

GST revenue performance in 2nd quarter of 2022-23

Relfi Paul

Research Assistant, Gulati Institute of Finance and Taxation, Thiruvananthapuram.

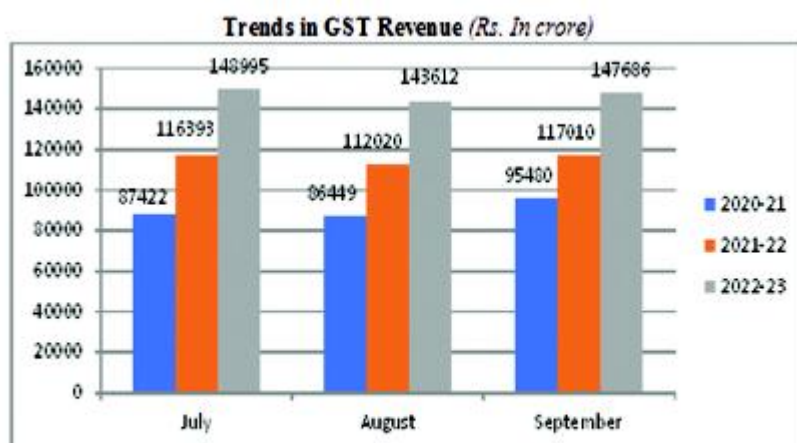
The gross GST collection for the 2nd quarter of the current fiscal is Rs. 4,40,293 which is Rs. 94,870 crore more compared to the same period of the last year. The monthly gross GST collection was Rs. 1,48,995 in July, Rs.1,43,612 crore in August and Rs. 1,47,686 crore in September, 2022. For seven months in a row, the monthly GST revenues have been more than the Rs. 1.4 lakh crore mark. The growth in GST revenue till September 2022 over the same period last year is 27%, continues to display very high buoyancy. This is a clear impact of various measures taken by the past few GST Council meetings to ensure better compliance. It also shows that the GST portal maintained by GSTN has fully stabilized and is almost glitch free. Also better reporting coupled with economic recovery has been having positive impact on the GST revenues on a consistent basis.

When we analyze the CGST, SGST, IGST and Cess collections separately, it shows a significant growth in the 2nd quarter compared to the previous year. Out of the total GST revenue collected in 2nd quarter, ie Rs. 4,40,293 crore of which CGST is Rs.75,732 crore, SGST is Rs.95,571 crore, IGST is Rs. 2,37,764 and Cess is Rs.31,225 crore. In the month of July, the Union Government has settled Rs. 32,365 crore to CGST and Rs. 26,774 crore to SGST from its IGST account. Post this settlement, the total revenue of Centre and the States was Rs. 58,116 crore and Rs. 59,581 crore respectively. It is significant to note that this month, revenues from import of goods has increased to 48% and the revenues from domestic transaction has increased to 22% compared to the same month last year. In August, the Union Government has settled Rs.29,524 crore to CGST and Rs.25,119 crore to SGST. After this regular settlement, the total revenue earned by the Centre and the States was Rs.54,234 crore and Rs.56,070 crore respectively. Similarly in the month of September Union Government

has settled Rs. 31,880 crore to CGST and Rs. 27,403 crore to SGST and the Centre received Rs. 57,151 crore and State received Rs. 59,216 crore after settlement.

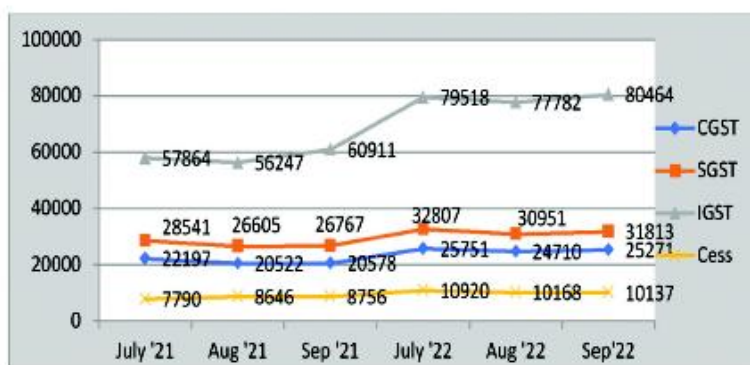
When we compare the State's performance in the 2nd quarter of this fiscal with the previous financial year, it is clear that all States has indicated significant growth. Goa records the highest growth at 36%, Karnataka and Kerala respectively occupy the second and third positions with 32% and 27% growth rates. States like Haryana, Bihar, West Bengal, Karnataka, Goa, and Kerala have achieved growth above 25% in this 2nd quarter. States like Punjab, Delhi, UP, Assam, Jharkhand, Gujarat, Maharashtra, Tamilnadu, Telangana, Andra Pradesh have recorded reasonable growth rate, which is between 15% and 24%. But States like Jammu and Kashmir, Odisha, Chhattisgarh and Himachal Pradesh have seen poor growth. Larger and potential states, such as Rajasthan, Madhya Pradesh, Tamil Nadu, Gujarat and Uttar Pradesh, did not post impressive growth as expected.

