

GST LAW COMMUNIQUE

Latest updates for the month of April 2024

GST Revenue for the month of April 2024

GST revenue collection for April 2024 highest ever at Rs 2.10 lakh crore
GST collections breach landmark milestone of ₹2 lakh crore
Gross Revenue Records 12.4% y-o-y growth
Net Revenue (after refunds) stood at ₹1.92 lakh crore; 15.5% y-o-y growth

The Gross Goods and Services Tax (GST) collections hit a record high in April 2024 at ₹2.10 lakh crore. This represents a significant 12.4% year-on-year growth, driven by a strong increase in domestic transactions (up 13.4%) and imports (up 8.3%). After accounting for refunds, the net GST revenue for April 2024 stands at ₹1.92 lakh crore, reflecting an impressive 15.5% growth compared to the same period last year.

Positive Performance Across Components:

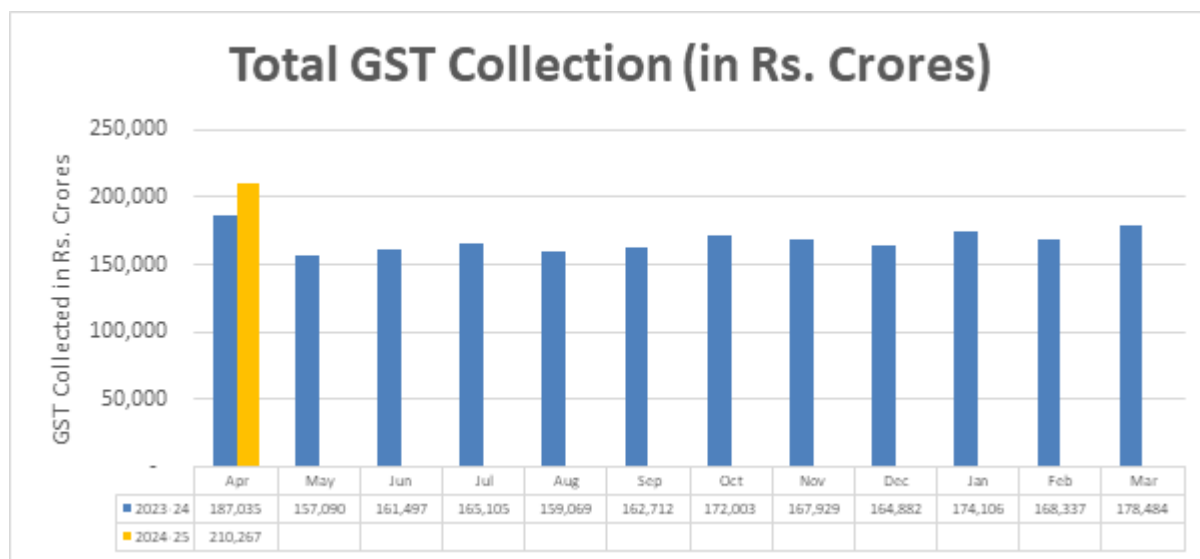
Breakdown of April 2024 Collections:

- Central Goods and Services Tax (CGST): ₹43,846 crore;
- State Goods and Services Tax (SGST): ₹53,538 crore;
- Integrated Goods and Services Tax (IGST): ₹99,623 crore, including ₹37,826 crore collected on imported goods;
- Cess: ₹13,260 crore, including ₹1,008 crore collected on imported goods.

Inter-Governmental Settlement: In the month of April, 2024, the central government settled ₹50,307 crore to CGST and ₹41,600 crore to SGST from the IGST collected. This translates to a total revenue of ₹94,153 crore for CGST and ₹95,138 crore for SGST for April, 2024 after regular settlement.

The chart below shows trends in monthly gross GST revenues during the current year. **Table-1** shows the state-wise figures of GST collected in each State during the month of April, 2024 as compared to April, 2023. **Table-2** shows the state-wise figures of post settlement GST revenue of each State for the month of April, 2024.

