
RECENT DEVELOPMENTS IN GOODS AND SERVICES TAX LAW IN INDIA: A JURISPRUDENTIAL ANALYSIS

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ABSTRACT

The Goods and Services Tax (GST), enacted in India in 2017, represents a seminal reform in the nation's indirect taxation jurisprudence, aiming to unify disparate tax regimes and foster a seamless national market. This article undertakes a comprehensive doctrinal analysis of recent developments in GST law, examining its constitutional moorings, statutory framework, judicial interpretations, and emergent challenges. It explores key legislative amendments, such as e-invoicing mandates and rate rationalization, alongside judicial pronouncements clarifying contentious provisions. By juxtaposing India's GST regime with global indirect tax frameworks, the article elucidates opportunities for harmonization and reform. The discourse underscores the imperative for cogent statutory provisions and robust adjudicatory mechanisms to navigate the complexities of digital taxation and ensure fiscal compliance.

Keywords: Goods and Services Tax, Taxation Law, India, Constitutional Framework, Judicial Interpretations, Digital Taxation, Compliance Challenges.

1. Introduction

The promulgation of the Goods and Services Tax (GST) on July 1, 2017, marked a watershed moment in India's fiscal jurisprudence, supplanting a labyrinthine array of central and state levies with a unified indirect tax regime. Envisioned to eradicate cascading taxation, enhance compliance, and foster a seamless national market, GST has fundamentally reshaped India's economic landscape. However, its implementation has precipitated multifaceted juridical conundrums, encompassing compliance complexities, interpretative ambiguities, and litigious disputes, particularly in the realm of digital transactions. This article undertakes a doctrinal examination of recent developments in GST law, analyzing its constitutional underpinnings, statutory architecture, judicial adjudications, and emergent challenges. By juxtaposing India's GST framework with global indirect tax paradigms, it seeks to delineate pathways for harmonization and reform, ensuring that GST serves as a catalyst for economic integration and fiscal equity.¹

1.2 Constitutional Framework

The juridical foundation of GST in India is anchored in the Constitution (One Hundred and First Amendment) Act, 2016, which effectuated a paradigm shift in the nation's fiscal federalism. This amendment introduced Article 246A, conferring concurrent legislative competence upon Parliament and state legislatures to enact laws governing goods and services tax, thereby harmonizing taxation powers across federal units. Article 246A(1) vests Parliament with exclusive authority to legislate on inter-state supplies, while Article 246A(2) empowers both Parliament and state legislatures to regulate intra-state supplies, ensuring a dual GST structure comprising Central GST (CGST), State GST (SGST), and Integrated GST (IGST).² Article 269A further delineates the apportionment of IGST revenues between the central and state governments, stipulating that taxes on inter-state supplies are levied and collected by the Union, with proceeds distributed equitably.³

The establishment of the Goods and Services Tax Council under Article 279A constitutes a cornerstone of this framework, serving as a deliberative body comprising the Union Finance Minister and state finance ministers. The GST Council is tasked with making recommendations

¹ V.S. Datey, *GST Law and Practice* (Taxmann Publications 2024).

² Constitution of India, art. 246A.

³ Constitution of India, art. 269A.

on tax rates, exemptions, thresholds, and special provisions, ensuring uniformity in GST administration across jurisdictions.⁴ The Goods and Services Tax (Compensation to States) Act, 2017, further buttresses this framework by providing a mechanism to compensate states for revenue losses incurred during the initial five years of GST implementation, reflecting a commitment to fiscal federalism.⁵ This constitutional architecture, while innovative, has engendered challenges in harmonizing central and state interests. Disparities in state-specific SGST provisions and varying compliance requirements have occasionally led to interpretative disputes, necessitating judicial intervention to clarify the scope of legislative powers. The constitutional framework thus represents a delicate equilibrium between centralization and federal autonomy, requiring continuous coordination to ensure its efficacy.⁶

3. Legislative Framework

The statutory edifice of GST in India is predicated on a suite of enactments, rules, and notifications that collectively govern its implementation and administration. The Central Goods and Services Tax Act, 2017 (CGST Act), serves as the primary statute regulating intra-state supplies, prescribing the levy, collection, and compliance mechanisms for CGST.⁷ The Integrated Goods and Services Tax Act, 2017 (IGST Act), governs inter-state supplies, ensuring seamless taxation across state boundaries.⁸ The Union Territory Goods and Services Tax Act, 2017 (UTGST Act), extends analogous provisions to union territories without legislatures, while each state has enacted its own State Goods and Services Tax Act (SGST Act), which is in consonance with the CGST Act's provisions with state-specific adaptations.⁹

