

GST Updates

1. GST revenue collection for April 2024 highest ever at Rs 2.10 lakh crore.

Source: Press Release from the Ministry of Finance, dated May 1, 2024.

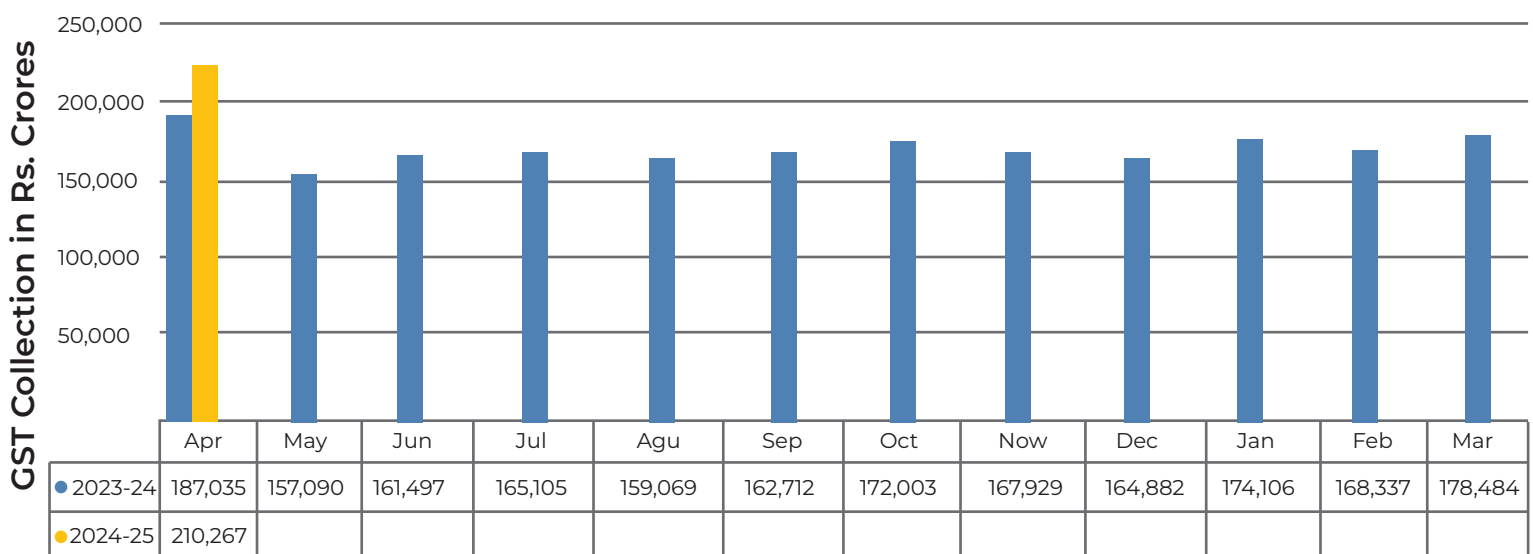
Ministry of Finance had issued a Press release dated May 1st, 2024, regarding gross GST revenue.

Highlights:

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%). 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 April, 2024 as compared to April, 2023.

Chart: Trends in GST Collection

Total GST Collection (in Rs. Crores)



2 . GST would be applicable on Exhibition Services Received Outside India

M/S. Savio Jewellery Vs Commissioner... [2024 (5) TMI 658 - RAJASTHAN HIGH COURT]

CBIC has issued Instruction No. 06/2024-Customs dated March 23, 2024 regarding the Standard Operating Procedure for stepping up of Preventive Vigilance Mechanism by the jurisdictional CBIC field formations and to prevent the flow of suspicious cash, illicit liquor, drugs/narcotics, freebies and smuggled goods during elections.

Facts of the Case

- The petitioner, M/s Savio Jewellery, filed a civil writ petition challenging the tax imposed on exhibition services received outside India from a person located in a non-taxable territory.
- The petitioner contended that such services cannot be taxed under the Integrated Goods and Services Tax (IGST) Act in India.
- They argued that the IGST Act should not extend to services received outside India, contrary to Section 1 of the IGST Act.
- Tax department has opposed the writ petition. It is contended that the petitioner is liable to pay IGST for the very reason that Section 13 of the IGST Act provides for services received outside India and sub-section (5) of Section 13 of IGST Act includes fair and exhibition. It is also contended that a notification was issued on 28.06.2017 by the Government of India under Section 5 (3) of IGST Act which clearly provides as under:



SI No.	Category of Supply of Services	Supplier of Service	Recipient of Service
1.	Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.	Any person located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient.

Observation

- The High Court noted that under Section 5(3) of the IGST Act, the government has the power to specify categories of supply of goods or services that will be taxed on a reverse charge basis by the recipient.

- A notification dated 28.06.2017, issued under this provision, was not challenged by the petitioner.
- Section 13(5) of the IGST Act, includes the places of supply of services. In the present case, the supply of services has taken place outside India and as per the notification the receiver of service is the person who is registered in the taxable territory. The petitioner is a registered person who is located in the taxable territory.
- Thereby court did not find any reason to entertain the writ petition as the services received outside India are already taxable at the hand of the receiver of services, who is a registered person in taxable territory i.e. India.

Rajat Mohan, Executive Director Comments

Following this logic, all service transactions, particularly those involving hotel services, passenger transportation, and exhibition services that are received and concluded outside India, would be subject to taxation in India as 'import of services.' If this type of jurisprudence persists in one region, it could potentially spread to other regions as well.

3. Cross-Jurisdictional Authority in GST: Limits of CGST and SGST Authorities Ram Agencies vs. Asst. Commissioner of Central Tax, [2024] 162 taxmann.com 240 (Madras)

In this landmark case, the High Court set aside the order issued by the CGST Authorities because the petitioner taxpayer was assigned to SGST Authorities. The court's decision was based on its prior ruling in *Tvl. Vardhan Infrastructure v. Special Secretary, Head of the GST Council Secretariat*, [2024] 160 taxmann.com 771 (Madras).

Key Points of the Judgment:

- **Single Interface for Administration:** As per Circular No. 01/2017 bearing F.No.166/Cross Empowerment/GSTC/2017 dated 20-09-2017, to ensure a single interface for all administrative purposes, taxpayers were divided between the Centre and State based on turnover. Specifically, for taxpayers with turnover below ₹1.5 crore, 90% was allocated to the State and 10% to the Centre. For those with turnover above ₹1.5 crore, the allocation was equally divided between the Centre and the State.
- **Cross Empowerment Notification:** Section 6(1) of the CGST Act and respective SGST Acts allow the government to issue notifications empowering both authorities to take specific actions. To date, only one such notification has been issued, concerning the processing of refunds under GST.
- **Jurisdiction Limitation:** In the absence of further notifications for cross-empowerment, Central or State authorities do not have the jurisdiction to adjudicate or investigate a taxpayer assigned to the other. Consequently, any adjudication orders passed by CGST Authorities against taxpayers allocated to SGST Authorities (and vice versa) were deemed without jurisdiction and thus were set aside.