



Newsletter

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GST



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)



One Nation, One Tax, One Market

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GST COLLECTION UPDATES

₹1,68,337 crore gross GST revenue collected during February 2024; records Year-on-Year (Y-o-Y) growth of 12.5%

Average monthly gross collection for FY2023-24 is ₹1.67 lakh crore, exceeding ₹1.5 lakh crore for FY2022-23

Gross GST collection reaches ₹18.40 lakh crore for FY2023-24, grows 11.7% Y-o-Y

Net revenue at ₹1.51 lakh crore is up 13.6% for the month and up by 13% for the year at ₹16.36 lakh crore

Gross Goods and Services Tax (GST) revenue collected for February 2024 is **₹1,68,337 crore**, marking a robust **12.5%** increase compared to that in the same month in 2023. This growth was driven by a **13.9%** rise in GST from domestic transactions and **8.5%** increase in GST from import of goods. GST revenue net of refunds for February 2024 is **₹1.51 lakh crore** which is a growth of **13.6%** over that for the same period last year.

Strong Consistent Performance in FY 2023-24: As of February 2024, the total gross GST collection for the current fiscal year stands at **₹18.40 lakh crore**, which is **11.7%** higher than the collection for the same period in FY 2022-23. The average monthly gross collection for FY 2023-24 is **₹1.67 lakh crore**, exceeding the **₹1.5 lakh crore** collected in the previous year's corresponding period. GST revenue net of refunds as of February 2024 for the current fiscal year is **₹16.36 lakh crore** which is a growth of **13.0%** over that for the same period last year. Overall, the GST revenue figures demonstrate continued growth momentum and positive performance.

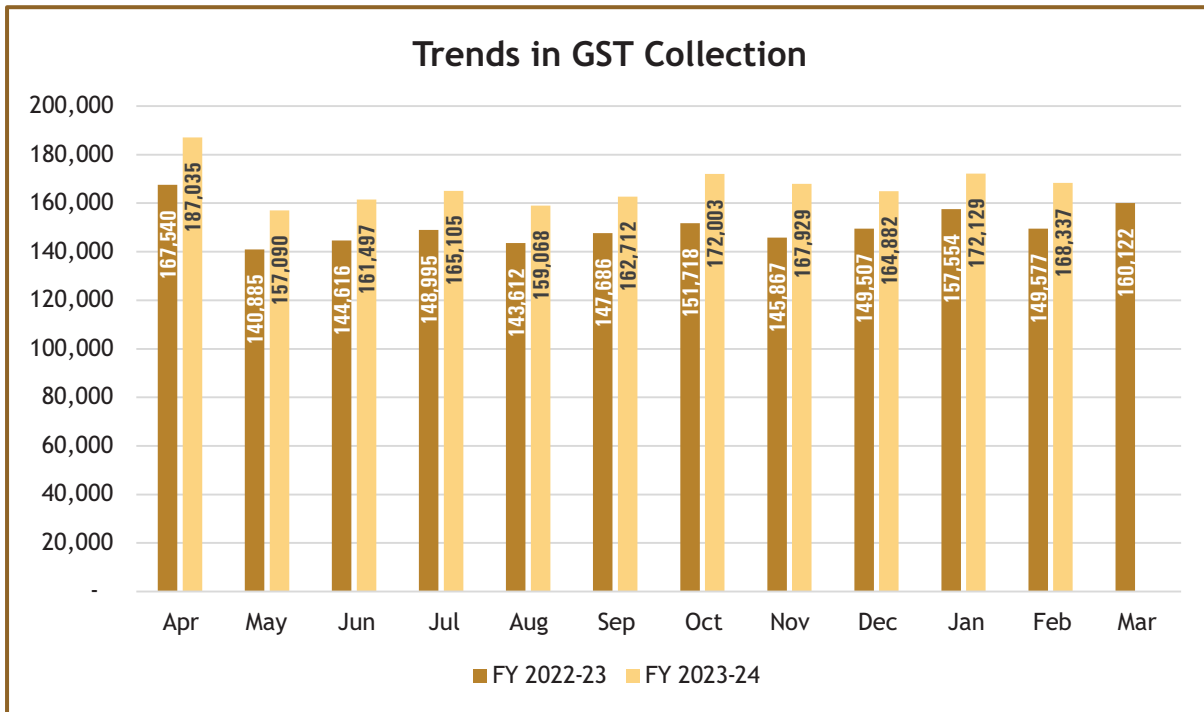
Breakdown of February 2024 Collections:

