

GST Added ₹90,000 crore a Month to Govt Kitty in FY18

Collections below expectations for first 8 months; e-way bill may boost revenue

Our Bureau

New Delhi: Goods and services tax (GST) collections averaged just under ₹90,000 crore a month in the first eight months after the rollout of the levy, adding up to ₹7.19 lakh crore in the year ended March amid a steady improvement in compliance, the government said.

Analysts said collections were below estimates but the phased introduction of a key component will boost revenue from the indirect tax. "The average monthly collection under GST for FY 2017-18 was around ₹90,000 crore, implying a deficit of approximately 24% in reference

to the estimations for 2018-19," said Abhishek Jain, tax partner, EY India. "While the deficit is apparently perturbing, it is expected to be reduced with e-way bills in place and possible introduction of other anti-evasion measures such as TDS/TCS (tax deducted at source/tax collected at source), credit matching, etc."

Domestic collections are for the July 2017-February 2018 period while those on imports are for nine months including March 2018. "While the tax on domestic supplies

in a month is collected through the process of returns and gets collected in the next month, IGST (integrated GST) and cess on imports gets collected in the same month," the finance ministry said in a statement. GST on domestic supplies has been collected for eight months from August 2017 to March 2018, while IGST and the cess on imports have been collected for nine months, from July 2017 to March 2018.

The Breakup

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In ₹lakh crore

State GST	1.72
Cess	0.62
Central GST	1.19
IGST	3.66

Total collection (Aug-Mar) 7.19

WHAT STATES GET

In ₹lakh crore

State GST	1.72
From IGST Settlement	1.19
Compensation	0.41

Total 3.32



Filings Have Increased

“For these eight months, the average monthly collection has been ₹89,885 crore,” the ministry said. Including the receipts in July, the total collections amount to ₹7.41 lakh crore.

Rolled out on July 1 last year, GST is one of the government’s biggest economic reforms and is aimed at creating a common market by removing multiple levies, thereby eventually feeding into the economic revival that’s currently underway.

Collections have been below par since not everyone registered for GST has been filing returns, although compliance levels have increased gradually.

The government suggested that collections may be stabilising as

the indirect tax regime gains wider acceptance after fluctuations over the past few months. GST receipts rose in December 2017 to ₹86,703 crore, reversing a decline in the preceding two months — ₹80,808 crore in November, ₹83,000 crore in October, from over ₹92,000 crore in September. It slipped to ₹86,318 crore in January and to ₹85,174 crore in February. The latest numbers follow the start of interstate e-way bill trials in January, before nationwide implementation on April 1. Intrastate GST begins in phases on April 15.

In July, while the filings by the due date were only 57.69% of those required to do so, the figure has gone up to 96.1% now. Filings for the subsequent months have also increased.

“The compliance level as on

the due date has steadily increased and, by the end of the financial year, has reached to an average of 65% from around 55-57% observed during initial months,” the ministry said. “The cumulative compliance levels (percentage of returns filed till date) for initial months has crossed 90% and for July, 2018, has reached 96%.”

The ministry said there were state-wise variations in compliance. “However, including delayed filings, the state-wise compliance levels converge over a period of time,” the statement said.

The ministry said the revenue gap of states contracted over the eight-month period for an average of around 17% last year.

Compensation of ₹41,147 crore was released to states during this period to protect their revenues at the level of 14% over the base year tax collection in 2015-16.