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Sin goods cess mop-up crosses ₹11k cr 2nd time

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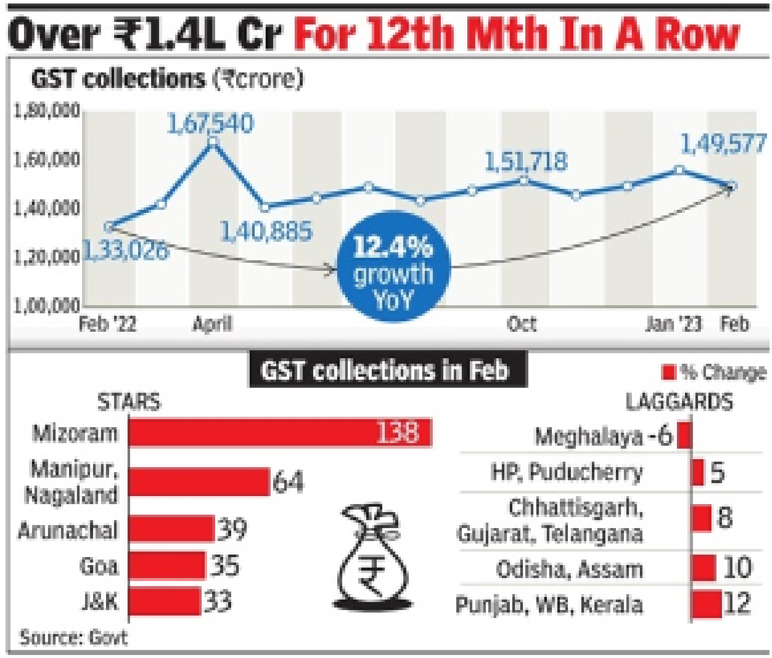

New Delhi: This is only the second time since GST kicked in from July 2017 that the cess on luxury and sin goods such as cars, tobacco, soft drinks, yachts and aircraft and coal has crossed Rs 11,000 crore.

The collections in February were driven by domestic collections, which rose 15%, while the mop-up from imports was 6% higher, reflecting the slowdown in imports. In December and January, imports contracted by 3.5%, which chief economic adviser V Anantha Nageswaran attributed to the softening of oil prices.

Disaggregated data for February showed that both state and central GST collections rose by 13% each, while integrated GST collections, including on imports, were 11% higher.

IGST on imports are estimated to have increased by 5.5% to Rs 35,689 crore. While cess collection was 15.4% higher, cess on imported good jumped 24% to Rs 792 crore.

"The GST revenues from imports of goods are likely to have been dampened by the sequential and year-on-year contraction in merchandise imports in January 2023. We expect the FY2023 revised estimates for CGST collections to be met. However, there could be some shortfall in direct taxes relative to the FY2023 revised estimates," said Aditi Nayar, chief economist at ratings agency ICRA.

Among the states, Meghalaya was the lone one which saw a fall in collections with Himachal, Puducherry, Chhattisgarh, Gujarat, Telangana, Odisha and Assam reporting growth rates which were below the national average.