- Central Goods and Services Tax (CGST): ₹31,785 crore
- State Goods and Services Tax (SGST): ₹39,615 crore
- Integrated Goods and Services Tax (IGST): ₹84,098 crore, including ₹38,593 crore collected on imported goods
- Cess: ₹12,839 crore, including ₹984 crore collected on imported goods

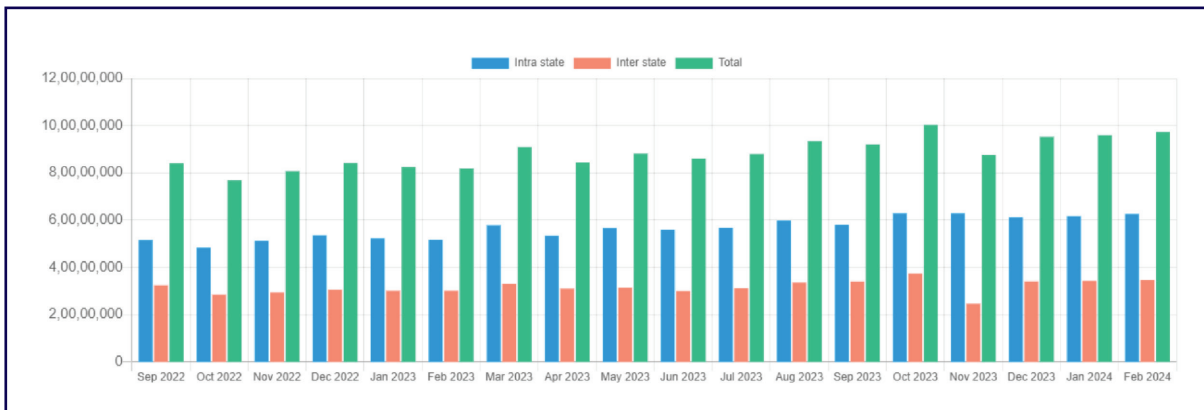
Inter-Governmental Settlement: The central government settled ₹41,856 crore to CGST and ₹35,953 crore to SGST from the IGST collected. This translates to a total revenue of ₹73,641 crore for CGST and ₹75,569 crore for SGST after regular settlement.

The chart below shows trends in monthly gross GST revenues during the current financial year.

Chart: Gross GST Collection (₹ crore)



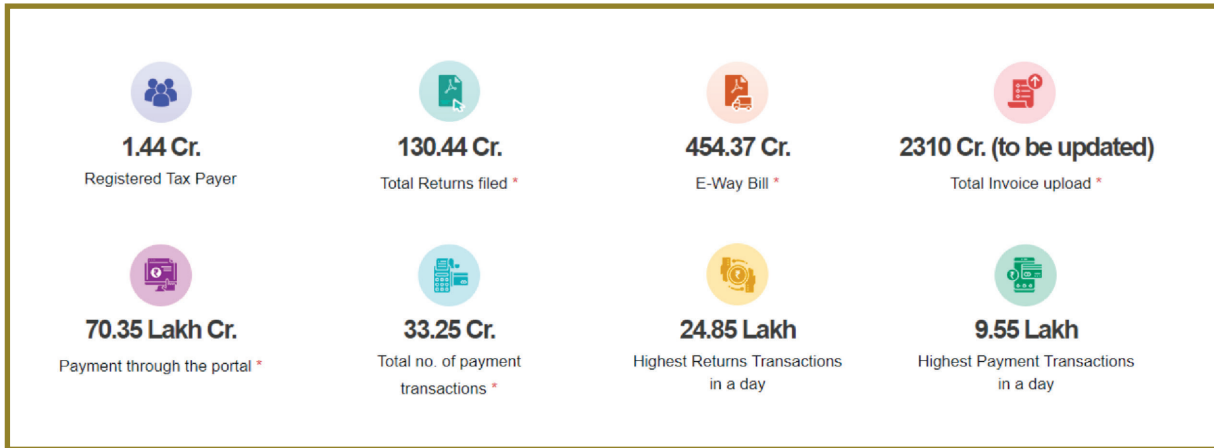
Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2010615>



