

Tax transitions: On GST revenue trends

GST revenue trends **signal** higher taxpayer **compliance** and **cooling** import demand

The nearly **₹1.5 lakh crore** of gross Goods and Services Tax (GST) collections in February **are notable** from several **aspects**. First, they **mark** the 12th **successive** month that GST revenues have **stayed** over ₹1.4 lakh crore, and the fourth highest single month **kitty** since the launch of the GST **regime**. The average monthly GST **collections** in the first 11 months of 2022-23 now **stand** at ₹1,49,776 crore, 21.5% higher than the average monthly kitty of little over ₹1.23 lakh crore through 2021-22. Interestingly, the average monthly revenues **so far** this year are higher than actual collections in eight of those months, so **collections** in the other three months **bumped up** the average. Those months happen to be April (with the highest monthly revenues of over ₹1.67 lakh crore), and October and January 2023 (whose collections were upgraded to over ₹1.57 lakh crore). The **spike** in these months **can** be **attributed** to quarter-end and year-end return filings whose taxes are collected in the first month of the **subsequent** quarter. **This lends credence to** the government's **assertion** in January that **policy changes** introduced over the past year **have** improved compliance with more taxpayers filing returns — a **pleasant cultural augury** for a country with a low **tax base**.

Meanwhile, a **perceptible shift** is **underway** in the composition of GST revenues. The first 10 months of this **fiscal** had seen revenues from goods imports rising 29%, while domestic transactions and services imports **yielded** a 22% **uptick** in taxes. While this **breakdown** is not available for January, February marks the second time in three months that domestic revenues have **outgrown** taxes from goods imports, with **the former** rising 15% and **the latter** just 6%. While this is **in tune with** a sharp **dip** in imports in January, it also signals a **likely** cooling of **discretionary** domestic **demand** that had been **driving up** the import bill along with **elevated** commodity prices. **That** domestic revenue trends are **uneven**, with sharp **variations** across States, **is** another cause for concern. The 2023-24 Budget expects GST revenue growth to slow from about 22% this year to 12%, with **tax buoyancy** expected to drop. That represents a **pragmatic outlook amid** a world **tightening its belt** for a **slowdown**, but the Finance Ministry's **attempt** to **play up** February's GST kitty by **arguing** that the "28 day" month normally **witnesses** lower revenues, **is disingenuous** and unnecessary, as these revenues **pertained** to transactions **undertaken** over the 31 days of January. By this logic, March should see a dip in tax inflows as February had fewer days of activity. **[Practice Exercise]**

- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

Vocabulary

1. **Transition** (noun) – change, move, transformation बदलाव/ परिवर्तन
2. **Signal** (verb) – sign, indicate, suggest, show संकेत करना
3. **Compliance** (noun) – The state or fact of according with or meeting rules or standards. अनुपालन
4. **Cooling** (noun) – Decreasing, dampen down, abating, waning घटाव, कमी
5. **Notable** (adjective) – noteworthy, remarkable, outstanding, important उल्लेखनीय
6. **Aspect** (noun) – feature, facet, side, characteristic, पहलू
7. **Mark** (verb) – Indicate, denote, show, demonstrate, exhibit चिह्नित करना
8. **Successive** (adjective) – consecutive, in a row, straight लगातार
9. **Stay** (verb) – to continue to be in a particular state or situation without change रहना
10. **Kitty** (noun) – A pool or reserve of money, often collected from a number of people or sources and designated for a particular purpose; Collection (tax)
11. **Regime** (noun) – system, arrangement, rule, code व्यवस्था
12. **So far** (phrase) – thus far अभी तक
13. **Bump up** (phrasal verb) – increase something बढ़ाना
14. **Spike** (noun) – a rapid increase उछाल
15. **Attribute** (to) (verb) – to believe that something was caused or done by somebody/something के लिए जिम्मेदार ठहराना
16. **Subsequent** (adjective) – following, successive, succeeding, after, consequent बाद के
17. **Lend credence to** (phrase) – to make something seem true or correct विश्वास /यकीन करना
18. **Assertion** (noun) – declaration, statement, claim, affirmation, Contention दावा
19. **Pleasant** (adjective) – nice, pleasing, enjoyable, friendly सुखद
20. **Cultural** (adjective) – societal, ethnic, traditional, customary सांस्कृतिक
21. **Augury** (noun) – Portend, omen, auspice, indication, sign, forewarning संकेत
22. **Tax base** (noun) – the total amount of assets or revenue on which the government can levy/impose a tax
23. **Meanwhile** (adverb) – at the same time, simultaneously, concurrently, meantime, इस दौरान

