GST mop-up rises 12% to ₹1.57 trillion

SHRIMI CHOUDHARY
New Delhi, 1 June

Goods and services tax (GST) collection in May rose 12 per cent over the same month last year to ₹1.57 trillion, indicating that the economy is holding firm despite external headwinds.

Experts anticipate GST would expand 10-11 per cent in this fiscal year, in step with the government's growth estimate of 6.5 per cent.

With this, gross GST has crossed ₹1.5 trillion for the fifth time since the inception of the indirect tax regime, making it a new base for this fiscal year.

Monthly GST reported more than ₹1.4 trillion for 14 months in a row.
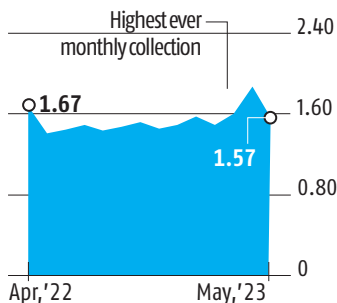
"GST revenues in May have modestly exceeded our expectations. Over the next few months, we expect GST to print at ₹1.55-1.65 trillion and record an expansion of 10-11 per cent in YoY terms, broadly in line with the nominal GDP growth expected in FY24," said Aditi Nayar, chief economist, ICRA.

During the month, revenues from imports of goods were 12 per cent higher and those from domestic transactions (including imports of services) were 11 per cent more than the equivalent figures during the same month last year, the finance ministry said while releasing the provisional numbers on Thursday.

In April GST reported a record

THE TREND

IN ₹ TRILLION

Highest ever monthly collection

1.67

1.57

2.40

1.60

0.80

0

Apr,'22   May,'23

Source: Finance ministry

high of ₹1.87 trillion. The moderation in the May number is primarily on account of fiscal-closure activities getting accumulated and accounted for in April.

"While collection in absolute terms is lower than in April, which had an embedded year-end impact, it reflects a continuation of the inherently good economic performance across states," said M S Mani, tax partner, Deloitte India.

Of the gross GST collected in May, central GST is ₹28,411 crore, state GST ₹35,828 crore, integrated GST ₹81,363 crore (including ₹41,772 crore on imports of goods), and the cess is ₹11,489 crore (including ₹1,057 crore collected on imports of goods).

The Centre has settled ₹35,369 crore for CGST and ₹29,769 crore for SGST from IGST.