of the goods and services tax (GST) the decision was postponed indefinitely.

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### What are the challenges incurred in e-way bill operation?

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- The network which is being used for the e-way bill was ill-equipped to bear the increased load points.
- The GST Network portal had crashed in several states two days before, bringing truck movements to a virtual standstill.
- This e-replication of the provision of the VAT regime created an interminable queues at inter-state checkpoints.
- The failure escaped media scrutiny due to the tabling of Union Budget.

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### **What are measures being considered by the government?**

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- Government is planning to introduce e-way bill system for intra-state movements first and testing the network's load-bearing ability before rolling it out for inter-state movements.
- The possibility of initially limiting the e-way bill to higher value consignments is other one.
- RFID tags for goods or consignments is also on the discussions as a useful alternative.

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### **How a RFID tag will address the issue?**

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- Radio frequency identification (RFID) these tags are being used in our day today life from supermarkets to toll collection.
- RFID tags has been already introduced in India for improving traffic management, for new vehicles registration etc.
- RFID tags for e-way bill can be used through loading the information

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about the consignment which is being carried through the vehicle which already has a RFID.

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- When a vehicle crossing any toll gate the RFID will be scanned and information regarding the consignment with precise GST number will be gathered.

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- The collected information will be updated through an online portal and can be used further by any concerned agencies.

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**Source: Business Standard**

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