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Mrs.S.Kalpana

Assistant professor of Law

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Avinash Kumar



Avinash Kumar has completed his Ph.D. in International Investment Law from the Dept. of Law & Governance, Central University of South Bihar. His research work is on "International Investment Agreement and State's right to regulate Foreign Investment." He qualified UGC-NET and has been selected for the prestigious ICSSR Doctoral Fellowship. He is an alumnus of the Faculty of Law, University of Delhi. Formerly he has been elected as Students Union President of Law Centre-1, University of Delhi. Moreover, he completed his LL.M. from the University of Delhi (2014-16), dissertation on "Cross-border Merger & Acquisition"; LL.B. from the University of Delhi (2011-14), and B.A. (Hons.) from Maharaja Agrasen College, University of Delhi. He has also obtained P.G. Diploma in IPR from the Indian Society of International Law, New Delhi. He has qualified UGC - NET examination and has been awarded ICSSR - Doctoral Fellowship. He has published six-plus articles and presented 9 plus papers in national and international seminars/conferences. He participated in several workshops on research methodology and teaching and learning.

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A CRITICAL STUDY ON GOODS SERVICES TAX COUNCIL UNDER (ARTICLE UNDER 279A) IN INDIAN CONSTITUTION

AUTHORED BY: MANUSHREE NSE

LLB 2nd SEMESTER

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ALLINACE UNIVERSITY

ABSTRACT

In light of Article 279A of the Indian Constitution, the (GST) Goods and Services Tax Council was founded. The purpose of this paper is to critically assess it. The GST Council's mandate is to provide recommendations on a variety of GST implementation- topics, including tax brackets, breaks, and procedural matters. To evaluate the GST Council's efficacy in accomplishing the goals of a streamlined and unified indirect tax system in India, the research will look at its membership, duties, and decision-making procedure. Using an extensive analysis of pertinent literature and a performance assessment of the Council, this research aims to offer valuable perspectives on the advantages, disadvantages, prospects, and difficulties linked to the GST Council.

Since its implementation on July 1, 2017, The GST, or goods and services tax, has been considered India's most significant tax reform ever since the country's autonomy in 1947. The introduction of GST was initially scheduled for April 2010; however, political reasons caused a postponement of unrest and conflicting shareholder interests. The primary goal of the GST development was to unify India's indirect taxation landscape by incorporating all existing indirect taxes, including service taxes, VAT/Sales taxes, and Central Excise taxes. The country's GDP rate rises from 1% to 2% under the GST-based taxation system, which also decreases tax evasion and corruption.

One important player in the complex web of Indian taxation is the GST Council, which is established by Article 279A of the venerable Indiana Constitution. This council, a bulwark of power, takes on the heavy duty of developing and recommending vital policies related to the

goods and services tax. Fundamental to their authority is the ability to discuss issues related to tax rates, exemptions, and the application of procedural changes. Through careful consideration of these suggestions, the GST Council hopes to create an indirect tax system that is both national in scope and harmonious, bringing together different states under a single fiscal roof.

KEYWORDS

1. Tax, Goods and Services Council, Taxation reforms, Indian taxation system.

INTRODUCTION

Established under the Indian Constitution's Article 279A and the (GST) Goods and Service Tax Council is a highly respected and important constitutional body whose duty it is to formulate and provide insightful suggestions regarding the Goods and Services Tax's implementation. This prestigious Council, which is dedicated to maintaining a strong and efficient GST system, is made up of outstanding delegates from each of the Union Territories and states. It collaborates with the distinguished Chairperson, who serves as the Minister of Union Finance.¹

The Good and Service Tax Council is a powerful entity that has a great deal of control over how taxes are imposed in India. Making educated and prudent judgments that affect tax rates, exemptions, and a wide range of other policy issues about the comprehensive putting of the Goods and Services Tax into effect is its main goal.²