Chart: Trends in GST Collection



(Source: PIB press release dt. 01.05.2024)

Incorporating

- 1] Important Notifications
- 2] Important Circulars/Clarifications
- 3] Important Case laws, AAR, AAAR
- 4] Compliance calendar for the month of April 24



A] Important Notifications.

1] **Waiver of interest for delayed filing FORM GSTR-3B for certain taxpayers:** Interest amount is waived for delayed filing FORM GSTR-3B due to technical glitches on the GST portal for the specified tax period for certain taxpayers.

[Notification No 07/2024-Central Tax dt. 08th April, 2024]

2] **Extension in implementation of a special procedure by tobacco manufacturers:** CBIC vide Notification No. 04/2024-Central Tax notified the special procedure in case of manufacture of tobacco products w.e.f. 01st April, 2024. The implementation of said procedure is deferred from 1st April, 2024 to 15th May, 2024.

[Notification No 08/2024-Central Tax dt. 08th April, 2024]

3] **Extension of due date for filing FORM GSTR-1:** The due date for filing FORM GSTR-1 for the month of March 2024 is extended till 12th April, 2024.

[Notification No 09/2024-Central Tax dt. 08th April, 2024]

B] Important Circulars/Clarifications.

There were no new circulars issued during the month.

C] Important Case-laws

1] **VSM Weavess India Pvt.Ltd. Vs.Asst.Cm.(ST),Tiruchengode - 2024(82) G.S.T.L.402- Madras High Court-**

Refund - Input tax credit - Inverted tax structure - Petitioner-assessee was a textile manufacturing company which used viscose yarn as a raw material for manufacturer of viscose fabrics - Assessee applied for unutilized Input Tax Credit (ITC) due to an inverted duty structure, where tax on raw material exceeds that on final product - Said application was rejected by deficiency memos on three reasons (a) refund claimed and received earlier pertained to zero-rated supplies, (b) debit entries for claims were not made, and (c) non-submission of supporting documents - **HELD :** First reason was untenable, as a refund claim for zero-rated exports did not disentitle petitioner from claiming a refund for unutilized ITC - Second reason was also to be rejected as debit entries of refund claims are usually made upon oral instructions from authorities; thus, if debit entries for claims were not yet made, refund claim could not be rejected - Third reason was also to be rejected as assessee had already submitted Supporting documents those were taken into account by refund processing officer - Therefore, deficiency memos were to be quashed and matter was to be remanded for consideration [Section 54 of Central Goods and Services Tax Act, 2017/Tamil Nadu Goods and Services Tax Act, 2017.

2] **Assa Allakappallil Prabhakarasn Allias Asha Vs.Jt.Comm.(Appeals), Kollam -2024(82) G.S.T.L.412- Kerala High Court-**

Appeals to - Appellate Tribunal - Non-constitution of Tribunal - Interim relief - Assessee filed a writ petition against appellate orders passed by Commissioner (Appeals) on the ground that GST Appellate Tribunal was not yet constituted and, hence, assessee had no other forum to challenge impugned orders - **HELD:** Section 112(8)(b) of CGST/SGST Act, 2017 provides 20 per cent further deposit of tax assessed as a condition prescribed for entertaining 2nd appeal by Tribunal - Assessee was to be directed to deposit tax amount accordingly - Subject to such deposit further demand of tax assessed was to be kept in abeyance till disposal of writ petition [Section 112 read with Section 109 of Central Goods and Services Tax Act, 2017/Kerala State Goods and Services Tax Act, 2017.

3] **Assus India Pvt.Ltd.Vs.GST Officer,Delhi- 2024(83) G.S.T.L.7-Delhi High Court-**

Demand - Show case notice - Violation of natural justice - Vide impugned show cause notice a demand was proposed to be created - Assessee submitted that respondent-officer had not complied with provisions of Rule 142(1) of CGST Rules, 2017 by giving an opportunity to respond in Form GST/DRC-01A or to pay tax - It was further submitted that show cause notice did not bear any signatures, either digital or physical verification of proper officer, and same was merely uploaded on the portal - **HELD:** In view of facts and circumstances, time was to be given to assessee to file a response to show cause notice - Proper officer should give an opportunity of personal hearing to petitioner and thereafter adjudicate show cause notice in accordance with law [Section 75 of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017 - Rule 142 of Central Goods and Services Tax Rules, 2017/Delhi Goods and Services Tax Rules, 2017.