Kerala's gross GST collection for 2nd quarter of FY 2022-23 was Rs 6,443 crore which was Rs 1604 crore higher than the same period of previous financial year. According to the available data, the State collected Rs 2,161 crore in July, Rs.2,036 crore in August and Rs.2,246 crore in September 2022. This shows significant growth rate compared to the same period of previous financial year and the third highest in the country after Goa and Karnataka.



Source: PIB Press Releases

**CGST, SGST, IGST & Cess Comparison of 2nd Quarter of FY
2021-22 & 2022-23 (Rs. In crore)**

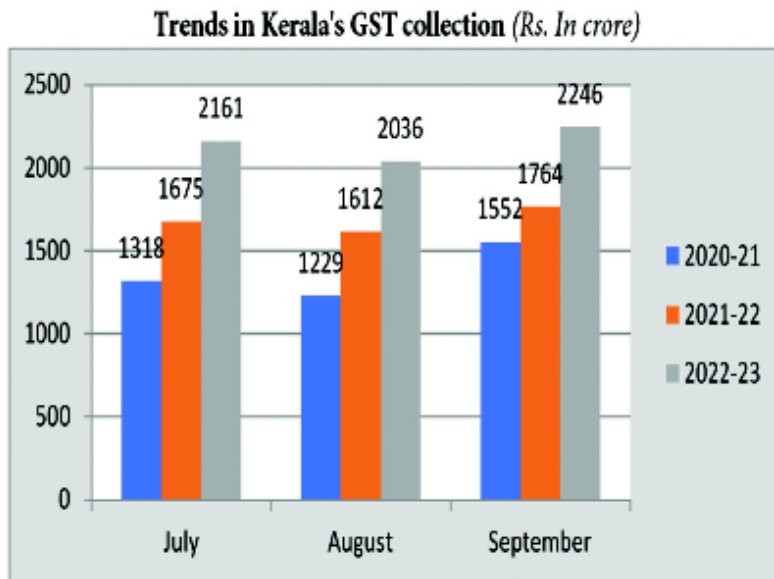


Source: Compiled from various PIB Press Releases

Trends in SGST collection of major States during 2nd quarter of FY 2021-22 & 2022-23

State	2nd Quarter FY 2021-22	2nd Quarter FY 2022-23	Growth Rate (%)
Jammu & Kashmir	1201	1293	7.66
Himachal Pradesh	2051	2167	5.66
Punjab	4,349	5,094	17.13
Uttarakhand	3,326	3,784	13.77
Haryana	16,525	20,966	26.87
Delhi	11,025	13,417	21.70
Rajasthan	9,137	10,319	12.94
Uttar Pradesh	17,649	20,859	18.19
Bihar	3,194	4,001	25.27
Assam	2,809	3,252	15.77
West Bengal	10,919	13,845	26.80
Jharkhand	6,420	7,572	17.94
Odisha	10,258	11,301	10.17
Chattisgarh	7,056	7,406	4.96
Madhya Pradesh	7,424	8,491	14.37
Gujarat	22,965	26,887	17.08
Maharashtra	50,658	62,395	23.17
Karnataka	21,949	29,138	32.72
Goa	907	1,238	36.49
Kerala	5,051	6,443	27.56
Tamil Nadu	21,204	25,472	20.13
Telangana	10,630	12,333	16.02
Andhra Pradesh	7,916	9,714	22.71
Grand Total	259,000	307387	18.68

Source: Compiled from various PIB Press Releases



Source: <https://keralataxes.gov.in/>

Best Practices:

Lucky Bill App to Curb GST Evasion

It is first in India, Kerala has launched an app that aims to curb GST evasion. The app named as 'Lucky Bill App', was launched by Chief Minister on 16th August, 2022. The app asks its users to upload original bills of their purchases to win prizes, including a cash prize of Rs.25 lakh. This intended to curb GST evasion by encouraging the citizen to ask for a bill every-time they make a purchase. To reward them into doing so, the app offers cash prize upto Rs.25 lakh. Apart from cash prizes, the app also offers rewards such as gift packs from Kudumbashree and Vanashree as well as KTDC tour packages. The Chief Minister said in his inaugural address that Rs.5 crore was earmarked in this year's budget for this project. It is significant to note that this move comes at a time when the compensation from the Centre with respect to the GST has ceased with effect from July 1, 2022..