24. **Perceptible** (adjective) – Noticeable, traceable, observable प्रत्यक्ष
25. **Shift** (noun) – change, alteration, adjustment, adaptation, amendment परिवर्तन
26. **Underway** (adjective) – ongoing, in progress, happening चल रहा है
27. **Fiscal** (noun) – Financial year (i.e. 1 April to 31 March) वित्तीय वर्ष
28. **Yield** (verb) – produce, generate, provide, give उत्पन्न करना
29. **Uptick** (noun) – A small increase, rise इजाफा
30. **Breakdown** (noun) – an explanatory analysis, especially of statistics. विश्लेषण
31. **Outgrow** (verb) – surpass, exceed, excel, outpace पार करना
32. **The former** (noun) – Domestic revenue
33. **The latter** (noun) – Taxes from goods imports.
34. **In tune with** (phrase) – in accordance with के अनुरूप होना
35. **Dip** (noun) – Fall, decline, drop, slump, downturn, plunge गिरावट
36. **Likely** (adjective) – probable, possible, expected संभावना
37. **Discretionary** (adjective) – optional, non-compulsory, voluntary, non-mandatory विवेकाधीन
38. **Discretionary demand** (noun) – Products and services that are desirable for consumers, but not essential to their daily living
39. **Drive up** (phrasal verb) – increase, raise, escalate, boost बढ़ाना
40. **Elevated** (adjective) – Increased, raised, lifted बढ़ा हुआ
41. **Uneven** (adjective) – irregular, unequal, rough, jagged, lopsided असमान
42. **Variation** (noun) – change, difference, variance, alteration, deviation विभिन्नता
43. **Tax buoyancy** (noun) – Tax buoyancy highlights the relationship between the change in the government's tax revenue growth and the changes in GDP
44. **Pragmatic** (adjective) – practical, matter-of-fact, realistic, sensible व्यावहारिक
45. **Outlook** (noun) – perspective, prospect, attitude, view, viewpoint दृष्टिकोण
46. **Amid** (preposition) – in the middle of. के बीच
47. **Tighten one's belt for something** (phrase) – To reduce, restrict, or limit one's budget; to live more modestly or make financial sacrifices

48. **Slowdown** (noun) – A decline in economic activity. मंदी
49. **Play up** (phrasal verb) – emphasize, highlight, promote, accentuate; to make something seem more important or better than it really is, esp. to get an advantage जोर देना
50. **Argue** (verb) – Contend, say, maintain, reason, claim तर्क करना
51. **Witness** (verb) – see, observe, watch, look on at, be a witness to, view देखना
52. **Disingenuous** (adjective) – deceitful, insincere, artful, dishonest, false कपटपूर्ण
53. **Pertain** (to) (verb) – concern, relate to, be related to, be connected with से संबंधित होना
54. **Undertake** (verb) – Carry out, embark on, commence, कार्यान्वित करना

Practice Exercise

1. **What is the significance of the nearly ₹1.5 lakh crore of gross GST collections in February?**
 - A. It marks the 11th successive month that GST revenues have stayed over ₹1.4 lakh crore.
 - B. It is the fourth highest single month kitty since the launch of the GST regime.
 - C. It indicates lower taxpayer compliance and rising import demand.
 - D. Both A and B.
2. **How do the average monthly GST collections in the first 11 months of 2022-23 compare to the previous year?** [Editorial Page]
 - A. They are 21.5% lower than the average monthly kitty of little over ₹1.23 lakh crore through 2021-22.
 - B. They are 21.5% higher than the average monthly kitty of little over ₹1.23 lakh crore through 2021-22.
 - C. They are the same as the average monthly kitty of little over ₹1.23 lakh crore through 2021-22.
 - D. There is no comparison given in the passage.
3. **Which months had actual collections that bumped up the average monthly revenues so far in 2022-23?**
 - A. April, June, and December 2022.
 - B. January, February, and March 2023.
 - C. April, October, and January 2023.
 - D. March, July, and November 2022.
4. **What is the reason behind the spike in GST collections in April, October, and January 2023?**
 - A. An increase in import demand.
 - B. A decrease in domestic demand.
 - C. Quarter-end and year-end return filings whose taxes are collected in the first month of the subsequent quarter.
 - D. Both A and B.
5. **What does the shift in the composition of GST revenues signal?**
 - A. Higher taxpayer compliance and cooling import demand.
 - B. Lower taxpayer compliance and rising import demand.
 - C. Higher domestic transactions and services imports.
 - D. Lower domestic transactions and services imports.
6. **What is the tone of the passage?**
 - A. Neutral
 - B. Informative
 - C. Critical
 - D. Both A & B