4] **T.S.Lines India Pvt.Ltd.Vs.State of Maharashtra- 2024(83) G.S.T.L.23- Bombay High Court-**

Demands - Tax or ITC not involving fraud, etc. - Violation of natural justice - Order issued under Section 73 of CGST Act, 2017 was uploaded on 'Additional notices and order section', of which assessee was not aware as same was not available in 'View order and notice' section on portal, nor was same communicated to assessee by e-mail also - Assessee was informed over call of impugned order/notices and was directed to deposit amounts stated in impugned order - When assessee requested to provide a copy of impugned order, officials guided assessee to 'Additional notices and order section' wherein said orders and notices were uploaded - Aggrieved by impugned order passed without an opportunity being given to respond to show cause notice/opportunity for an oral hearing, assessee under protest,

deposited disputed amount and filed instant petition - HELD : No mistake could be attributed to assessee for not having noticed 'Additional notices and order section' as all orders and notices were required to be placed in 'View notices and orders' window/portal - Further, assessee was not heard and was also not given any opportunity to reply to show cause notice - Therefore, impugned order was to be quashed and set aside [Section 73 of Central Goods and Services Tax Act, 2017/Maharashtra Goods and Services Tax Act, 2017.

5]Raju Joseph Vs.State Tax Officer, Cherthala -2024(83) G.S.T.L.65- Kerala High Court-

Input tax credit - Denial of - Difference between Form GSTR-2A and Form GSTR-3B - Period 2017-18 - It was alleged that assessee-registered dealer had availed excess input tax credit as there was difference between Form GSTR-2A and Form GSTR-3B for tax period 2017-18 - Assessment order along with summary order were passed by department denying assessee's claim of input tax credit - HELD : As per C.B.I.&C. Circular No. 183/15/2022-GST, dated 27-12-2022, where there is difference regarding input tax credit claimed by recipient dealer in its Form GSTR-3B, but it was not reflected in Form GSTR-2A because of wrong GSTIN of recipient, same could be amended by procedure followed in aforesaid circular - In Diya Agencies v. State of Kerala (2023) 10 Centax 266 (Ker.) = [2023] 154 taxmann.com 421 (Kerala), it was held that merely on ground that there was a discrepancy between Forms GSTR-2A and GSTR-3B, same should not be a sufficient ground to deny assessee's claim of input tax credit - Thus, writ petition was to be allowed - Assessment order and summary order were to be set aside - Matter was to be remitted back [Section 16 read with Section 61 of Central Goods and Services Tax Act, 2017/Kerala State Goods and Services Tax Act, 2017.

6]Prahitha onstruction Pvt.Ltd.s.nion of India- 2024(83) G.S.T.L.129- Telangana High Cout-

Transfer of development rights of land - Transfer by owners to developer - Supply - Schedule III activities or transactions neither supply of goods nor a supply of services - As per Joint Development Agreement (JDA) between landowners and developer, there is no automatic transfer of ownership given to developer at time of execution of JDA - Until completion of project takes place, developer does not get any right on said property and it is only after completion of project and issuance of completion certificate, developer derives right to sell area of property which stands allotted to him for realization of amount of money invested by him in course of execution of JDA - Thus, under no circumstances can execution of JDA or mere transfer of development rights nor any of clauses of JDA indicate an automatic transfer of ownership or title rights over any portion of land belonging to landowner in favour of developer - No right, title and ownership is created in favour of developer - Thus, transfer of development rights to developer is amenable to GST and cannot be brought within purview of Entry No. 5 of Schedule-III of GST Act - Notification No. 4 of 2018-Central Tax (Rate) imposing GST on transfer of development rights of land by land owners under a JDA is not ultra vires Constitution of India [Section 7 of Central Goods and Services Tax Act, 2017/Telangana Goods and Services Tax Act, 2017.