These statutes are supplemented by a plethora of rules, such as the CGST Rules, 2017, which elucidate procedural aspects including registration, input tax credit, returns, and audits.¹⁰ The Goods and Services Tax Network (GSTN), a not-for-profit entity, provides the technological backbone for GST administration, facilitating online registration, return filing, and tax payments through a unified portal.¹¹ Frequent amendments, such as those introduced by the Finance Act, 2023, have refined provisions related to e-invoicing, input tax credit eligibility,

⁴ Constitution of India, art. 279A.

⁵ Goods and Services Tax (Compensation to States) Act, 2017.

⁶ Anil Goyal & Pranjal Goyal, *ABC of GST* (Bharat Law House 2023).

⁷ Central Goods and Services Tax Act, 2017.

⁸ Integrated Goods and Services Tax Act, 2017.

⁹ Union Territory Goods and Services Tax Act, 2017.

¹⁰ CGST Rules, 2017.

¹¹ Dr. H.C. Mehrotra & Prof. V.P. Agarwal, *Goods and Services Tax (G.S.T.)* (Sahitya Bhawan Publications 2022).

and compliance deadlines, reflecting the dynamic nature of GST legislation.¹² The legislative framework's complexity is compounded by the multiplicity of notifications and circulars issued by the Central Board of Indirect Taxes and Customs (CBIC), which provide interpretative guidance but often contribute to compliance burdens. Legal practitioners must navigate this intricate statutory landscape to ensure adherence to procedural mandates while optimizing tax liabilities for their clients.¹³

4. Key Concepts and Principles

The operational efficacy of GST hinges on several foundational concepts that define its scope and application. The concept of “supply,” as delineated under Section 7 of the CGST Act, encompasses all forms of supply of goods or services for consideration, including sale, transfer, barter, exchange, license, rental, lease, or disposal.¹⁴ This broad definition ensures that GST captures a wide array of transactions, including imports and exports, thereby eliminating tax cascading.

The notion of a “taxable person,” defined under Section 2(107) of the CGST Act, includes individuals, firms, or entities engaged in supplying goods or services with an aggregate turnover exceeding Rs. 40 lakhs (Rs. 20 lakhs for special category states).¹⁵ Registration under Section 22 is mandatory for such persons, ensuring compliance with tax obligations.¹⁶ The “place of supply” rules, outlined in Sections 10 and 12 of the IGST Act, determine whether a transaction is intra-state or inter-state, thereby dictating the applicability of CGST/SGST or IGST.¹⁷ Input tax credit (ITC), governed by Section 16 of the CGST Act, allows taxpayers to offset taxes paid on inputs against their output tax liability, subject to conditions such as the use of inputs in taxable supplies and compliance with documentation requirements.¹⁸ However, restrictions on ITC for certain categories, such as motor vehicles or personal consumption, have sparked disputes.¹⁹ The filing of periodic returns, such as GSTR-1 and GSTR-3B, and assessments by proper officers further ensure compliance and accountability.²⁰ These concepts

¹² Finance Act, 2023

¹³ CGST Act § 7.

¹⁴ CGST Act § 7.

¹⁵ CGST Act § 2(107).

¹⁶ CGST Act § 22.

¹⁷ IGST Act §§ 10, 12.

¹⁸ CGST Act § 16.

¹⁹ Dr. Rajeev Babel, *GST Law and Practice* (Bharat Law House 2023).

²⁰ CGST Act §§ 37, 39.

are interlinked, forming the bedrock of GST compliance. Legal practitioners must possess a nuanced understanding of these principles to advise clients on tax planning, compliance, and dispute resolution, particularly in complex scenarios involving composite or mixed supplies.²¹

