

# GST mop-up over ₹1.4 trn for sixth month in a row

## Rises 28% in August on better compliance, revival in consumption

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Goods and Services Tax (GST) collections remained above ₹1.4 trillion for the sixth month in a row, and increased 28 per cent year-on-year (YoY) to ₹1.43 trillion on better compliance, revival in consumption, and elevated inflation. The GST mop-up in August 2021 was ₹1.12 trillion.

However, revenue from the indirect tax witnessed a mild month-on-month dip from ₹1.49 trillion collected in July. This was despite the imposition of GST on pre-packaged food items from July.

“The growth in GST revenue till August over the same period last year is 33 per cent, continuing to display very high buoyancy. This is a clear impact of various measures taken by the GST Council in the past to ensure better compliance. Better reporting, coupled with economic recovery, has been having a positive impact on the GST revenues on a consistent basis,” the Ministry of Finance said.

Of the ₹1.43 trillion collected, ₹24,710 crore was the central GST and ₹30,951 crore was state GST. The integrated GST collected during the month was ₹77,782 crore, which included ₹42,067 crore collected on import of goods.

From the IGST collected, the Union government disbursed ₹29,524 crore to CGST



### GAINING STRENGTH

GST collections (₹ trn)



Source: Ministry of Finance

and ₹25,119 crore to SGST. This took the total revenue of the Centre and states to ₹54,234 crore and ₹56,070 crore, respectively.

Cess collected during the month stood at ₹10,168 crore. And around 76 million e-way bills were generated in July, marginally higher than the 74 million generated in June and 19 per cent higher than the 64 million in July 2021.

Even as GST collections dipped marginally compared with the previous month, the impressive YoY growth reflected the revival in consumption, improved compliance as well as elevated infla-

tion, said Aditi Nayar, chief economist at ICRA.

“Looking ahead, the YoY growth in GST collections is likely to remain well above 20 per cent in September, before tempering down to 12-15 per cent in Q3FY23, on a normalising base, trending close to the nominal GDP expansion,” said Nayar, adding that she continued to foresee a considerable upside in CGST collections relative to the FY23 Budget Estimates, more than offsetting the expected loss in excise collections.

The consistent high collections indicate an upward economic trajectory despite

fluctuating Covid-19 cases, said Abhishek Jain, partner at KPMG. He attributed the increase in GST mop-up to inflation, and better compliance being ensured by the government.

Experts also see high indirect tax collections in coming months due to the onset of the festive season in the country. “With the onset of the festive season, which is typically a large consumption driver for all businesses, the GST collections in the coming months would also be expected to be robust,” said MS Mani, partner at Deloitte India.

### States' collection

About 22 states and Union territories witnessed at least 15 per cent YoY growth in their collections in August. Most major states saw their mop-up increase over 15 per cent during the month, with Maharashtra seeing a 24 per cent growth in monthly collections at ₹18,863 crore; Karnataka saw a 29 per cent increase in the mop-up at ₹9,583 crore; Tamil Nadu collected ₹8,386 crore, a rise of 19 per cent; West Bengal witnessing 25 per cent growth to ₹4,600 crore, among others.

Mizoram's GST collections increased the most (78 per cent) to ₹28 crore, while Manipur, Lakshadweep and Andaman and Nicobar Island posted a decline in collections as compared to last year.