7]Goutam Bhowmik Vs.State of West Bengal-2024(83) G.S.T.L.155- Calcutta High Court-

Demand - Tax or ITC not involving, fraud, etc. - Show cause notice - Violation of natural justice - Period April, 2018 to March 2019 - Assessee was a proprietorship concern engaged in the trade of timber - A notice under Section 73(5) of CGST Act, 2017 was issued by revenue on ground that there was some mismatch in form GSTR-7 and GSTR-3B - Show cause notice was issued which lacked essential details such as date, time, and venue of the hearing, which is mandated by section 75(4) ibid - HELD : Absence of a mention of hearing details in the notice was a violation of statutory mandate - There was lack of a proper opportunity of hearing, therefore, impugned assessment order could not be sustained - Matter deserved to be re-adjudicated [Section 73 read with Section 75 of Central Goods and Services Tax Act, 2017/West Bengal Goods and Services Tax Act, 2017.

8]Primeone Work Force Pvt Ltd. Vs. Union of India-2024(83) G.S.T.L.172- Allahabad High Court-

Demand - Show cause notice - Violation of natural justice - In reply to show cause notice, petitioner-assessee had mistakenly, marked as 'NO' in column provided for opportunity of hearing - Authority had passed impugned order without giving any opportunity of hearing or even without waiting for assessee to appear on date fixed - HELD : As both tax and penalty were imposed against assessee, an adverse decision was contemplated against assessee - Therefore, under Section 75(4) of CGST Act, 2017, an opportunity of hearing was mandatorily required to be given by department to assessee - Merely marking 'NO' in option of show cause notice could not entitle department to pass an order without giving any opportunity of hearing or even without waiting for assessee to appear on date fixed - Impugned order was to be set aside and department was to give a fresh opportunity of hearing to assessee and pass a fresh order in accordance with law [Section 75 of Central Goods and Services Tax Act, 2017/Uttar Pradesh Goods and Services Tax Act, 2017.

9] Neelkanth Metal Vs.Union of India- 2024(83) G.S.T.L.177- Delhi High Court-

Registration - Cancellation of - Show Cause Notice without specific reason - SCN was issued proposing to cancel registration on ground that registration was obtained by means of fraud, wilful misstatement or suppression of facts - SCN was bereft of any specific reason for proposing cancellation of registration - It did not provide any particulars as to alleged fraud committed by petitioner - It also provided no clue as to wilful misstatement made or facts allegedly suppressed - Held : It is settled law that SCN must clearly set out reasons for proposing an adverse action - This is to enable noticee to meet said allegations - Clearly, impugned SCN was incapable of eliciting any meaningful response in absence of any specific allegation - SCN was to be set aside - Suspension of petitioner's registration was to be lifted

forthwith and immediate steps were to be taken for same [Section 29 of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017.

10]Kirby Building Systems & Structures India Pvt.Ltd.-2024(83) G.S.T.L.213- Authority for Advance Ruling,Telangana-

Canteen facilities to employees - Exemption - Applicant is into manufacture and supply of pre-engineered buildings and storage racking systems provided canteen facilities in factory premises to employees - Recoveries are made by applicant from its employees towards canteen - HELD : CBIC Circular No. 172/04/2022-GST, dated 6-7-2022 clarified that prerequisites provided by employer to its employees in terms of contractual agreement will not be subjected to GST - Canteen services is such a prerequisite under Section 46 of Factories Act, 1948 - Further, for employees, there is a contractual obligation in terms of employment contract - HELD : Supply of canteen services by factory to employees is exempt from GST being a perquisite provided by employer - Further, canteen services provided to employees in terms of contractual agreement between employer and employees, are in lieu of services provided by employees to applicant employees in relation to employment - Therefore, amount spent on canteen facilities provided by employer to employee, in terms of contractual agreement, will not be subjected to GST [Section 11 of Central Goods and Services Tax Act, 2017/Telangana Goods and Services Tax Act, 2017 - Section 46 of Factories Act, 1948]. [paras 7, 8 and 10]

