

GST kitty gains 15% to ₹1.49 trillion in Dec, third highest

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Gross goods and services tax (GST) collection for December rang up over ₹1.49 trillion, the data released by the finance ministry on Sunday showed.

This is a surge of 15 per cent year-on-year, mainly driven by increase in retail prices of consumption items, high inflation, and action taken to ensure compliance. This was the third-highest monthly collection since the tax was introduced in July 2017.

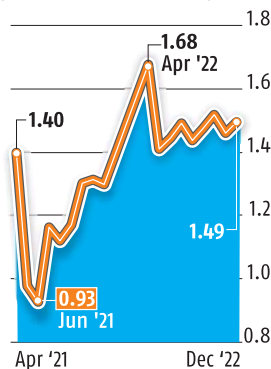
GST collection touched a record high of ₹1.68 trillion in April and touched over ₹1.51 trillion in October. "This is the tenth month in a row — that monthly GST revenue has been more than ₹1.4 trillion," the ministry said on Sunday while releasing the data. If the trend continues, overall GST collection may exceed the budgetary estimate by ₹1.3-1.4 trillion, experts estimate.

The Budget 2022 set the Central GST (CGST) target at ₹6.6 trillion, excluding the compensation cess. Between April and December, CGST collection stood at more than ₹5.5 trillion. "The headline GST numbers remain robust. Revenue from domestic transactions may continue to report higher growth than that from imports, given the moderation in commodity prices," said Aditi Nayar, chief economist, ICRA.



THE TREND

(GST revenues in ₹ trn)



Source: Ministry of Finance

Revenues from imports of goods were 8 per cent higher and those from domestic transactions (including imports of services) were 18 per cent higher than those from these sources during the same month last year. In November, 79 million e-way bills were generated as against 76 million in October. The latest GST numbers pertain to the transactions made in November.

"An 18 per cent increase in GST revenues from domestic transactions, viewed with the expansion in e-way bill issuance and the significant increase in GST collection by key manufacturer and consuming states, would indicate a sustained manufacturing and consumption cycle across recent months," said MS Mani, partner, Deloitte India.

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December, central CGST was ₹26,711 crore, State GST ₹33,357 crore, integrated GST ₹78,434 crore (including ₹40,263 crore collected on imports of goods), and cess ₹11,005 crore (including ₹850 crore on imports of goods). The Centre has settled ₹36,669 crore to CGST and ₹31,094 crore to SGST from IGST as regular settlement.

After regular settlements, the revenues of the Centre and the states stood at ₹63,380 crore as CGST and ₹64,451 crore as SGST.

"The steady rise in GST collection over recent months, while being reflective of manufacturing and consumption stability across states, would also tie in with key macro economic indicators, which have been pointing to a good economic performance across key sectors," Mani said.