

# GST mop-up for Feb surges 12.5% on better consumption

**IMPROVED COMPLIANCE.** Major States have shown an impressive increase in collections

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New Delhi

Better consumption, improved compliance and good collection in majority of States helped mop-up from GST to ₹1.68-lakh crore in February. This is 12.5 per cent higher than February of 2023. However, there is no indication about rate rationalisation in near term.

Although on a sequential basis the collection is 2.2 per cent lower than January, but it needs to be understood that while the former has 29 days, latter has 31 days to receive collection.

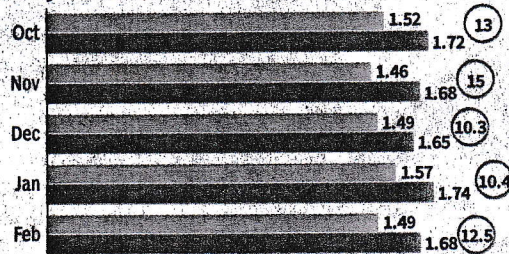
## KEY DRIVERS

According to a Finance Ministry statement, growth in February (on y-o-y basis) was driven by a 13.9 per cent rise in GST from domestic transactions and 8.5 per cent increase in GST from import of goods. "GST revenue net of refunds for February 2024 is ₹1.51-lakh crore, which is a growth of 13.6 per cent over that for the same period last year," it said.

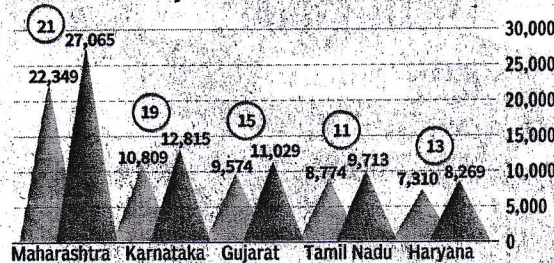
Commenting on latest

**Robust growth** ● 2022-23 ● 2023-24 ○ % Change

**Monthly GST collection (in ₹ lakh cr)**



**Collection in key States (February/in ₹ cr)**



Source: Finance Ministry

number, MS Mani, Partner with Deloitte India, feels February headline number will provide further comfort to the government that the tax collection targets for the year will be exceeded by a good margin. "Almost all major States have shown an impressive increase in GST collections ranging from 8-

21 per cent, demonstrating that the consumption growth is across States as GST is a destination-based consumption tax," he said.

Gunjan Prabhakaran, Partner with BDO India, said the increase in GST collections seems to be on the basis of growth in economic activity, especially

with the GST collections from Maharashtra, Karnataka and Gujarat showing growth rates close to 15-20 per cent.

Saurabh Agarwal, Tax Partner with EY, thinks even small States and UT have also shown good growth. "Rise in GST collections from smaller States and Union Territories, including Jammu & Kashmir, Assam, Dadra Nagar Haveli, and Ladakh, suggests that economic growth is becoming more widespread and inclusive across the country," Agarwal said.

## BETTER COMPLIANCE

Experts also caution taxpayers to ensure better compliance. Parag Mehta, Partner, N.A. Shah Associates, said the authorities have been very vigilant and sharing of information between various government departments has ensured control and strict action against tax evaders.

"The trade during the year end ensures rectification of all errors and unintentional mistakes to ensure compliance and avoid any action by the authorities," he advised.