

GS-3 - Economy.

2. The absence of appellate authority is a major lacuna of GST regime that needs to be addressed immediately. Discuss.

Goods & Services tax was added by 101st amendment - Act 279A, to converge various Indirect tax into single Indirect tax.

Flipside of the Act

Differing Interpretations between the authorities and tax payers leading to rising disputes

Eg: Audit trails by authorities (summoning of tax payers for faulty filing eg → not updation of part B of e-way bill).

Litigation is increasing. It has increased in limiting period [2017-18 to 2023]. It is about to rise further.

Judicial mechanism

National and Regional & Sub regional litigation mechanism → needed for effective redressal of grievances

Even after 5 years of introduction of Act Goods services tax appellate tribunal not yet come into force.

Court's dictum

Court has directed the council for tribunal formation:

Goods & service tax council - also formed group of ministers to look into ~~the~~ areas for amendment for introducing tribunal.

But lack of progress in council is evident provided recent meeting doesn't discuss the matter.

Way forward

In absence of tribunal, cases are reaching the High court, rising the cases. courts are interpreting matters related to industry practices. Taxpayers are compelled to evaluate the procedure for filing, to prevent litigation. Formation of tribunal in quick manner for grievance redressal is the need of hour