Source: <https://gstn.org.in/>

GST SYSTEM STATISTICS

GST SYSTEM STATISTICS FOR REGISTERED TAXPAYERS, TOTAL RETURNS FILED, E-WAY BILLS, PAYMENTS, ETC.*



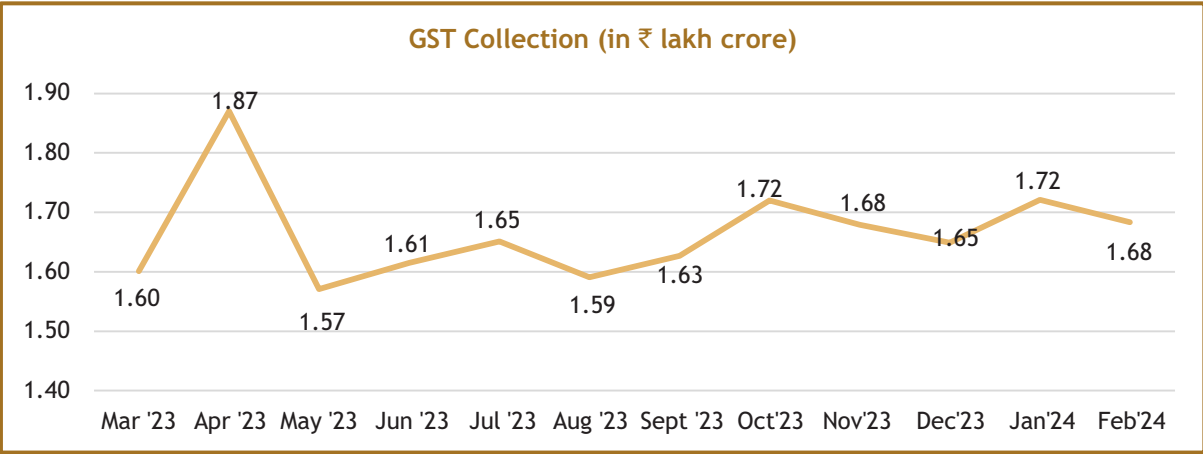
As on 29th February, 2024

Source: <https://gstn.org.in/>

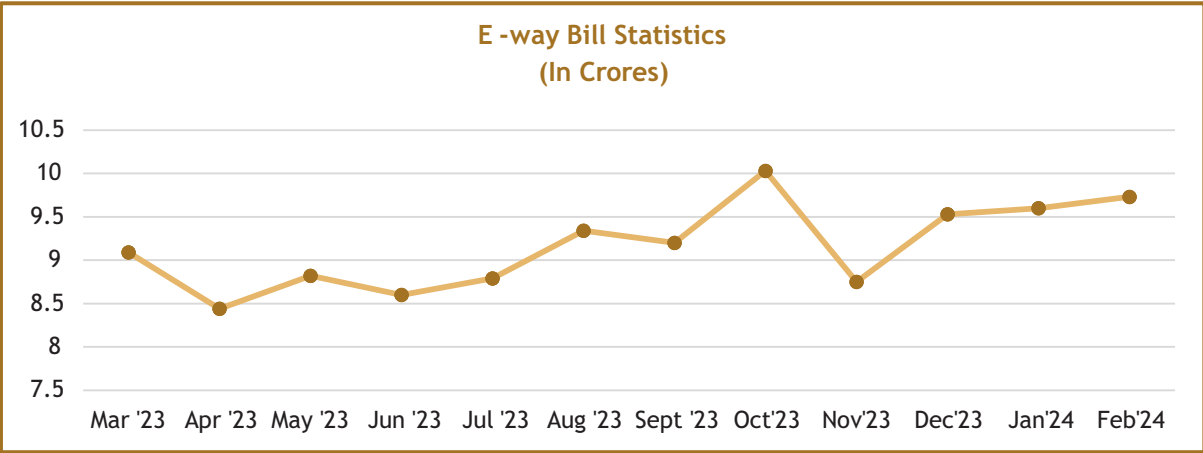


TRENDS IN GST COLLECTION AND E-WAY BILLS GENERATED

The chart below shows trends in monthly gross GST revenues during the last one year



E-WAY BILL STATISTICS



Note: The revenue collections in the current month pertains to the transactions conducted in the previous month. For example: Revenue collections for the month of Mar'24 (as per PIB release) reflects the transactions conducted in Feb'24. Therefore, in the above charts e-way bills generated in Feb'24 is shown corresponding to the GST Revenue collection for Mar'24 and so on.