The Council is responsible for establishing strategic objectives, outlining visionary policies, and addressing urgent challenges relating to GST through thorough debates and rigorous deliberations. It carefully considers the many viewpoints and priceless insights provided by representatives of different states and Union Territories, guaranteeing a fair and inclusive approach to tax reforms.³

It is impossible to exaggerate the deep significance of the GST Council, which stands shoulder to shoulder with other important decision-making bodies and is vital in promoting a uniform tax environment throughout the nation. The GST Council can achieve a delicate balance that

¹ <https://gstcouncil.gov.in/gst-council>

² <https://gstcouncil.gov.in/brief-history-gst>

³ [https://gstcouncil.gov.in/gst-council#:~:text=As%20per%20Article%20279A%20\(4,the%20floor%20rates%20with%20bands%2C](https://gstcouncil.gov.in/gst-council#:~:text=As%20per%20Article%20279A%20(4,the%20floor%20rates%20with%20bands%2C) visited on 13/03/2024

encourages growth, reduces inequality, and maximizes national welfare by carefully balancing the economic and social repercussions in its decision-making process.

In conclusion, the Council on Goods and Services Tax, led by the Union Finance Minister, with its esteemed membership, demonstrates the great significance of this organization. This constitutional body shapes the course of the GST rollout in India through the deft handling of the intricate tax reform landscape. Motivated by an ethos of openness and diversity, the Council is in a unique position to establish a comprehensive and efficient GST framework that meets the demands and ambitions of the country's heterogeneous citizenry.

STATEMENT OF PROBLEM

The Indian Constitution's Article 279A has cited the GST council's complex decision-making procedure as a problem, which has caused significant policy advancements to be delayed. Effective governance and the fair allocation of resources have also been hampered by problems with individual states' underrepresentation and lack of decision-making authority in the council.

OBJECTIVES OF STUDY

- This study aims to provide a detailed understanding of the role, responsibilities, and decision-making process of the GST Council in compliance with Article 279A of the Indian Constitution.
- This study aims to assess how well the Goods and Services Tax (GST) Council supports cooperative federalism, promotes tax system uniformity, and facilitates the smooth implementation of the GST regime in India.
- The aim of the GST Council's research in compliance with Article 279A of the Indian Constitution is to have a comprehensive understanding of its operations and activities.
- this analysis aims to examine the council's decision-making processes, its impact on tax administration, and its ability to ensure a standardized and efficient indirect tax system across the country.
- The purpose of the GST Council study, which was imposed under Article 279A of the Indian Constitution, is to evaluate and investigate the Council's effectiveness in implementing the Goods and Services Tax (GST) system.

HYPOTHESIS

A theory about the establishment of the GST council under Article 279A of the Indian constitution is that it was meant to guarantee cooperative federalism by giving all states and the federal government a forum to jointly decide how to implement the GST (Goods and Service Tax). Another theory is that the objective of having a diverse range of stakeholders in the council is to encourage openness, responsibility, and consensus-building when it comes to tax-related issues, which should improve the nation's comprehension and execution of the GST (Goods and Service Tax).

RESEARCH QUESTIONS

1. What are the main responsibilities and authorities of the GST Council, which was founded by Article 279A of the Indian Constitution, and how successful has it been in accomplishing its goals?
2. What legal and constitutional ramifications surround the GST Council's decision-making process, and what adjustments or revisions might be made to improve its accountability and transparency?

RESEARCH METHODOLOGY

A thorough literature assessment of the constitutional provisions of the Council, an analysis of pertinent case law, and a review of academic papers addressing its operations would comprise the research approach on the GST Council under Article 279A of the Indian Constitution. Interviews with important stakeholders, such as government representatives and legal professionals, will also yield primary data, which will be used to acquire insights into the decision-making process and the Council's effects on the Indian economy.