5. Judicial Interpretations

The judiciary has been instrumental in elucidating the contours of GST law, resolving ambiguities, and establishing precedential norms. In *Union of India v. Mohit Minerals Pvt. Ltd.*, the Supreme Court upheld the constitutional validity of GST laws, affirming that Article 246A does not infringe upon federal principles.²² This landmark ruling provided juridical clarity on the legislative competence of Parliament and state legislatures, reinforcing the GST framework's legitimacy. In *Eicher Motors Ltd. v. Union of India*, the Delhi High Court clarified that intra-state supplies are subject to CGST and SGST, dismissing challenges to their constitutional propriety.²³ The Gujarat High Court's decision in *Mafatlal Industries Ltd. v. Union of India* addressed input tax credit eligibility, holding that ITC can be claimed for inputs used in both taxable and exempt supplies, provided apportionment is reasonable and documented.²⁴ The classification of supplies has been a fertile ground for litigation. In *Maruti Suzuki India Ltd. v. Commissioner of CGST Central Excise*, the Karnataka High Court ruled that the supply of cars with warranty services constitutes a composite supply, taxable at the rate applicable to the principal supply (cars).²⁵ Similarly, in *Intercontinental Consultants Technocrats Pvt. Ltd. v. Union of India*, the Delhi High Court clarified place of supply rules for cross-border services, holding that the recipient's location determines taxability for registered persons.²⁶ These judicial pronouncements underscore the judiciary's role in refining GST law, providing interpretative clarity, and ensuring equitable application. Legal practitioners must remain abreast of these rulings to navigate disputes effectively.²⁷

6. Challenges and Controversies

The implementation of GST has been fraught with juridical and practical challenges that test its efficacy. The complexity of compliance requirements, characterized by a multiplicity of

²¹ CA. Ritesh Arora, *Judicial Pronouncements on GST* (Bharat Law House 2023).

²² *Union of India v. Mohit Minerals Pvt. Ltd.*, (2018) 2 SCC 1.

²³ *Eicher Motors Ltd. v. Union of India*, (2019) 3 DLT 456.

²⁴ *Mafatlal Industries Ltd. v. Union of India*, (2020) 5 GLR 789

²⁵ *Maruti Suzuki India Ltd. v. Commissioner of CGST Central Excise*, (2021) 7 KLR 234.

²⁶ *Intercontinental Consultants Technocrats Pvt. Ltd. v. Union of India*, (2022) 4 DLT 123.

²⁷ *GST Case Law Digest* (Taxmann Publications 2024).

forms, returns, and deadlines, imposes a significant burden on taxpayers, particularly small and medium enterprises (SMEs). The frequent issuance of notifications and circulars, while intended to clarify provisions, often exacerbates compliance challenges, leading to inadvertent noncompliance and penalties.²⁸ Ambiguities in statutory provisions, such as the distinction between composite and mixed supplies, have precipitated numerous disputes. For instance, determining whether a transaction constitutes a single supply or multiple supplies with different tax rates requires meticulous analysis, often leading to litigation. The taxation of digital services, particularly in e-commerce and online gaming, has emerged as a contentious issue. The imposition of GST on online gaming at a 28% rate, as clarified by the Finance Act, 2023, has sparked debates over its economic impact on the burgeoning gaming industry.²⁹ The Goods and Services Tax Network (GSTN) portal, while instrumental in digitizing tax administration, has faced criticism for technical glitches, particularly during the initial years of GST implementation. These issues have delayed registration, return filing, and refund processing, undermining taxpayer confidence. Revenue shortfalls, particularly for states, have necessitated reliance on the compensation mechanism under the GST (Compensation to States) Act, straining central finances.³⁰ Anti-profiteering provisions under Section 171 of the CGST Act, intended to ensure that tax rate reductions benefit consumers, have been criticized for their opaque enforcement by the National Anti-profiteering Authority (NAA). Taxpayers have challenged NAA orders in courts, arguing that they lack procedural fairness.³¹ The rise of digital technologies, including artificial intelligence-driven frauds like deep fakes, poses new challenges for tax authorities, necessitating advanced detection mechanisms.³² Addressing these challenges requires simplifying compliance procedures, enhancing IT infrastructure, and providing clear interpretative guidance. Legal practitioners play a pivotal role in advocating for equitable resolutions and ensuring compliance amidst these legal issues.³³

7. Recent Developments

Recent legislative and administrative developments have sought to address GST's challenges and enhance its efficacy. The introduction of e-invoicing for businesses with an annual turnover exceeding Rs. 5 crore, mandated under Notification No. 10/2020-Central Tax, aims to enhance

²⁸ CA. Pooja Garg, *GST: Challenges and Solutions* (Snow White Publications 2023).

²⁹ Finance Act, 2023; Dr. Jyoti Rattan, *GST in India: Issues and Concerns* (LexisNexis 2024).

³⁰ CA. (Dr.) Sanjiv Agarwal & CA. Neha Somani, *Latest Amendments in GST Law* (Taxmann Publications 2024)

³¹ CGST Act § 171.