SUMMARY OF NOTIFICATIONS

CENTRAL TAX NOTIFICATIONS

NOTIFICATION NO. 06/2024-CENTRAL TAX DATED 22ND FEBRUARY, 2024

This Notification seeks to notify “Public Tech Platform for Frictionless Credit” as the system with which information may be shared by the common portal based on consent under sub-section (2) of Section 158A of the Central Goods and Services Tax Act, 2017.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010019/ENG/Notifications>



GST PORTAL UPDATES

Advisory for Enhanced E-Invoicing Initiatives & Launch of Enhanced <https://einvoice.gst.gov.in> portal Dated 21st February, 2024

1. GSTN on occasion of one year of the successful going live with the additional five new IRP portals, the e-invoice master information portal, and the e-invoice QR Code Verifier app, announces the launch of the revamped e-invoice master information portal <https://einvoice.gst.gov.in>. This enhancement is part of ongoing effort to further improve taxpayer services. New Features of the revamped E-Invoice Master Information Portal are as follows:

- i. PAN-Based Search: Users can check the e-invoice enablement status of entities using their Permanent Account Number (PAN) in addition to search with GSTIN.
- ii. Automatic E-invoice exemption List: The portal now automatically publish updated list with all GSTINs that have filed for e-invoice exemptions at the start of the month and is available for users to download.
- iii. Global Search Bar: A comprehensive search tab has been introduced that allows for quick access to the information across the portal.
- iv. Local Search Capabilities: Enhanced search functionality within advisory, FAQ, manual, and other sections for efficient information access.
- v. Revamped Advisory and FAQ Section: Now organized year-wise and month-wise for easier reference, offering comprehensive guidance.
- vi. Daily IRN Count Statistics: The portal now includes statistics on the daily Invoice Reference Number (IRN) generation count.
- vii. Dedicated Section on Mobile App: Information and support for the e-invoice QR Code Verifier app are readily available.
- viii. Improved Accessibility Compliance and UI/UX: Adhering to the GIGW guidelines, the portal now offers improved features such as contrast adjustment, text resizing buttons, and screen reader support for enhanced accessibility.
- ix. Updated Website Policy: The website policy has been thoroughly updated including the website archival policy, content management & moderation policy, and web information manager details.

2. In the past year alone, more than 1.6 crore e-invoices were reported through the new IRPs, demonstrating the robustness and efficiency of the system. Furthermore, GSTN has introduced an internal e-invoice comprehensive health dashboard to further enhance monitoring of the e-invoice ecosystem. As a result of these improvements in the GSTN E-Invoicing System, today we have:

GST PORTAL UPDATES

- a. Expansion of IRP Portals: Today, GSTN operates a total of six IRP portals through its partners, running robustly alongside the centralized de-duplication system.
 - b. E-Invoicing Reporting Accessibility: All taxpayers who are eligible for e-invoicing can report e-invoices through any of these six IRP portals. The reporting can be done online, via APIs, or through a mobile app, all free of cost, making the process accessible and convenient for taxpayers nationwide.
 - c. Hourly Auto population of e-invoices in GSTR-1 from new IRPs. Additionally, we are working with NIC-IRP to enable hourly auto-population of e-invoices in GSTR-1 reported on the NIC-IRP 1&2 portal.
 - d. E-invoice download for past six months for both buyers and sellers via e-invoice portals and G2B APIs.
 - e. E-invoice QR code verifier App for verification of e-invoice, and search IRN functionality for online verification of IRN.
3. Additionally, an enhanced version of the e-invoice verifier app, packed with new features, will be launched shortly.
4. GSTN remains dedicated to excellence in taxpayer services. GSTN appreciates your continued support and look forward to further facilitate your compliance journey on the portal.

Source: <https://www.gst.gov.in/newsandupdates/read/624>

Instances of Delay in registration reported by some Taxpayers despite successful Aadhar Authentication in accordance with Rule 8 and 9 CGST, Rules, 2017 Dated 28th February, 2024

In accordance with Rule 9 of the Central Goods and Services Tax (CGST) Rules, 2017, pertaining to the verification and approval of registration applications, following is informed:

Where a person has undergone Aadhaar authentication as per sub-rule (4A) of rule 8 but has been identified in terms of Rule 9(aa) by the common portal for detailed verification based on risk profile, your application for registration would be processed within thirty days of application submission.

Necessary changes would also be made to reflect the same in the online tracking module vis-à-vis processing of registration application.