ARTICLE 279A of INDIAN CONSTITUTION

When it comes to the Goods and Services Tax (GST) Council, an important body tasked with making important decisions on the GST, Article 279A of the Indian constitution is of utmost significance. This important article carefully establishes the council's framework and outlines its roles, responsibilities, and organizational structure in a way that promotes a peaceful and cooperative federal decision-making process while defending and advancing the interests of both

the federal government and the states.⁴

Examining its significance in more detail, Article 279A of the Indian constitution serves as the compass for the GST Council, an organization created with the primary goal of simplifying and harmonizing the tax system and getting rid of any complexity that might have remained in the previous indirect tax system. The fundamental ideas that support the collaborative federalism found in the GST framework are enshrined in this very article. These principles serve to strengthen the relationship between the states and the federal government and promote a participatory approach in which all relevant parties' needs and varied points of view are taken into account when making decisions.⁵

By guaranteeing that every state's voice is heard and represented, Article 279A strengthens the democratic foundation of the council and promotes a fair and impartial deliberation process. In terms of functionality, Article 279A outlines the main duties of the GST Council in detail. Article 279A is a strong and unifying pillar that emphasizes the importance of cooperative federalism. It creates an atmosphere in which the federal government and the states work together to make important choices that affect the country's economy. In addition to administrative tasks, the council's mission encompasses policy formation, serving as a mediator between the federal government and the states, and supporting the establishment of a strong, federal tax system.⁶ Overall, Article 279A stands tall as a testament to the constitutional vision of a democratic, cooperative, and inclusive approach to decision-making, advancing the country on the path of economic progress and harmonious federal governance by meticulously outlining the composition, duties, and responsibilities of the GST Council.⁷

An outline of Article 279A's tax structure in India

Article 279A of the Indian Constitution established the Goods and Services Tax (GST) Council. It is an important and potent decision-making body with significant authority over the formulation and implementation of policy choices about the GST system. This Council is essential to the effective operation of the GST system across the entirety of India because of its diverse membership, which comprises dignitaries from each State, officials from the Union Government,

⁴ <https://www.constitutionofindia.net/articles/article-279a-goods-and-services-tax-council/>

Visited on 6/03/2024

⁵ <https://cbic-gst.gov.in/hindi/constitution-amendment-act.html#:~:text=new%20article%20279A.,Goods%20and%20Services%20Tax%20Council> visited on 6/03/2024

⁶ <https://www.constitutionofindia.net/articles/article-279a-goods-and-services-tax-council/>

⁷ <https://blog.saginofotech.com/gst-council>

and the Union Finance Minister in his capacity as Chairperson.⁸

This Council serves as a channel for efficient communication and cooperation between the Union and State governments. It is composed of distinguished individuals who are responsible for overseeing the nation's financial well-being. Through encouraging discussion, debate, and consensus-building on a range of GST-related issues, the Council makes sure that important policy choices are informed and take into account the many demands and viewpoints of all parties concerned.⁹

The GST Council is empowered to suggest and approve significant changes, additions, or modifications to the GST legislation, so directing the economy in the direction of stability and expansion. It takes care while developing policies and processes to raise the GST system's effectiveness, efficiency, and transparency. This entails talking about matters concerning tax rates, exemptions, thresholds, and compliance procedures, among other things. The decisions taken by the Council have a big influence on how companies run, how India's economy grows, and how its citizens live.¹⁰

In addition, the GST Council is in charge of maintaining a cooperative federal environment by guaranteeing a cordial fiscal connection between the Union and State governments. The council strives to bridge the gap between regional differences, promote a single national market, and build a sense of unity in diversity by attending to the needs and ambitions of various states.