Direction: In the following passage some words have been deleted. Fill in the blanks with the help of the alternatives given. Select the most appropriate option for each number.

The FIFA World Cup in Qatar continues to raise a dust of ____7____. The nerve-wracking dance of fancied teams be it in triumph or defeat and the soul-uplifting flight of the underdog have all shimmered under Qatari skies. Football remains the greatest sport and over a fortnight, the ballet between twirling feet and the ball has caught global attention despite the footprints of a waning pandemic or the devastation of Russia's war against Ukraine. Qatar has managed to host this mega-event with minimal fuss even if whispers of human rights violations during the construction of the various stadiums continue to linger. That sport cannot be ____8____ to the circumstances prevailing outside the grounds was emphasised when the Iranian men remained silent during the rendering of the national anthem ahead of their game. This act of ____9____ with the women fighting for equal rights back home, comes at a time when many athletes are wary ____10____ taking a political stance. The World Cup has come a long way from the inaugural edition in 1930 when host Uruguay emerged as the champion after defeating Argentina. That Uruguay crashed out now while Argentina remains alive, is another pointer to sporting evolution. The trope of South American and European nations being football's bulwarks ____11____ also changing.

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|------------------|---------------------|-------------------|---------------|
| 7. A. Interlude | B. Unpredictability | C. Interpretation | D. Brilliance |
| 8. A. Sobering | B. Ultimate | C. Oblivious | D. Incredible |
| 9. A. Solidarity | B. Scope | C. Deficit | D. Blunder |
| 10. A. To | B. On | C. Of | D. By |
| 11. A. Were | B. Have | C. Are | D. Is |

Directions: Given below are four sentences, three of which, are jumbled.

12. Pick the option that gives the correct order

- A. For example, though there is a close relation between invention and science and engineering, an inventor is not necessarily a scientist or an engineer.
- B. An engineer, on the other hand, uses existing technology and scientific understanding to design better objects or processes, but an inventor creates something that had never previously existed.
- C. Inventors defy definition; as a result, they are frequently defined by what they are not.
- D. A scientist is said to be a discoverer—that is, somebody who by acute observation and brilliant analysis is able to find and explain something that already exists in nature.

- A. CBAD B. CBDA C. CADB D. CDBA

Directions: In the following questions, a sentence has been given in Active/Passive Voice. Out of the four alternatives suggested, select the one which best expresses the same sentence in Passive/Active Voice.

13. The plumber has not yet fixed the leakage in the tap.

- A. The leakage in the tap has not yet fixed the plumber.
- B. The leakage in the tap had not yet been fixed by the plumber.
- C. The leakage in the tap have not yet been fixed by the plumber.
- D. The leakage in the tap has not yet been fixed by the plumber.

14. The vendor is selling onions on a cart.

- A. Onions were being sold by the vendor on a cart.
- B. Onions are sold by the vendor on a cart.
- C. Onions are being sold by the vendor on a cart.

D. Onions are selling by the vendor on a cart

Directions: In the following questions, a sentence has been given in Direct/Indirect Speech. Out of the four alternatives suggested, select the one which best expresses the same sentence in Indirect/Direct Speech.

15. **Sushant said to the elderly lady, "Madam, you can take my place and stand here in the queue."**

- A. Sushant gave up his place and said to the elderly lady that she can stand here.
- B. Sushant said to the elderly lady that he can give his place in the queue.
- C. Sushant gave up his place in the queue and said to the elderly lady that she can stand there.
- D. Sushant told the elderly lady that she could take his place and stand there in the queue.

16. **Sagarika said, "I have passed my examination."**

- A. Sagarika said that she have passed her examination.
- B. Sagarika said that I have passed my examination.
- C. Sagarika said that I had passed my examination.
- D. Sagarika said that she had passed her examination.