Source: <https://www.gst.gov.in/newsandupdates/read/625>

GST IN NEWS

GST fake invoices: Govt to do away with edit option to revise output liability, says Revenue Secretary

The government plans to do away with the flexibility given to buyers and sellers to revise their output liability by locking their invoices and removing the edit option in the next financial year, Revenue Secretary Sanjay Malhotra said. The proposal will be discussed at the next GST Council meeting, he said.

The move aims to improve compliance and curb the menace of fake invoicing in the indirect tax regime.

“We need to further improve compliance so that the menace of bogus entities and fake billing is somehow controlled. Right now, it is a trust-based system and we have given a facility which is being misused by some unscrupulous, non-existent kind of people by making these bogus companies. So we will tighten our systems,” Malhotra told Moneycontrol in an interview.

Source: <https://www.moneycontrol.com/news/business/economy/gst-fake-invoices-govt-to-do-away-with-edit-option-to-revise-output-liability-says-revenue-secretary-12195111.html>

GST Council to review online gaming after March 31: Revenue Secretary

The GST Council will be reviewing the decision to levy 28 percent Goods and Services Tax (GST) on full face value on online gaming only after March 31, Revenue Secretary Sanjay Malhotra said.

“The review of the GST on online gaming will not take place in the next meeting because the six-month period gets over on March 31. So, perhaps the GST Council meeting after that can take it up,” Malhotra told Moneycontrol in an interview.

The next GST Council meeting will be held in this quarter, likely later in February, sources have said.

“A review does not necessarily mean that we change the rates. A review is only to take stock and see if anything needs to be done,” he added.

The GST Council has revised the rate on online gaming from 18 percent to 28 percent on full face value effective October 1, 2023. The revenue from the sector has seen almost six-fold increase since then, the Revenue Secretary said.

Source: <https://www.moneycontrol.com/news/india/gst-council-wont-review-online-gaming-in-next-meet-revenue-secretary-12196011.html>

Parliament panel recommends below 18% GST on health insurance, microinsurance

The parliamentary panel on finance, led by MP Jayant Sinha, has recommended to reduce the Goods and Services Tax (GST) on health insurance products for senior citizens and microinsurance products below 18 percent to make it more affordable.

“The Committee feels that there is a need to rationalise the GST rate on insurance products, especially health and term insurance, which is 18 percent at present. The high rate of GST results in a high premium burden, which acts as a deterrent to getting insurance policies,” the panel said in its report on ‘Performance review and regulation of insurance sector’.

The committee is of the view that to make insurance more affordable, GST rates applicable to health insurance products, particularly retail policies for senior citizens and microinsurance policies and term policies may be reduced, it said.

Source: <https://www.moneycontrol.com/news/business/economy/parliament-panel-recommends-below-18-gst-on-health-insurance-microinsurance-12206041.html>

Population, GST lie in the heart of India's North, South money wars over central funds

With a few months left for general elections, the narrative of a North, South divide has picked up steam and this time it is primarily over the allocation of central funds among states.

Southern states like Karnataka are claiming that they are being deprived of their legitimate share from central taxes, while the Centre has cited the Finance Commission norms to defend the current levels of devolution.

The dispute is threatening to escalate into a slugfest, with the Karnataka Congress government, steered by Chief Minister Siddaramaiah, all set to protest in the heart of Delhi on February 7 against what it terms as “unfair treatment in tax devolution” by Prime Minister Narendra Modi-led government at the Centre.

Labelled as the “South Tax Movement,” Siddaramaiah’s rally against the Centre follows claims that the state has lost an estimated Rs 62,098 crore over five years in tax share from the divisible pool on account of the sharing pattern laid out by the 15th Finance Commission.

Source: <https://www.moneycontrol.com/news/business/population-gst-lie-in-the-heart-of-indias-north-south-money-wars-over-central-funds-12207041.html>

GST Council likely to discuss coinsurance, reinsurance issues at next meet

(GST) co-insurance and re-insurance are likely to be discussed at the next meeting of the GST Council, after the issue is examined by the fitment committee, a senior government official told Moneycontrol. Certain industry practices have been leading to non-payment of the tax, due to which clarity needs to be brought in, the official explained.

The GST authorities have completed investigations into insurance companies for tax evasion that has resulted in cases on three counts, due to higher commission paid to agents, coinsurance and reinsurance. In all the three cases, the department has sent out notices to insurance companies.

“On certain issues in insurance that have become industry practice, they may be taken up by the GST Council. On coinsurance and reinsurance, the matter may be examined by the fitment committee and placed before Council at the next meeting. The stakeholders have also sent representations to the GST authorities in this regard seeking clarifications, the official told Moneycontrol.