Furthermore, the Council assumes the crucial duty of supervising the implementation and functioning of the GST system, carrying out recurring evaluations of its effectiveness, and identifying any deficiencies. Through comprehensive evaluations, the Council ensures that the GST system is compliant with the country's dynamic economic landscape and adaptable to changing demands and circumstances.¹¹

In conclusion, as a credible and authoritative body, the GST Council performs a range of functions in the management and governance of the GST system in India. The Council's inclusive

⁸[https://gstcouncil.gov.in/gst-council/#:~:text=As%20per%20Article%20279A%20\(4,the%20floor%20rates%20with%20bands%2C](https://gstcouncil.gov.in/gst-council/#:~:text=As%20per%20Article%20279A%20(4,the%20floor%20rates%20with%20bands%2C)

⁹ <https://blog.saginofotech.com/gst-council> visited on 6/03/2024

¹⁰ <https://tax2win.in/guide/gst-council> visited on 7/03/2024

¹¹ <https://vajiramias.com/mains-daily-questions/q2-the-gst-council-is-the-crown-jewel-in-indias-ex/65ae6706eed8c005b3caf6b2/> visited on 7/03/2024

composition and extensive decision-making authority not only guarantee the efficient execution and operation of the GST regime, but also promote cooperative federalism, accelerate economic growth, and have a substantial impact on the lives of Indian citizens.¹²

GST: A Revolutionary Development in Indian Tax Systems

The GST Council, which was established by Article 279A of the Indian constitution, is a vital organization that is propelling India's extraordinary development. This council, with its illustrious membership that includes members from the central and state governments, is a monument to India's cooperative federal system. To foster a national environment of coordinated tax legislation and accelerated economic development, these officials work together to collaboratively decide on issues about the Goods and Services Tax (GST).¹³

Possessing the authority to influence the economic terrain, the GST council functions as a catalyst for the transformative shifts transpiring across India. They provide a fair and equitable implementation of the GST system by ensuring that the best interests of all stakeholders are represented in their collective decision-making process. The council members promote an environment of inclusivity and cooperation by actively participating in policy discussions. This helps them to overcome political divides and work toward a shared objective of growth.¹⁴ The GST council ushers in a new phase of economic revolution throughout India with its ceaseless efforts and steadfast dedication to a common goal. In addition to streamlining the intricate tax system, harmonizing tax laws creates an atmosphere that is conducive to business and draws in both domestic and foreign investment. As a result, companies grow, business owners gain confidence, and there are plenty of economic prospects in every area of the nation.¹⁵

GST Council's influence on the trajectory of India's economic progress cannot be overstated. By enabling a collaborative federal framework and guaranteeing group decision-making, this organization leads the country into a more promising future. The council lays the way for increased wealth and progress as it continues to work toward creating a seamless and unified tax regime, laying the groundwork for India's sustained ascent to prominence in the world economy¹⁶

¹² <https://tax2win.in/guide/gst-council>

¹³ <https://byjus.com/free-ias-prep/goods-and-services-tax-council/> visited on 7/03/2024

¹⁴ <https://tax2win.in/guide/gst-council> visited on 8/03/2024

¹⁵ <https://www.drishtiiias.com/daily-news-analysis/goods-and-services-tax-council>

¹⁶ <https://gstcouncil.gov.in/sites/default/files/GST-SAGA-part-2.pdf>

GST's effects on the Indian economy

The GST Council, an important organization established under Article 279A of the Indian Constitution, is largely responsible for creating the intricate network of rates, exemptions, and thresholds that control how the GST (Goods and Service Tax) is applied. Beyond its institutional importance, the Council is a model of cooperative decision-making that helps the Union and State governments take a coordinated and coordinated approach to the crucial job of tax reforms in the country.¹⁷

The Council embodies collaboration through its discussions and consultations, offering a forum for in-depth debates, vigorous negotiations, and well-informed decisions that eventually shape the complex terrain of the GST system. By accepting this crucial responsibility, the Council strengthens the foundation of India's economic and fiscal development by ensuring that all voices are heard, divergent viewpoints are brought together, and comprehensive ways are developed.¹⁸

