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### **An Analysis of GST Collection in India with Special Reference to Calendar Year (2020-2021)**

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#### **Abstract**

GST is an Indirect Tax that has replaced many indirect taxes in India. It is based on Canadian country. It includes the tax on the supply of Goods and Services. The Goods and Services Tax Act was passed in the parliament on 29<sup>th</sup> March 2017. The GST was implemented on 1<sup>st</sup> July 2017. It is a comprehensive, multistage, and destination-based tax. Comprehensive because it includes many taxes such as VAT, Entertainment Tax, Luxury Tax, Lottery Tax, etc. Multistage as it is, the GST is levied at every stage of the manufacturing process i.e. from the purchase of raw materials to the sale to the final consumer but is meant to be refunded to all parties in the various stages of production other than the final consumer. Destination-based tax means it is collected from the place of use. Collect from the state in which the Goods and Services were consumed. GST is one indirect tax for the entire country. Most of the indirect taxes collected by the central and state government are included in GST. The purpose of this research paper is to analyze the GST collection in India with special reference to the calendar year 2020-2021. The lockdown caused by Covid-19 has affected this FY's GST collection.

**Keywords:** Goods and Services Tax (GST), Indirect tax, India, GST Revenue Collection

#### **Introduction**

In the modern age, all the countries of the world have accepted taxation as a means to receive funding for the welfare and protection of the people. All the countries of the world collect taxes. Tax rates are different in each country. There are two types of taxes in India. 1. Direct Tax and 2. Indirect Tax. Since the liberalization process in 1991 indirect taxes have been improving. From 1<sup>st</sup> July 2017, the Central Government has abolished all indirect taxes and started implementing GST as per "ONE NATION ONE TAX" principles. India is the 161<sup>st</sup> country to implement GST. GST is implemented all over India including Jammu and Kashmir. It is based on Canadian country. GST was first discussed in 2000 during the rule of the Atal Bihari Vajpayee Government. It was proposed in the budget speech for the year 2006-07 to bring GST to the national level by April 2010. After much effort and debate, the 122<sup>nd</sup> constitutional amendment bill was introduced in the parliament. In pursuance of which the 101<sup>st</sup> constitutional act 2016 was enacted and passed from Lok Sabha on 8<sup>th</sup> August 2016 3<sup>rd</sup> August 2016 from Rajyasabha. Consent was given by the honorable president on 8<sup>th</sup> September 2016 and executed on 1<sup>st</sup> July 2017. It took 17 years to implement the GST.

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GST is an indirect tax that has replaced much indirect tax in India. GST includes taxes on the supply of Goods and Services from the manufacturer to the consumer. The credit value of the input tax paid at each stage will be available at an additional subsequent stage, which is levied on the additional value at each stage in GST. Thus the final consumer will bear only the GST levied by the last merchant of the supply chain, with all the previous set-off benefits. The tax rate in GST is divided into five parts. 0%, 5%, 12%, 18% and 28%. However, GST is not levied on petroleum, alcoholic beverages, and electricity. The state government levied a tax on it as per the previous tax system. GST is categorized under four categories CGST, SGST, IGST, and UTGST. SGST and CGST are applicable on intrastate supply, IGST is applicable on interstate supply, and UTGST is applicable on interstate supply within one union territory.

### Objectives of the study

- To analyze statistical data of GST Revenue Collection month-wise
- To study the progress of GST revenue collection in FY 2020-2021
- To understand the trend of month-wise GST Revenue collection in FY 2020-2021

### Limitation of the study

- The study focuses only on the current year April 2020 to March 2021. So that a short-term solution can be found.
- This study is based on secondary data. The main source of data is the ministry of India

### Review of Literature

According to (Lourdunathan and Xavier,2017) implementation of GST will result in One Nation and One Tax Market, by subsuming several taxes and covering input tax credit set-off. This will enable both central and state governments to widen their tax base and improvement in tax compliance. (Nayyar & Singh, 2018) their study concluded that all the sectors of the economy will bear the impact of GST. But according to experts GST will improve GST collection and boost the economic development of the country.( Rajasekaran & Pavithram ,2020) Although the structure of GST is not perfect, this tax structure will make India a favorable economy for foreign investment. It eliminates multiple. Registering for GST will not only help the government but also help the business track weekly. Neeta( Subhash Sharma, Vijay Dayama, 2020) GST will improve tax collection and boost the growth of the Indian economy and break tax barriers between the central and state governments. GST will give the country a clear and transparent tax system. Further concluded that after the implementation of GST, the revenue situation of GST revenue collection for different years has improved. Successful implementation of GST requires further analytical research.

