

Net GST kitty rises 10.7% to ₹1.67 trn in Aug

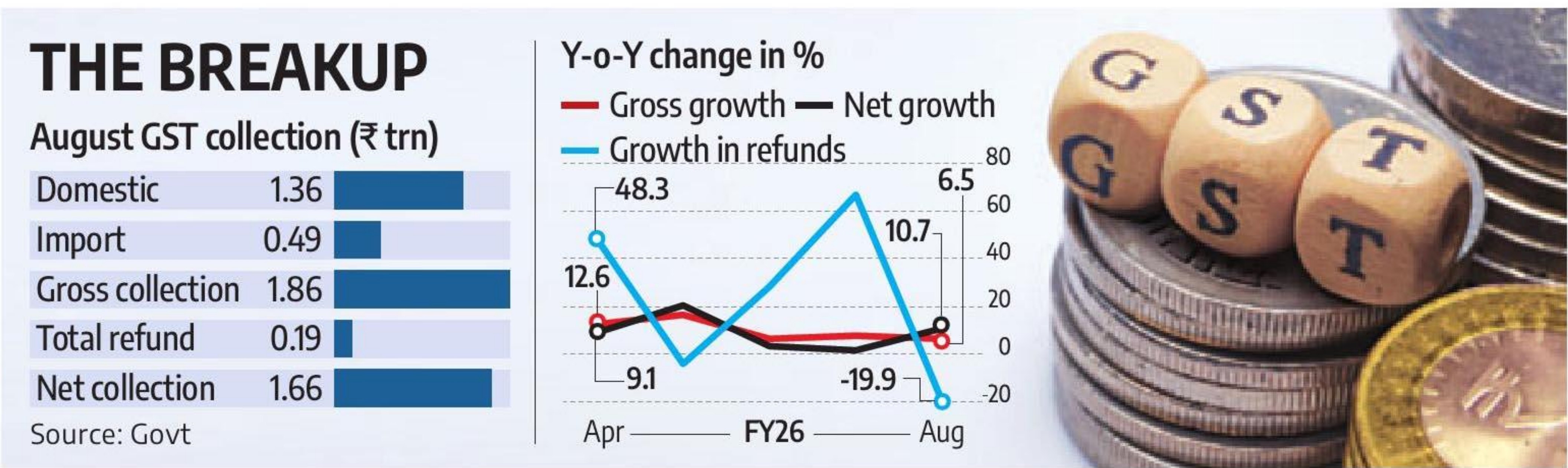
Gross revenue growth from the indirect tax slowed to 6.5% from 7.5% in July; refunds dipped 20%

MONIKA YADAV
New Delhi, 1 September

India's net revenues from the Goods and Services Tax (GST) rose at a three-month high pace of 10.7 per cent in August even as growth in gross collections slowed to 6.5 per cent from 7.5 per cent in the previous month, thanks to a nearly 20 per cent decline in refunds to taxpayers during the month.

Gross GST collections in August, for transactions undertaken in July, stood at about ₹1.86 trillion, 4.8 per cent lower than the previous month. However, with refunds slipping into a contraction after two months of high growth (28.4 per cent in June and 66.8 per cent in July), the sequential dent on net collections was limited to 1 per cent as revenues dipped from over ₹1.68 trillion in July to almost ₹1.67 trillion in August.

In July, net GST revenues were



up 1.7 per cent, while they had risen 3.3 per cent in June. In August, net revenues from domestic transactions grew 13.5 per cent to ₹1.25 trillion, while gross domestic collections were up 9.6 per cent at ₹1.36 trillion. Refunds for domestic transactions shrank 21.4 per cent.

Gross revenues from imports declined 1.2 per cent in August but GST refunds to exporters dropped about 18 per cent, so net revenues from imports recorded a positive

IN THE FIRST FIVE MONTHS OF FY26, NET GST REVENUES HAVE NOW INCREASED 8.8% TO ₹8.78 TRILLION, WITH NET DOMESTIC REVENUES GROWING 7.4% TO ₹6.86 TRILLION

growth of 3 per cent.

“The contraction in Integrated GST (IGST) collections on imports is puzzling in light of the sharp

increase in merchandise imports in July 2025, which would have reflected in the August 2025 numbers,” ICRA chief economist Aditi Nayar noted.

“While central GST and State GST revenues recorded a double-digit expansion, the growth in IGST and Cess collections was tepid, dampening the gross GST increase to 6.5 per cent in August. The low wholesale price and consumer price inflation readings may partly be dampening the GST

growth,” she reckoned.

In the first five months of 2025-26, net GST revenues have now increased 8.8 per cent to ₹8.78 trillion, with net domestic revenues growing at 7.4 per cent to ₹6.86 trillion and net collections from imports increasing 14.5 per cent to ₹1.91 trillion. While gross GST collections are up 9.9 per cent at ₹10.04 trillion, refunds have risen 18 per cent to ₹1.26 trillion.

“The increase in collections is in line with the gross domestic product (GDP) growth data and would give the policy makers the confidence to move ahead with GST 2.0 reforms slated to be discussed in the GST Council meeting this week,” said MS Mani, partner at Deloitte India. He highlighted that large manufacturing states like Maharashtra, Karnataka, Uttar Pradesh, Haryana, Tamil Nadu and Andhra Pradesh had seen a robust uptick in the range of 9 per cent to 21 per cent.