Important Notifications and Circular released in 2nd quarter FY 2022-23

1. Notifications (CT)

Notification 9/2022 dated 05-07-2022: Central Government appoints the 5th July, 2022, as the date on which the provisions of clause (c) of section 110 and section 111 of the said Act shall come into force.

Notification 10/2022 dated 05-07-2022: Taxpayers having AATO upto Rs. 2 crores are exempted from furnishing GSTR 9/9A for FY 2021-22.

Notification 11/2022 dated 05-07-2022: Due date of CMP 08 for June 2022 quarter is extended from 18th July to 31st July.

Notification 12/2022 dated 05-07-2022: Late fees for delay in filing GSTR-4 for FY 2021-22 shall be waived till 28 July 2022.

Notification 13/2022 dated 05-07-2022: Extension of time limit for issuance of notice w.r.t tax not paid/short paid for FY 2017-18. Exclusion of period of 1st Mar 20 to 28th Feb 22 from time limit filing of refund application and Order for recovery of erroneous refunds.

Notification 14/2022 dated 05-07-2022: Seeks to make amendments (First Amendment, 2022) CGST rules issued for E-Invoice, Suspension status and more.

Notification 17/2022 - Central Tax, dated 01-08-2022: Notification 17/2022 issued by CBIC which mandates e-invoicing for taxpayers having AATO above Rs. 10 crores in any FY since FY 2017-18 w.e.f 1st Oct, 2022. Earlier the said limit was Rs.20 crores.

Notification 18/2022 - Central Tax, dated 28-09-2022: CBIC has extended the time limit for claiming ITC (including for FY 21-22), issuing CDN, and doing amendments to returns of the previous year till 30th November by notifying clause 100 of the Finance Act 2022 to be

effective from 01.10.2022. Prior to this amendment, the last date for availing of ITC of the previous year was the due date for filing GSTR-3B for the month of September which has now been extended to 30th November with effect from 1st October.

Notification 19/2022 - Central Tax, dated 28-09-2022: Seeks to make amendments (Second Amendment, 2022) to the CGST Rules, 2017. Under this, Registration can be suspended by officer, if: a. In case of composition dealer, Return of the financial year not filed beyond 3 months from the due date b. In case of normal tax payer, such period as may be prescribed (earlier continuous period of Six Months)

Notification 20/2022 - Central Tax, dated 28-09-2022: Seeks to rescind Notification No.20/2018 -Ct dated 28th March, 2018

2. Circulars

Circular 170/2022: Mandatory furnishing of correct and proper information of inter-State supplies and ineligible/blocked ITC and reversal thereof in return in GSTR-3B and statement in GSTR-1.

Circular 171/2022: Clarification on issues relating to applicability of demand & penalty in respect of transactions involving fake invoices.

Circular 172/2022: Clarification on various issue pertaining to GST.

Circular 173/2022: Clarification on claiming refund under inverted duty structure where the supplier is supplying goods under the concessional notification.

Circular 174/2022: Circular prescribes the manner of re-credit in electronic credit ledger using PMT-03A.

Circular 175/2022: Circular specifies the manner of filing refund of unutilised ITC on account of export of electricity.

Circular 176/2022: Rule 95A has been omitted, retrospectively w.e.f. 01.07.2019, vide notification No. 14/2022-Central Tax, dated 05.07.2022. Accordingly, the Board hereby withdraws Circular No 106/25/2019-GST dated 29.06.2019

Circular No. 177/2022: CBIC clarifies GST rates & exemptions on 16 services

Circular No. 179/2022: Clarification on GST rates & classification (goods) - 47th GST Council meeting

Circular No. 178/2022: GST on liquidated damages, compensation & penalty out of breach of contract

Circular No. 177/2022: CBIC clarifies GST rates & exemptions on 16 services

Circular No.180/2022: Guidelines for filing/revising TRAN-1/TRAN-2 as per SC order Circular No.180/12/2022-GST 09/09/2022