Directions: In the following questions, out of the four alternatives, choose the one which can be substituted for the given words/sentence.

17. **One who cannot be corrected**

- A. Incandescent
- B. Incurable
- C. Vacillation
- D. Alias

18. **Person with no belief in a religion**

- A. Infidel
- B. Humanist
- C. Arena
- D. Excursion

Directions: Choose the alternative which best expresses the meaning of the Idiom/Phrase.

19. **BEND OVER BACKWARDS**

- A. Practice yogic exercise regularly
- B. Try to accommodate and please someone
- C. Attempt a difficult gymnastic pose
- D. Show someone your back and insult them

20. **HEAD IN THE CLOUDS**

- A. Proud of one's achievements
- B. To be ambitious
- C. Cut off from reality
- D. To be quite tall

Directions: select the most appropriate option to substitute the underlined segment in the given sentence. If no substitution is required, select 'No substitution'

21. Wait at this billing counter until I bring some items I still need to get.

- A. until and unless I have bring
 - B. unless I have brought
 - C. unless I have bring
 - D. No substitution
22. ***It being a hot*** and busy day, I felt tired and decided to retire early.
- A. It was being a hot
 - B. As it be a hot
 - C. Being a hot
 - D. No substitution

Directions: Find out the error, if any –

23. The stranded passengers (A)/ have been demanding (B)/ a huge compensation from the airline company. (C)/ no error(D)
24. You can spare me (A)/ ten minutes of your valuable time, (B)/ isn't it? (C)/ no error(D)
25. Daniel was (A)/ one of the greatest judges (B)/ that has ever lived. (C)/no error(D)

Answers

1. D 2. B 3. C 4. C 5. A 6. D 7. B 8. C 9. A 10. C 11. D 12. C 13. D
14. C 15. D 16. D 17. B 18. A 19. B 20. C 21. D 22. D 23. D 24. C 25. C

Explanations

- D) Both A and B.
- B) They are 21.5% higher than the average monthly kitty of little over ₹1.23 lakh crore through 2021-22.
- C) April, October, and January 2023.
- C) Quarter-end and year-end return filings whose taxes are collected in the first month of the subsequent quarter.
- A) Higher taxpayer compliance and cooling import demand.
- The tone of the passage is neutral and informative. The author presents facts and figures related to GST revenue trends and offers an analysis of what they might indicate about taxpayer compliance and import demand. There is no clear emotional bias or subjective opinion expressed in the passage.
- Unpredictability** (noun) – Inability to be predicted; changeability. अनिश्चितता
 - Interlude** (noun) – interval, intermission, break अन्तराल
 - Interpretation** (noun) – explanation, rendition, reading, version व्याख्या
 - Brilliance** (noun) – The state or quality of being brilliant प्रतिभा
- Oblivious** (adjective) – unaware, heedless, unconcerned, unmindful. बेखबर
 - Sobering** (adjective) – serious, subdued, far-reaching, grave, sober गंभीर
 - Ultimate** (adjective) – best, highest, topmost मुख्य, परम
 - Incredible** (adjective) – remarkable, extraordinary, stunning, impressive, अविश्वसनीय
- Solidarity** (noun) – unity, unanimity, harmony, cooperation. एकजुटता
 - Scope** (noun) – Possibility, choice, room, opportunity, latitude गुंजाइश
 - Deficit** (noun) – shortage, deficiency, shortfall, lack, inadequacy कमी, अभाव
 - Blunder** (noun) – Mistake, error, misstep भूल
- Wary of** (adjective) – Cautious, suspicious, chary, guarded, circumspect, careful, watchful एहतियाती
- वाक्य का subject 'Trope' singular है जिसके लिए singular verb 'is' का प्रयोग होगा।
- CADB**
Inventors defy definition; as a result, they are frequently defined by what they are not. For example, though there is a close relation between invention and science and engineering, an inventor is not necessarily a scientist or an engineer. A scientist is said to be a discoverer—that is, somebody who by acute observation and brilliant analysis is able to find and explain

something that already exists in nature. An engineer, on the other hand, uses existing technology and scientific understanding to design better objects or processes, but an inventor creates something that had never previously existed.

