



Goods and Services Tax in India - Current Update

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Setting the Context



50% increase in unique indirect taxpayers under GST as compared to pre-GST

No. of registered taxpayers under GST increased from 72 lakhs in July to more than 1 crore at present

Steady improvement in compliance over a period of time – from 50.1 lakh returns filed in October 2017 to 67.45 lakh returns in September 2018

Still some way to go to achieve higher compliance rates

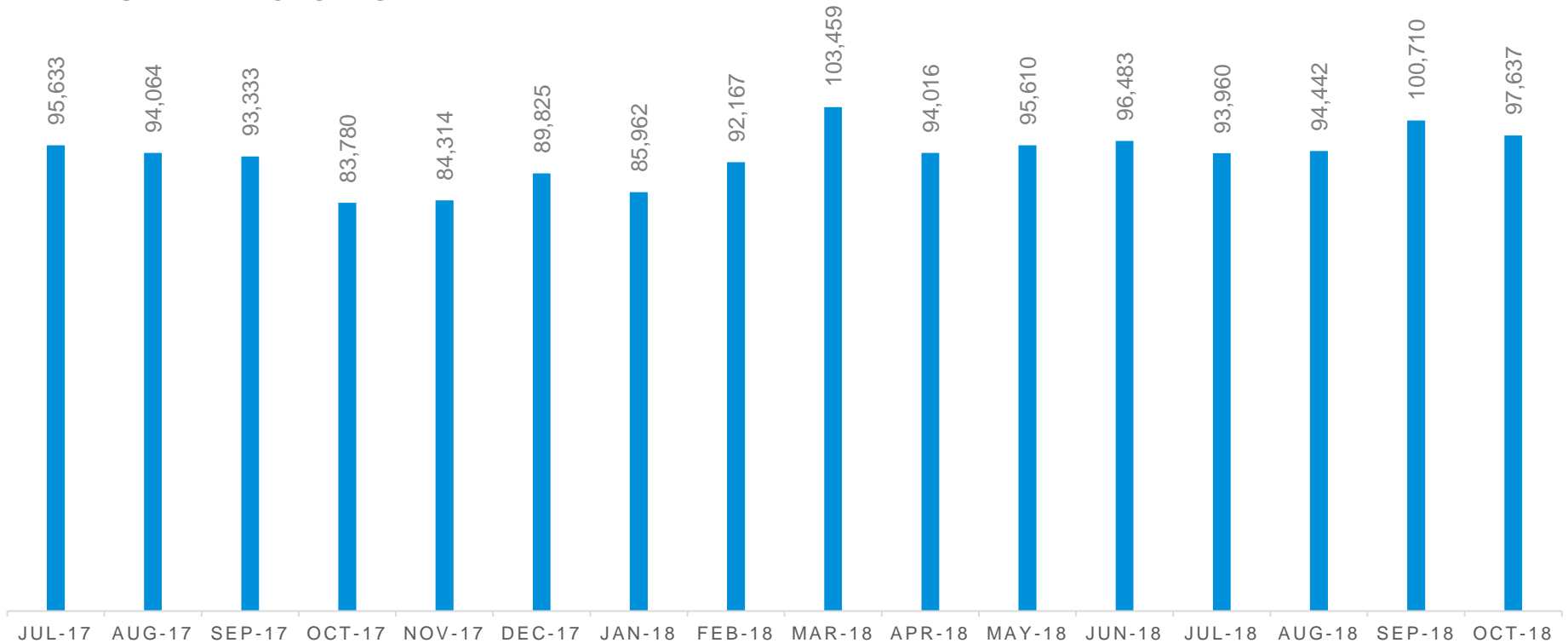
Budgeted GST collections for 2018-19 – INR 13.5 lakh crores

Approximately 50% of budgeted collections (ie INR 6.75 lakh crores) collected till October 2018

Balance 50% would have to be collected in next 5 months

GST revenues - till October 2018

REVENUE IN INR CRORES



Average monthly GST collections have been in range of INR 93,000 - INR 97,000 crores as against target of more than INR 1 lakh crores

Only spike in collection seen due to year end collections (ie March 2018) and festive season (ie September 2018)



State GST Collections

- Overall decline in State GST collections noticed – 13% shortfall in average monthly targets (upto June 2018)
- Puducherry, Himachal Pradesh, Punjab, Karnataka and Jammu & Kashmir had significant shortfall
- North Eastern states of Manipur, Mizoram and Arunachal Pradesh have collected more than their target revenues
- Larger states like Maharashtra, Gujarat and Tamil Nadu are on track with their target collections
- The Centre will compensate any shortfall in target revenues for a period of 5 years, with 14% increase each year

Consequences of Shortfall

- Shortfall in GST collections both at Centre and State levels means Government is all set to miss its fiscal deficit target (of 3.3% of GDP)
- As a result, any further reduction in tax rates may be postponed
- Non compliers may face enforcement actions – essential to undertake GST audit appropriately

The Road Ahead

- Implementation of proposed amendments
- Uniformity in Advance Rulings – Setting up Centralized Advance Ruling Authority
- Initiation of GST Audits
- Anti-profiteering
- Implementation of new compliance model
- Expectation on removal of credit restrictions
- Bringing petrol and related products under GST



Thank you

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