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**Table 1: GST Revenue Collection for June 2020**

<b>Taxes</b>	<b>Revenues</b>
CGST	18,980
SGST	23,970
IGST	40,302
CESS	7,665
<b>TOTAL</b>	<b>90,917</b>

In June 2019, GST revenue was Rs 99,939 crore. June 2020 has 91% of GST as compared to June 2019. Compared to last year, GST collection has decreased by 9%. During June, returns of February, March, and April 2020 have also been filed in addition to some returns of May 2020 since the Government has allowed a relaxed schedule for the filing of GST returns.

The revenues during the financial year have been impacted due to COVID-19, firstly due to the economic impact of the pandemic and secondly due to the relaxations are given by the Government in the filing of returns and payment of taxes due to the pandemic. However, figures for the past three months show a recovery in GST revenues.

GST collection in April 2020 was **Rs 32,294** crore which was 28% as compared to April 2019. GST collection has decreased by 72% as compared to April 2019.

GST collection in May 2020 was **Rs 62,009** crore which was 62% compared to May 2019. That's down 38% from last year.

**Table 2: GST Revenue Collection for July 2020**

<b>Taxes</b>	<b>Revenues</b>
CGST	16,147
SGST	21,418
IGST	42,592
CESS	7,265
<b>TOTAL</b>	<b>87,422</b>

GST revenue in July 2019 was Rs 1,02,083 crore. Compared to July 2019, GST revenue was 86%. GST collection has decreased by 14.36% as compared to last year.

The revenues for the last month were higher than the current month. However, it is important to note that during the previous month, a large number of taxpayers also paid taxes about February, March, and April 2020 on account of the relief provided due to COVID-19. It may also be noted that the taxpayers with turnover less than 5 core continue to enjoy relaxation in the filing of returns till September 2020.

**Table 3: GST Revenue Collection for August 2020**

<b>Taxes</b>	<b>Revenues</b>
CGST	15,906
SGST	21,064

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IGST	42,264
CESS	7,265
<b>TOTAL</b>	<b>86,449</b>

GST revenue in August 2019 was Rs 98,202 crore. Compared to August 2019, GST revenue is 88%. GST collection has decreased by 12% compared to last year.

**Table 4: GST Revenue Collection for September 2020**

<b>Taxes</b>	<b>Revenues</b>
CGST	17,741
SGST	23,131
IGST	47,484
CESS	7,124
<b>TOTAL</b>	<b>95,480</b>

GST revenue in September 2019 was Rs 91,916 crore. Compared to September 2019, GST collection has increased by 4% in September 2020.

**Table 5: GST Revenue Collection for October 2020**

<b>Taxes</b>	<b>Revenues</b>
CGST	19,193
SGST	25,411
IGST	52,540
CESS	8,011
<b>TOTAL</b>	<b>1,05,155</b>

GST revenue in October 2019 was Rs 95,380 crore. GST collection has increased by 10% in October 2020 as compared to October 2019. The growth in GST revenue as compared to that in July, August, and September 2020 of -14%, -8%, and 5% respectively clearly shows the trajectory of recovery of the economy and, correspondingly, of the revenues.

**Table 6: GST Revenue Collection for November 2020**

<b>Taxes</b>	<b>Revenues</b>
CGST	19,189
SGST	25,540
IGST	51,992
CESS	8,242
<b>TOTAL</b>	<b>1,04,963</b>

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GST revenue in November 2019 was Rs 1,03,492 crore. In line with the recent trend of recovery in the GST revenues, the revenues for November 2020 are 1.4% higher than the GST revenues in the same month last year.

**Table 7: GST Revenue Collection for December 2020**

Taxes	Revenues
CGST	21,365
SGST	27,804
IGST	57,426
CESS	8,579
<b>TOTAL</b>	<b>1,15,174</b>

GST revenue in December 2019 was Rs 1,03,184 crore. In line with the recent trend of recovery in the GST revenues, the revenues for December 2020 are **12% higher** than the GST revenues in the same month last year. 9.7% higher than the previous month's inflows.

December marks the fourth month in a row that GST collection have to grow year-on-year after revenue had collapsed in the first quarter of 2020-21 amidst the Covid-19 lockdown.

