

Highest max temperature recorded at 39.4° Celsius in TN & Puducherry on Saturday

Heavy rainfall likely in parts of east & northeast India through this week



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who is also revenue secretary. "In May, GST collections stood at ₹94,016 crore, in June it is ₹95,610 crore... There is an increase between May and June... We hope we can take it to ₹1 lakh crore," Adhia said at an event to mark one year of GST. He added that ₹1 lakh crore revenue collection in April was not the norm yet, but this could happen soon.

"The June collections indicate that revenues are now stabilising and inching close to the ₹1 trillion mark," said MS Mani, partner, Deloitte India, adding the government may now focus more on data mining to raise collections. "It is essential now to have more revenue buoyancy in order to move ahead with further rate rationalisation measures."

Out of the ₹95,610 collected in June, central GST accounted for ₹15,968 crore, state GST for ₹22,021 crore.

# g Troubles, on Track

aler of sanitary fittings, also suggesting quarterly filing. "Some traders have had to pay major amounts in tax and apply for refunds later because of minor errors in filing returns. We have to spend too much time dealing with GST."

PHD Chamber of Commerce president Anil Khaitan said, "We need only one extremely simple GST return to be filed per month and the government should reduce the number of slabs to two rates (from five)."

Small businesses that are moving away from cash transactions are facing working capital constraints as they have to pay GST well before they actually get paid for goods.

Large corporates, including PSUs sometimes take a year or two to pay their suppliers but those small businesses have to pay GST when they make invoices," said Sandeep Bisht, advisor at Chamber of Indian Micro Small Medium Enterprises.

## GST LEADS TO EFFICIENCIES IN PRODUCTION, LOGISTICS

# Auto Cos Have Smooth Ride; CV Sales Hit New Peak of 856,000 Units

Car sales up 8%, 2- and 3-wheelers 15% and 24%

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**Mumbai:** While the goods and services tax (GST) didn't make much of a difference in vehicle prices and therefore demand, the new regime has meant efficiencies in manufacturing and logistics. Also, free-flowing goods movement under GST gave the commercial vehicle industry a boost.

There was a brief period when the 28% GST rate was significantly lower than the previous excise+VAT levy on some cars but that difference was covered by the cess introduced in August last year. Where there was still a gap, the state government increased road tax to bring the levy closer to the previous regime.

GST also prompted consumers to defer and, in some cases, advance purchases, which had an effect on sales growth in June and July, but these fluctuations got ironed out in August with the automotive industry registering a growth of 14% with a cumulative output of 30 million units in FY18

Passenger vehicle sales grew 8%, the two and three-wheeler segment 15% and 24%, respectively, for the year. The biggest beneficiary – commercial vehicle sales – grew 20%, reaching a new peak of 856,000 units.

The new tax increased demand for commercial vehicles, tractors and utility vehicles, said Mahindra & Mahindra Group CFO VS Parthasarathy.

"GST actually is a 'good and simple tax'. On the broad economy level, one-nation, one-market, one-tax all in one year is a big benefit," he said. "What this has led to is the formation of a unified 'national' market from myriad state-level, smaller

Use of tech under GST should further address tax evasion challenges. If the money is ploughed back, it benefits the industry



**RC BHARGAVA,**  
CHAIRMAN OF MARUTI SUZUKI.



**VS PARTHASARATHY,**  
CFO OF M&M GROUP

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markets. The complexity of taxation is simplified with IT-driven compliance processes."

The siphoning out of money from businesses, which hindered industrial growth, will be corrected through GST, said RC Bhargava, chairman of the country's largest car maker Maruti Suzuki.

"Indians are frightfully good at evading taxes. The only answer is to have fool-proof IT systems," he said. "Use of technology under GST should further address tax evasion challenges. If the money is ploughed back, it benefits the industry, it formalises the economy and creates huge employment opportunity. Over time, rates can be simplified."

Despite uncertainties, vehicle makers were proactive in upgrading their ecosystems—dealers and vendors. Executives were stationed at both to help transition to the new tax regime. Vehicle makers even booked losses on stock older than one year.