Input tax credit - Credit and blocked credit apportionment Canteen facilities provided to employees - Applicant is into manufacture and supply of pre-engineered buildings and storage racking systems - It is providing canteen facility to its employees - HELD : If applicant has recovered all above costs from employees by availing above facility in Rule 68 of AP Factories Rules, 1950 then it would not be a cost to company and hence not an input on which input tax credit can be claimed - However, if applicant has recovered only nominal amounts and applicant has recorded these costs borne by them in their books of account for providing canteen services then they are eligible for input tax credit as enumerated in proviso to Section 17(5)(b) of CGST Act, 2017 - As per Section 17(5)(b) ibid, input tax credit in respect of such canteen facilities shall be available, where it is obligatory for an employer to provide same to its employees under Factories Act, 1948 [Section 17 of Central Goods and Services Tax Act, 2017/Telangana Goods and Services Tax Act, 2017 - Rule 68 of Factories Rules, 1950]. [paras 7, 8 and 10]

Transportation facilities - Transport of passengers, with or without accompanied belongings - Heading 9964 - Exemption - Applicant is into manufacture and supply of pre-engineered buildings and storage racking systems - Applicant seeks advance ruling on whether GST is liable to be discharged on recoveries being made by applicant from its employees towards transportation facilities provided to them - HELD : Authority for Advance Ruling concurred in ruling and has discussed it independently - However, they came to conclusion that transportation services, if provided as a perquisite by employer to employee, in terms of contractual agreement between employer and employee, will not be subjected to GST - However, if employer makes taxable supply of transportation services to employees by charging consideration for purpose of business, instead of providing them as a perquisite, same will be subject to payment of GST, at prescribed rates, as per provisions of CGST/TGST Act, 2017 - Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 at Sl. No. 15 exempts transport of passengers by non-air-conditioned contract carriage as well as stage carriage - Therefore, supply of transport services by applicant to their employees is exempt under this notification [Section 11 of Central Goods and Services Tax Act, 2017/Telangana Goods and Services Tax Act, 2017]. [paras 7, 8 and 10]

Input tax credit - Credit and blocked credit apportionment - Transportation facilities - Applicant is into manufacture and supply of pre-engineered buildings and storage racking systems - Applicant seeks advance ruling on whether it is eligible to avail input tax credit in respect of GST paid on inward supplies used for providing transportation facilities - HELD : Authority for Advance Ruling concurred in ruling and had discussed it independently - However, they came to conclusion that provision of service of transportation of employees from residence to office premises is for personal consumption or comfort of employees but not an activity which is part of business as business of applicant is to manufacture and supply of pre-engineered buildings and storage racking systems but not supply of transportation of employees or passengers - Input tax credit shall not be available in respect of goods or services or both used for personal consumption as per Section 17(5)(g) of CGST Act, 2017 - Therefore, applicant is not under any statutory obligation to provide these services to his employees - Therefore, proviso to Section 17(5)(b) ibid is not applicable for claiming input tax credit on services engaged by him from third party for this purpose [Section 17 of Central Goods and Services Tax Act, 2017/Telangana Goods and Services Tax Act, 2017.

11]D.C.Sales Vs.Union of India- 2024(83) G.S.T.L.249-Delhi High Court-

Demand - Tax or ITC not involving fraud, etc - Violation of natural justice - In show cause notice, Department had given specific details of allegation under declaration of output tax, excess claim ITC, etc. - A detailed reply was furnished by assessee giving full disclosures under each of heads - Impugned demand order, however, recorded that reply uploaded by taxpayer was not satisfactory - However, at another place order stated that no reply/explanation was received from taxpayer - HELD: In case Proper Officer was of view that reply was incomplete and further details were required, same could have been sought from assessee; however, record did not reflect that any such opportunity was given to assessee - Assessee was not provided with an adequate opportunity to defend SCN by way of a hearing - Matter was to be re-adjudicated [Section 73 of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017.