The Government said the highest monthly GST kitty since the introduction of the indirect tax in 2017, was a reflection of a rapid economic recovery underway. It also attributed part of the gains to better compliance following an official crackdown on malpractices to weed out taxpayers evading GST or using fake bills to defraud the exchequer.

The 12% year-on-year growth recorded in December was the highest rate in 21 months. This is the third month in a row in the current financial year after the economy has been showing signs of recovery post-pandemic that the GST revenues have been more than Rs 1 lakh crore. The average growth in GST revenues during the last quarter has been **7.3%** as compared to **(-) 8.2%** during the second quarter and **(-) 41.0%** during the first quarter of the financial year.

**Table 8: GST Revenue Collection for January 2021**

Taxes	Revenues
CGST	21,923
SGST	29,014
IGST	60,288
CESS	8,622
<b>TOTAL</b>	<b>1,19,847</b>

In January 2019, GST revenue was Rs 1,10,828 crore. In line with the trend of recovery in the GST revenues over the past five months, the revenues for January 2021 are **8% higher** than the GST revenues in the same month last year.

The GST revenues during January 2021 are the highest since the introduction of GST and have almost touched the Rs 1.2 lakh crore mark, exceeding the last month's record collection of Rs 1.15 lakh crore. GST revenues above Rs 1 lakh crore for a stretch of the last

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four 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 has also contributed to the steady increase in tax revenue over the last few months.

The average year-on-year growth in GST revenue over the first four months in the second half of the financial year has been **8%** as compared to **(-) 24%** during the first half of the year.

**Table 9: GST Revenue Collection for February 2021**

Taxes	Revenues
CGST	21,092
SGST	27,273
IGST	55,253
CESS	9,525
<b>TOTAL</b>	<b>1,13,143</b>

In February 2020, GST revenue collection was Rs 1,05,336. In line with the trend of recovery in the GST revenues over the past five months, the revenues for February 2021 are **7% higher** than the GST revenues in the same month last year.

**The GST revenues crossed Rs 1 lakh the fifth time in a row and crossed Rs 1.1 lakh crore third time in a row** post-pandemic despite this being revenue collection of February. This is a clear indication of the economic recovery and the impact of various measures taken by tax administration to improve compliance.

**Table 10: GST Revenue Collection for March 2021**

Taxes	Revenues
CGST	22,973
SGST	29,329
IGST	62,842
CESS	8,757
<b>TOTAL</b>	<b>1,23,902</b>

Goods and service tax (GST) revenue touched an all-time high in March 2021, with the government collecting nearly Rs 1.24 lakh crore. GST collections for March are 27% higher than the same month last year and are 14% higher in January-March quarter FY21 versus the full fourth quarter for FY20. “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,” the finance ministry said in a statement. The GST revenue witnessed a growth rate of **(-) 41%**, **(-) 8%**, **8%**, and **14%** in the first, second, third, and fourth quarters of this financial year, respectively, as compared to the same period last year, clearly indicating the trend in the recovery of GST revenues as.

