

May GST haul swells 12% to ₹1.57 trillion

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Central and state governments collected ₹1.57 trillion in Goods and Services Tax (GST) in May, 12% more than what they netted from the indirect tax a year ago, the finance ministry said on Thursday.

This is lower than the record GST collection of ₹1.87 trillion reported in April but it's in line with the trend of robust GST revenue receipts, officials said.

GST revenue in May, representing transactions in the first month of the new financial year, was expected to come down from April's high—the outcome of year-end sales by companies.

Monthly GST revenues remained above ₹1.4 trillion for 14 months in a row, with the ₹1.5 trillion-mark being crossed for the fifth time since the launch of GST, the ministry said.

After settlement of taxes on account of inter-state sales, the Central government collected ₹63,780 crore while the states collected ₹65,597 crore in May, the statement said.

In May, revenue from



Monthly GST revenues have now remained above ₹1.4 trillion for 14 months in a row. **BLOOMBERG**

import of goods shot up 12% from what was collected from imports in the same month a year ago.

Experts expect the double-digit growth in revenue receipts to continue.

"Over the next few months, we expect GST revenues to print at ₹1.55-1.65 trillion and record an expansion of 10-11% year-on-year, broadly in line with the nominal GDP growth expected in FY2024," said ICRA chief economist Aditi

Nayar.

While the collection in May in absolute terms is lower than that of the previous

GST revenue receipts in May represent transactions in the first month of the FY

month, which had an embedded year-end impact, "it reflects a continuation of the inherently good economic performance across states", said MS Mani, Partner,

Deloitte India.

Most large state economies reported double digit year-on-year revenue growth in May.

Maharashtra received the

highest GST receipts among states at ₹23,356 crore, a 16% improvement from the collection in the year-ago period. Karnataka collected ₹10,317 crore in May, which is a 12% growth.

Uttar Pradesh collected ₹7,468 crore in May, 12% more than what it collected in the same time a year ago. Gujarat, however, reported a 5% improvement at ₹9,800 crores.

Experts also expect regulatory action against fake GST invoices and the ongoing GST audits to support revenue receipts in the coming months.

The Centre last month also kicked off automated scrutiny of GST returns.

This is expected to enable officers to carry out scrutiny of returns on the basis of data analytics and risks identified by the system.

The strong growth seen in the services sector in recent months is also giving a boost to GST receipts.

According to Mahesh Jaising, partner and leader of indirect tax at Deloitte India, the ongoing drive against fake GST registrations along with audits and recovery of demands would contribute to better tax compliance.