

GST collections hit record high of 1.24L crore in March

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NEW DELHI: GST collections rose 27% to hit a record high of nearly Rs 1.24 lakh crore in March, helping to narrow the deficit for the full financial year to around 7%.

The mop-up -- based on sales in February 2021, for which returns were filed in March -- was boosted by imports with revenue from imported goods jumping 70%, while those from domestic transactions, including services imports, were 17% higher than the corresponding period in 2020.

The impact of the coronavirus pandemic was first seen in February 2020 when the lockdown in Wuhan resulted in a disruption of shipments coming from China, where the deadly virus was first spotted.

“GST revenues crossed above Rs 1 lakh crore mark at a stretch for the last six months and a steep increasing trend over this period are clear indicators of rapid economic recovery post pandemic. Closer monitoring against fake billing, deep data analytics using data from multiple sources including GST, income-tax and customs IT systems and effective tax administration have also contributed to the steady increase in tax revenue over last few months,” the finance ministry said in a statement.

Although the base effect will come into play in the coming months, there has been a sustained recovery with collections rising 14% during the March quarter compared to 8% during October-December 2020. During the first half of 2020-21, GST collections had declined following the lockdown.

“It (collection growth) clearly shows a sustained economic recovery and also is a result of GST audit closures and the

government tightening compliance and anti-evasion measures,” said Pratik Jain, who leads the indirect tax practice at consulting firm PwC.

What is providing even more comfort to experts is the growth in collections across all the states. “In addition to the trend of higher overall GST collections over the past six months, all major states have shown a significant increase compared to the previous year. Further the increase in collections on imports accompanied by the increase in domestic transactions would indicate that the overall production/consumption cycle is back to normal,” said MS Mani, senior director at Deloitte India.