

State's GST collections fall by 20%

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Punjab's Goods and Services Tax (GST) collection for the first three quarters of the year is less than 50 per cent of the targets set for this fiscal.

The state's GST collection from April to December is just Rs 7,881.50 crore, against the annual target of Rs 15,858.68 crore. Last year, the GST collection in the same period was Rs 9,851.82 crore. This shows a nearly 20 per cent fall in collections on a year-on-year basis.

Punjab has been hit hard by the Covid-induced lockdown and the Centre is shying away from releasing the GST com-

₹3,300 CR TO BE ADDED: COMMISSIONER

Punjab's Taxation Commissioner Neelkanth S Avhad told The Tribune that the GST collection, minus the setback received in the months of lockdown, was quite encouraging. "We will add another ₹3,300 crore to the total GST collection by the end of March," he said



pensation to the state. The Centre is yet to release Rs 8,800 crore to Punjab as compensation after Rs 1,385 crore was released in December for the previous months. A compensation of Rs 1,336 crore was added for the month of December alone, as the state collected Rs 1,067 crore as GST against a protected revenue of Rs 2,407 crore.

Punjab's financial health

has been depleting since April 2020 as the Centre has failed to release its dues. The Centre had guaranteed 14 per cent annual increase in GST compensation in lieu of the state government subsidising its taxes after the GST rollout. But after the Centre announced its inability to pay the compensation for GST last year, Punjab was left with no option but to concede to

the Centre's offer of settlement, wherein the state would get Rs 8,359 crore of the total borrowings to be made by the Centre. The state has also been permitted to opt for additional market borrowings, though it appears unlikely that the state will be able to meet its annual target.

The good news, however, is that the state's VAT, excise and CST collections are higher in the first three quarters than the corresponding period last year. As against total collections of Rs 4,137.59 crore between April and December 2019, the collections this fiscal were Rs 4,474.02 crore.