The next GST Council meeting is likely to be held before March-end. “The issues have to be dealt with, so certain issues will be taken up by Council and clarified,” he said.

Source: <https://www.moneycontrol.com/news/business/economy/exclusive-gst-council-likely-to-discuss-coinsurance-reinsurance-issues-at-next-meet-12246871.html>

Govt invites applications for members of GST Appellate Tribunal

The Department of Revenue has invited applications for appointment to the posts of the Judicial Members, Technical Members (Centre) and Technical Member (State) in Principal Bench and States Benches of GST Appellate Tribunal (GSTAT), the Finance Ministry said in a statement.

Eligible candidates are required to apply online and application portal would be accessible from February 19 until 5 pm on March 31.

GSTAT is the second Appellate Authority established under the Central Goods and Services Tax Act, 2017 (CGST Act) to hear various appeals. GSTAT will have one Principal Bench located at Delhi and 31 State benches located at various locations across states, it said.

Applications are invited for 63 posts of judicial members with the eligibility criteria of being a Judge of the High Court, or Serving or retired District Judge or Additional District Judge with 10 years of combined experience, or Lawyer with 10 years of experience with substantial experience in litigation in matters relating to indirect taxes.

Source: <https://www.moneycontrol.com/news/business/economy/govt-invites-applications-for-members-of-gst-appellate-tribunal-12282571.html>

How India can move towards dynamic fuel pricing: A global perspective

Aligning India’s fuel pricing with global market dynamics involves navigating a complex terrain shaped by international crude oil prices, domestic economic considerations, and infrastructural capabilities. As countries worldwide adjust their fuel prices to mirror the fluctuations of the global market, India’s cautious approach highlights a unique strategy that balances economic prudence with socio-political considerations.

This article explores the factors influencing India’s fuel pricing mechanism, compares it with global practices, and discusses the implications of adopting a more responsive pricing model. Additionally, it underscores the necessity of extending the Goods and Services Tax (GST) policy to fuel prices, requiring a collaborative effort to convince states to forgo their current revenue streams from fuel taxes.

Source: <https://www.moneycontrol.com/news/opinion/how-india-can-move-towards-dynamic-fuel-pricing-a-global-perspective-12309001.html>

Consumer or exchequer - who will win after GST compensation cess expiry?

The Centre could face the challenge of choosing between the consumers and filling its own coffers, once it clears the Goods and Services Tax (GST) loans.

With COVID-19 hitting economic activity and tax collections, the Centre had borrowed Rs 1.1 lakh crore in 2020-21 and Rs 1.59 lakh crore in 2021-22 to bridge the deficit in the GST compensation cess fund to ensure that states received the guaranteed 14 percent growth in their tax revenues under the new indirect tax regime.

While the five-year protected revenue period ended in June 2022, it was decided the cess would stay in place until March 2026 to help repay the loans.

But what happens starting April 2026, when the cess ceases to exist? Quite simply, prices of goods on which the cess is levied should reduce and become cheaper for consumers.

Source: <https://www.moneycontrol.com/news/business/economy/consumer-or-exchequer-who-will-win-after-gst-compensation-cess-expiry-12336211.html>



GST QUIZ

1. Any registered person, whose registration is cancelled by the proper officer on his own motion may apply to such officer for revocation of cancellation of the registration in the prescribed manner within_____ from the date of service of the cancellation order.

- a) 180 days
- b) 120 days
- c) 90 days
- d) 30 days

2. A certificate of registration shall be issued by the proper officer in form

- a) GST REG-02
- b) GST REG-03
- c) GST REG-04
- d) GST REG-06

3. An E-commerce operator should get itself registered

- a) Irrespective of the threshold limit
- b) If his aggregate turnover exceeds the threshold limit of INR 20,00,000
- c) If he is liable to collect tax at source and his aggregate turnover exceeds the threshold limit
- d) If he is liable to collect tax at source

4. Rule 30 of the CGST Rules inter alia provides value of supply of goods or services or both based on cost shall be% of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services

- a) 100
- b) 10
- c) 110
- d) 120

5. Registration can be cancelled by the proper officer if the person registered under composition scheme has not furnished return for

- a) 3 consecutive tax periods
- b) 6 consecutive tax periods
- c) For a consecutive period of 6 months
- d) For a consecutive period of 1 year

Answers: 1(c), 2(d), 3(a), 4(c), 5(a)

Motto

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