13. The leakage in the tap has not yet been fixed by the plumber.

14. Onions are being sold by the vendor on a cart.

15. Sushant told the elderly lady that she could take his place and stand there in the queue.

16. Sagarika said that she had passed her examination

17. **Incorrigible** – One who cannot be corrected असुधार्य

- **Incandescent** – That which gives bright light when heated उद्दीप्त
- **Vacillation** – Change one's mind too quickly
- **Alias** – Name by which a person is called at other times or in A other place.(False name) उर्फ

18. **Infidel** – Person with no belief in a religion नास्तिक

- **Humanist** – Marked by humanistic values and devotion to human welfare मानववादी
- **Arena** – A level area surrounding by seating अखाड़ा
- **Excursion** – Short journey made by a group of persons together भ्रमण

19. **Bend over backwards** (phrase) – Try to accommodate and please someone

20. **Head in the clouds** (phrase) – Cut off from reality

21. No substitution

22. No substitution

23. (D) No error.

24. (C) 'isn't it' के बदले 'can't you' का प्रयोग होगा क्योंकि वाक्य का subject 'you' तथा verb 'can' है, और यदि वाक्य का subject कोई personal pronoun हो तो Question tag का subject भी वही personal pronoun होता है और जो सहायक क्रिया वाक्य के subject के साथ प्रयुक्त होती है वही सहायक क्रिया question tag में subject के साथ भी प्रयुक्त होती है;

जैसे-

i. I was late, wasn't I?

ii. You can do it, can't you?

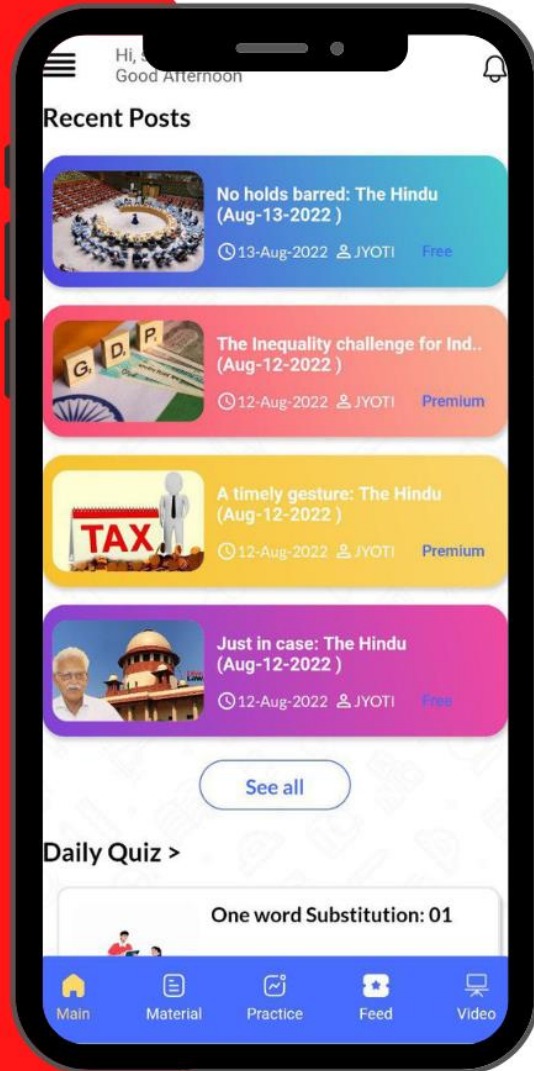
- 'can't you' will be used instead of 'isn't it' because the subject of the sentence is 'you' and the verb 'can', and if the subject of the sentence is a personal Pronoun then the subject of the question tag It is also the same personal pronoun and the auxiliary verb that is used with the subject of the sentence, the same auxiliary verb is also used with the subject in the question tag; like-

i. I was late, wasn't I?

ii. You can do it, can't you?

25. (C) 'has' के बदले 'have' का प्रयोग होगा क्योंकि relative pronoun 'that' का Antecedent 'judges' plural है और relative pronouns 'who, which, that' के बाद आने वाले verbs उनके antecedents के numbers तथा person पर निर्भर करते हैं।

'have' will be used instead of 'has' because the antecedent 'judges' is the plural of the relative pronoun 'that' and the verbs following the relative pronouns 'who, which, that' have numbers and person of their antecedents depend on.



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