12]Suchita Millenium Projects Pvt.Ltd.Vs.asst.Com.of Central excise & .G.S.T.-2024(83)G.S.T.L.305-Calcutta High Court-

Refund of ITC - Show cause notice - Violation of natural justice - GST authority rejected refund of unutilized input tax credit on ground that assessee had not shown excess payment in either monthly return i.e. GSTR-3B or annual return i.e. GSTR-9 - However, said the ground was not specifically mentioned in show-cause notice, rejection of refund claim on the said ground was in total violation of principles of natural justice and therefore, impugned order rejecting refund claim was to be set aside and the matter was to be remanded back to the authority for fresh consideration [Section 54 of Central Goods and Services Tax Act, 2017/West Bengal Goods and Services Tax Act, 2017.

D] GST portal updates

1] Self Enablement For e-Invoicing : Taxpayers with turnover exceeding INR 5 crores in FY 2023-2024 must start e-Invoicing from April 1, 2024. Self-enablement for e-Invoicing is available at <https://einvoice.gst.gov.in>. Assistance is accessible via the GST Helpdesk at 1800-103-4786 or the Grievance Redressal Portal at <https://selfservice.gstsystem.in/>.

2] Advisory on Reset and Re-filing of GSTR-3B of some taxpayers: Some taxpayers encountered discrepancies in their GSTR-3B returns due to differences between saved and filed data in ITC availment and tax payment fields. As a facilitation measure, the Grievance Redressal Committee of the GST Council decided to reset these returns, allowing affected taxpayers to correct the discrepancies. Affected taxpayers have been notified via email, and their affected returns are accessible on their dashboards for re-filing with accurate data. They are urged to re-file their GSTR-3B within 15 days of receiving the communication. If encountering difficulties during the re-filing process, taxpayers can contact their jurisdictional tax officer or raise a ticket on the GST grievance redressal portal for assistance.

3] Extension of GSTR-1 due date to 12th April 2024: GSTN has noticed that taxpayers are facing difficulties in filing GSTR-1 intermittently since yesterday due to technical issues leading to slow response on the portal. GSTN has accordingly recommended to CBIC that the due date for filing of GSTR-1 for the monthly taxpayers be extended by a day i.e. till 12/4/24.

4] Enhancement in the GST Portal: GSTN announces the launch of an enhanced version of the GST portal on May 3, 2024, aiming to improve user experience and accessibility. Key enhancements include a dedicated section for news and updates, user interface improvements, and updated website policies. These changes will be live from midnight on May 3, 2024. A PDF with screenshots of the modifications is attached for reference.

[Source: GST portal]

Compliance Calendar for the month of May 2024

Due Date of Compliance	Compliance
10.05.2024	Monthly GSTR 7 for the month of April 2024 (TDS deductor) Monthly GSTR 8 for the month of April 2024 (TCS collector)
11.05.2024	Monthly GSTR 1 for the month of April 2024 (Regular Monthly Taxpayer)
13.05.2024	IFF facility under the QRMP scheme (April 24)
13.05.2024	GSTR-5 for the month of April 24 (Non-Resident Taxpayer)
13.05.2024	GSTR-6 for the month of April 24 (Input Service Distributor)
20.05.2024	Monthly GSTR 3B for the month of April 2024 (Regular Monthly Taxpayer) Monthly GSTR 5A for the month of April 2024 (OIDAR service provider)
25.05.2024	Monthly tax payment for the month of April 2024 in Form GST PMT 06 under the QRMP scheme

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For Private Circulation only. This note presents a summary of various notifications in simple language for easy understanding. You are requested to refer respective notification before the application of the text of this newsletter. While utmost care has been taken to provide up-to-date & current information, any person using this information may exercise sufficient caution. We shall not be responsible for any errors/omissions or any losses arising out of the use of the contents of this newsletter.

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