

GST mop-up rises 12% in May, tops ₹1.5L cr for 3rd mth in row

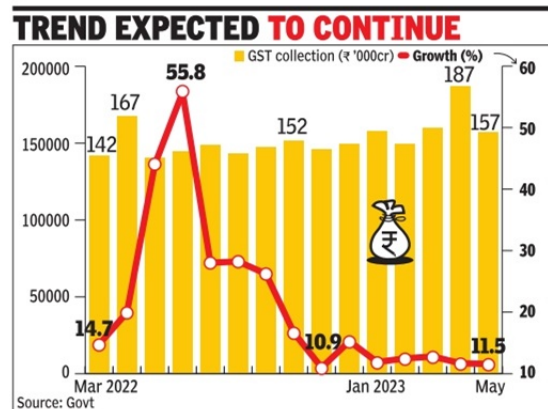
Aided By Robust Eco Activity, Tighter Norms: Tax Experts

TIMES NEWS NETWORK

New Delhi: GST collection rose 11.5% to Rs 1,57,090 crore in May, sustaining the momentum seen over the last few months.

Data released by the finance ministry showed mop-up during May (based on transactions in the previous month) remained over the Rs 1.4 lakh crore level for the 15th consecutive month. It also pointed to a recovery in imports, with integrated GST on goods shipped from overseas, rising 11.5% in May, against a decline in April, and expanded at the fastest pace since November.

May is the third month in a row that tax collections from goods sold and services rendered have crossed Rs 1.5 lakh crore. In April, GST revenues had touched a record high of nearly Rs 1.9 lakh crore, while in March it was Rs 1.6 lakh crore. "Revenues from import of goods was 12% higher and the revenues from domestic transactions (including im-



port of services) are 11% higher than the revenues from these sources during the same month last year," the finance ministry said in a statement.

Tax experts attributed the trend to healthy economic activity and tightening of norms. "The All-India Special Drive being conducted across two months, aimed at tackling tax evasion by identifying fake registrations, could be a contributor to better compliances

this month. Expedited closure of audits as we approach the statutory deadline and recovery of demands are another significant contributor. The recently issued standard operating procedure for online scrutiny of returns also urges officers to prioritise cases which are riskier and have higher revenue implication while preparing scrutiny schedules. This initiative should aid in maintaining the up-

ward trend in revenue collections this financial year too," said Mahesh Jaising, who leads the indirect tax practice at consulting firm Deloitte India. He also said a lower threshold for e-invoicing will further help weed out fake invoices.

Most analysts expect collections to rise in the coming months. "GST revenues in May 2023 have modestly exceeded our expectations. Over the next few months, we expect GST revenues to print at Rs 1.55-1.65 lakh crore and record an expansion of 10-11% in YoY terms, broadly in line with the nominal GDP growth expected in FY2024," said Aditi Nayar, chief economist at ratings agency ICRA. Ladakh (113%), Mizoram (52%), and Arunachal Pradesh (47%) led in terms of growth rates, even as collections declined in Manipur (17%), Punjab 9%) and Chhattisgarh (4%). Among larger states, Maharashtra reported a 16% rise, while Tamil Nadu (13%), UP (12%) and Karnataka (12%) grew around the national average.