

GST mop-up crosses ₹1-lakh cr in January

OUR BUREAU

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Collection from GST crossed the ₹1-lakh-crore mark in January. This is the third time that mobilisation has touched that amount since the introduction of the indirect tax regime.

There has been a “significant improvement” over the ₹94,725 crore collected in December 2018 and ₹89,825 crore in January 2018, the Finance Ministry said in a tweet on Thursday.

It also said the increase has been achieved despite various relief measures implemented by the GST Council to lower the tax burden on consumers. Final figures and details of collections for the entire month will be released on Saturday.

Mirroring the economy

Saloni Roy, Senior Director at Deloitte India, said tax collections could be said to mirror the economy, and a healthier revenue in January is an upbeat signal. “This trend of significant improvement in revenue collections should be maintained so that deficits are contained and there is stability in tax collections,” she said.

Pratik Jain, Partner & Leader (Indirect Tax) at PwC India, felt the January mop-up comes as a welcome relief for the Centre. This underlines that collections are increasing steadily as compliance is getting simplified, rates are getting reduced and administration is getting sharper, he observed.

“That said, it’s clear that overall collection for the entire year would be significantly lower than what was budgeted. It will be interesting to see if the estimated collections in the next financial year would reflect the collection trend in the current year,” he added.