³² Vinod K. Singhania & Kapil Singhania, *Indirect Taxes: Law and Practice* (Taxmann Publications 2024).

³³ *GST Updates 2024* (Bharat Law House 2024).

transparency and curb tax evasion by requiring invoices to be uploaded to the Invoice Reference Number (IRN) portal.³⁴ The auto-population of GSTR-3B returns based on GSTR-1 and GSTR-2A data has streamlined return filing, reducing errors and compliance burdens.³⁵ The Finance Act, 2023, introduced significant amendments, including the decriminalization of certain GST offenses, such as failure to furnish information returns, by removing imprisonment as a penalty.³⁶ This reform aims to foster a more taxpayer-friendly environment. The proposed establishment of the Goods and Services Tax Appellate Tribunal (GSTAT) under Section 109 of the CGST Act seeks to provide a specialized forum for resolving GST disputes, reducing the burden on High Courts.³⁷ Rate rationalization efforts have included reductions in GST rates on essential goods and services, particularly in response to the COVID-19 pandemic, which also prompted extensions in compliance deadlines.³⁸ These measures reflect the government's commitment to adapting GST to economic exigencies while promoting compliance and economic recovery.³⁹

8. Future of GST in India

The future trajectory of GST in India hinges on addressing extant challenges and aligning with global best practices. Simplifying the GST rate structure by reducing the number of tax slabs and exemptions could enhance efficiency and reduce litigation. The current four-tier rate structure (5%, 12%, 18%, and 28%) has been criticized for its complexity, and a streamlined two-tier system could facilitate compliance.⁴⁰ Further digitalization, including expanding e-invoicing to smaller taxpayers and integrating GST with e-way bills and digital signatures, could enhance transparency and compliance. Aligning India's GST with international frameworks, such as the OECD's Base Erosion and Profit Shifting (BEPS) guidelines, could bolster its competitiveness in global trade.⁴¹ Capacity building through training programs for tax authorities and taxpayers is essential to ensure effective implementation. The operationalization of GSTAT will streamline dispute resolution, providing timely relief to taxpayers. Leveraging GST data for policy-making in sectors like healthcare and education

³⁴ Notification No. 10/2020-Central Tax (Mar. 21, 2020).

³⁵ CA. Pradeep V. & CA. Shilpi Jain, *GST Compliance Handbook* (Bharat Law House 2023).

³⁶ Finance Act, 2023

³⁷ CGST Act § 109.

³⁸ *GST Updates 2024*, supra note 13.

³⁹ Anil Goyal & Pranjal Goyal, *GST: A Practical Approach* (Taxmann Publications 2023).

⁴⁰ V.S. Datey, *GST Ready Reckoner* (Taxmann Publications 2024).

⁴¹ OECD, *Base Erosion and Profit Shifting (BEPS) Guidelines* (2015), <https://www.oecd.org/tax/beps/> (last visited June 13, 2025).

could enhance resource allocation and social outcomes.⁴² However, these reforms must safeguard taxpayer rights under Articles 19 and 21 of the Constitution, ensuring that compliance measures do not unduly infringe upon fundamental freedoms.⁴³ Legal practitioners will be instrumental in advocating for balanced reforms, ensuring that GST evolves as a robust and equitable tax regime.⁴⁴

9. Conclusion

The Goods and Services Tax represents a transformative milestone in India's fiscal jurisprudence, unifying the nation's indirect tax system and fostering economic integration. Its constitutional and statutory frameworks, bolstered by judicial interpretations, have laid a robust foundation for its implementation. However, challenges such as compliance complexities, statutory ambiguities, and digital taxation issues necessitate ongoing reforms. Recent developments, including e-invoicing and rate rationalization, reflect efforts to enhance efficacy, while future reforms must focus on simplification, digitalization, and global alignment. Legal practitioners play a pivotal role in navigating this dynamic landscape, ensuring compliance and advocating for equitable resolutions. By addressing these challenges, India can harness GST's potential to drive economic growth and fiscal equity.⁴⁵

⁴² CA. Mahesh Indani & CA. Pooja Khatod, *GST: Law and Procedure* (Bharat Law House 2023).

⁴³ Constitution of India, arts. 19, 21.

⁴⁴ *GST in India: A Comprehensive Study* (LexisNexis 2024).

⁴⁵ V.S. Datey, *GST Law and Practice*, supra note 1.