

GST mopup growth in Sep slowest in H1FY25

Net numbers fall 3.9% to ₹1.5 trn amid high refunds

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Net goods and services tax (GST) collections in September grew at the slowest pace in the current financial year (2024-25/FY25), increasing by 3.9 per cent to ₹1.5 trillion amid high refunds, according to provisional data released by the government on Tuesday.

The gross GST collection, which is the amount before adjusting for refunds, grew by 6.5 per cent in September to ₹1.7 trillion. This marks the second consecutive month of single-digit growth in collections and the slowest increase seen in 39 months.

Cumulatively, from April through September, the growth in total gross GST collection fell to a single digit of 9.5 per cent, down from the 10.1 per cent growth recorded until last month (April-August). The September figures reflect goods and services transactions related to August.

Average monthly gross GST collections dropped to ₹1.77 trillion in the second quarter (July-September), down from ₹1.86 trillion in the first quarter (April-June) of FY25. However, September marks the seventh consecutive month in which collections exceeded ₹1.7 trillion.

Tax experts noted that with the festival season approaching, collections in the next couple of months might improve.

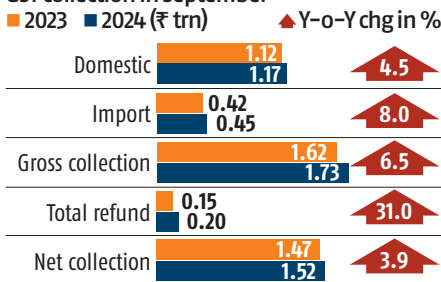
"While year-to-date GST revenues have still grown by over 9 per cent, the monthly growth is perhaps less than expected. This may require closer scrutiny by the GST Council, particularly in light of the rate rationalisation exercise. However, with the festival season coming, collections in the next couple of months might be better," said Pratik Jain, partner at PwC India.

The increase in GST collection in September also saw wide variation among states. While Haryana (24 per cent), Delhi (20 per cent), and Uttarakhand (14 per cent) reg-



THE NUMBERS GAME

GST collection in September



Source: GST portal

istered double-digit growth, Karnataka (8 per cent), Maharashtra and Tamil Nadu (5 per cent each), Uttar Pradesh (3 per cent), Gujarat (0 per cent), and Andhra Pradesh (minus 4 per cent) saw either single-digit growth or contraction.

Abhishek Jain, indirect tax head and partner at KPMG, said it is encouraging to see a sizeable surge in the processing of GST refunds this month. "With the kickoff to festivities, the next few months are expected to witness a further surge," he added.

Refunds worth ₹20,458 crore were issued in September, an increase of 31 per cent over the same period last year. The refunds issued for exports (39.2 per cent) were higher than those for domestic sources (24.3 per cent), all of which affected net receipts in September.

Experts believe that the 31 per cent year-on-year rise in GST refunds underscores the government's focus on enhancing the ease of doing business, facilitating timely refunds, and reducing working capital pressures for businesses.