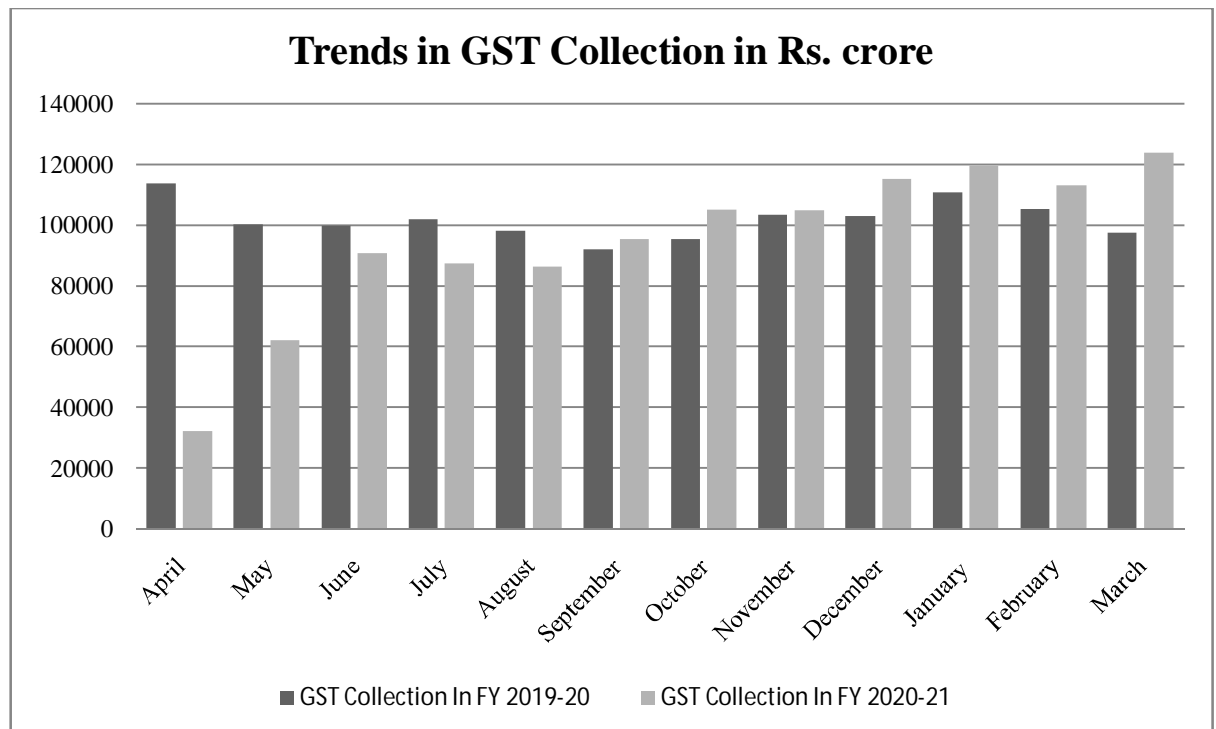
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The upward trend over the past few months has emerged owing to closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, income-tax and customs IT systems and effective tax administration has also contributed to the steady increase in tax revenue over the last few months.

**Figure:** The chart shows the trend in monthly gross GST revenue during the current year.



Data source: <http://gstcouncil.gov.in/gst-revenue>

### Findings

GST collection in April 2020 was Rs 32,294 crore. GST collection in May 2020 is Rs 62,009 crore. GST collection in June 2020 is Rs 90,917 crore. These three-month figures show a recovery in the GST collection. GST collection in July 2020 is Rs 87,422 crore. Which is less collection than the previous month. GST collection in August 2020 was Rs 86,449 crore. Which has decreased compared to the previous month. Compared to August 2019, the August 2020 GST collection has decreased by -12%. GST collection in September 2020 is Rs 95,480 crore. This is an increase of 4% compared to September 2019. The GST collection in October is Rs 1,05,155. This is an increase of 10% compared to October 2019. The growth in GST revenue as compared to that in July, August, and September 2020 of -14%, -8%, and 5% respectively clearly shows the trajectory of recovery of the economy and, correspondingly, of the revenues. GST collection in November 2020 is Rs 1,04,963 crore. This is an increase of 1.4% compared to November 2019. GST collection in December 2020



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is Rs 1,15,174 crore. Which is 12% more than in December 2019. 9.5% higher than the previous month. GST collection in January 2021 is Rs 1,19,847 crore. Which is an increase of 8% over January 2020. The GST collection in February 2021 is Rs 1,13,143 crore. Compared to February 2020, GST collection has increased by 7%. GST collection in March 2021 is Rs 1,23,902 crore. Compared to March 2020, the collection has increased by 27%. The revenue of GST collection has crossed one lakh crore in the last six months. After the decline in GST revenue in the first quarter of 2020-21, the continuous GST collection has increased year by year from September 2020 to March 2021.

### Conclusion

COVID-19 has had an effect on sales during the financial year, first because of the economic impact of the pandemic, and then because of the government's relaxations in filing returns and paying taxes as a result of the pandemic. The lockdown from COVID-19 in the current financial year 2020-2021 initially led to a decline in GST collection. GST collection declined due to disruptions in economic activity earlier in the year. Then there is the increase in GST collection as economic activities are undone due to relaxation in lockdown. GST collection has crossed Rs 1 lakh crore for six consecutive months from October to March. GST collection reached its highest level in March 2021. In which the government collected about Rs 1.24 lakh crore. The increase in GST collection is a clear indication of rapid economic recovery in the post-epidemic period. Closer tracking of fake-billing, deep data mining using data from various sources like GST, income-tax, and customs IT systems, and successful tax administration have all led to the steady rise in tax revenue over the last few months.

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