

# GST revenues hit ₹1.16 lakh crore in July

Rise in collections a sign of economic rebound: FinMin

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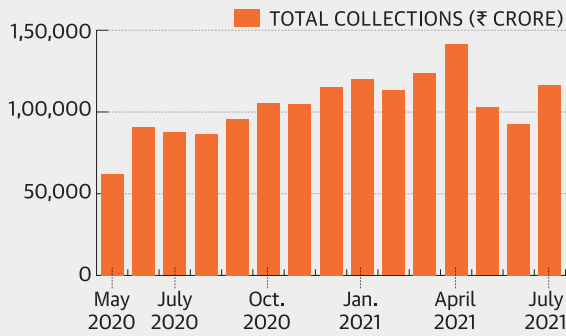
The gross Goods and Services Tax (GST) revenues in July recovered sharply to ₹1,16,393 crore, after slipping below the ₹1 lakh crore mark for the first time in eight months in June.

The Union government called the collections a sign of a rapid economic recovery from the second wave of the COVID-19 pandemic, though economists said they indicated an “incomplete” rebound.

“With the easing out of COVID restrictions, GST collection for July 2021 has again crossed ₹1 lakh crore, which clearly indicates that the economy is recovering at a fast pace. The robust GST revenues are likely to continue in the coming months too,” the Finance Ministry said in a statement on Sunday.

## Trending upwards

GST revenue collected for July 2021 increased by 33% compared with the corresponding month in 2020



The July numbers include returns filed between July 1 and 5, amounting to ₹4,937 crore, as taxpayers were given relief on delayed return filing for June in the wake of the second wave.

The July collections were 33% higher than a year ago, with the GST collected on the import of goods rising 36% and domestic transactions, including import of services, growing by 32%.

“There is a heartening sequential increase, as well as

a substantial year-on-year growth, but GST collections remain well below the all-time high recorded in April of ₹1.41 lakh crore. In our view, this is further evidence that the graduated unlocking in June 2021 has triggered an incomplete recovery that is expected to strengthen in July,” said Aditi Nayar, chief economist at ICRA.

### Significant variations

While most States reported positive growth in tax collec-

tions compared with July 2020, there were significant variations – Odisha and Jharkhand reported a 54% uptick, followed by Haryana (53%) and Maharashtra (51%), while Tamil Nadu and Gujarat clocked 36% growth.

Kerala reported a 27% surge in GST revenues, despite having stricter COVID-19 restrictions in place than States such as Uttar Pradesh, West Bengal and Rajasthan, which recorded a growth of 18%, 15% and 12%, respectively.

“The pace of growth across the States was highly uneven in July 2021, with some industrial heavyweights recording a sharp expansion,” Ms. Nayar said.

The Ministry attributed June’s blip in GST revenues at ₹92,849 crore, after posting above the ₹1 lakh crore mark for eight successive months, to the complete or partial lockdowns in most States and Union territories in May.