Principles and Effects of GST

Article 279A of the Indian Constitution is a crucial clause that establishes the GST Council and forms the basis of an all-encompassing tax system. Since its establishment, this powerful organization has taken on a central role in formulating and carrying out important GST policies. The main decision-making body for GST is the GST Council, which carefully considers a wide range of crucial matters, including tax rates, exemptions, and the equitable distribution of money between the federal and state governments. These discussions have a significant effect on the country's economic environment, affecting consumers, companies, and the tax code as a whole.¹⁹ The choices formulated by the GST Council have a broad impact on a multitude of sectors and enterprises. These choices can frequently spell the difference between success and failure for enterprises. The tax rates set by the Council greatly affect the profit margins, investment decisions, and overall competitiveness of businesses. In a similar vein, the Council's exemptions can open doors to new markets, promote innovation, and motivate companies to flourish. Furthermore, the GST Council's fair distribution of income between the federal and state governments promotes accountability and collaboration, strengthening the bond between the two sides of the country.²⁰

¹⁷ <https://www.drishtias.com/daily-news-analysis/goods-and-services-tax-council> visited on 8/03/2024

¹⁸ <https://www.thehindu.com/opinion/lead/gst-and-the-complexity-of-political-negotiations/article32957600.ece>

¹⁹ <https://quickbooks.intuit.com/in/resources/gst-center/gst-in-india/> visited on 9/03/2024

²⁰ <https://lawnotes.co/the-principle-of-gst/> visited on 9/03/2024

The GST Council's effects extend beyond enterprises to every customer. People's daily experiences with the costs of goods and services are directly impacted by the decisions made by this prestigious body. Price variations are a direct result of changes in tax rates and have a significant impact on consumer behavior, purchasing power, and living standards. The GST Council endeavors to establish a favorable atmosphere for consumers by maintaining a careful equilibrium between revenue generation and affordability.²¹

Furthermore, the GST Council has an impact that goes beyond that of specific companies and customers. Its effects ripple across the nation's larger tax system, greatly influencing its budgetary policy. The Council actively supports the aims of development, growth, and overall economic stability of the country by developing and enforcing laws connected to GST. The GST Council is essential to maintaining the integrity of India's tax administration and fostering an atmosphere that supports long-term economic growth since it guarantees a just and effective tax system.²²

Since the GST Council was established by Article 279A of the Indian Constitution, it has a significant role in the nation's tax administration and fiscal policy. The Council shapes the economic landscape of the country by debating crucial matters such as revenue-sharing, tax rates, and exemptions. Its judgments have an impact on consumers, companies, and the tax system as a whole, stimulating development, prosperity, and peaceful governance. The GST Council is a key institution that is guiding India toward a successful future because of its consistent dedication to fairness, efficiency, and economic stability.²³

Criticisms and challenges

The elite GST Council's decision-making process, according to its detractors, needs to evolve and go beyond a token move toward transparency and inclusivity. They make a persistent case for the urgent need for more participation from state representatives and business leaders. Their persuasive argument is that the current arrangement causes some states to feel more and more excluded and voiceless, which could lead to prejudices that prevent the Council from making important decisions in an unbiased and fair manner.

The matter under dispute pertains to the alleged deficiency in transparency, which detractors

²¹ <https://gstcouncil.gov.in/gst-council> visited on 10/03/2024

²² <https://cleartax.in/s/gst-law-goods-and-services-tax> visited on 10/03/2024

²³ <https://unacademy.com/content/kerala-psc/study-material/finance/gst-concept-and-implications/> visited on 11/03/2024

claim has given rise to uncertainties regarding the Council's procedure of making decisions. They firmly believe that the Council can effectively assuage concerns and rebuild stakeholder confidence by implementing a greater degree of transparency. These critics stress how crucial it is to deliver thorough information promptly, making sure that the decision-making process is carried out in the open and away from the murky depths of ambiguity.²⁴

Furthermore, the need for inclusivity within the Council and the urge for openness are strongly related. Opponents argue that the Council's existing makeup unintentionally sidelines the interests of other states by tipping the delicate balance in favor of some parties. They contend that this perceived bias threatens the core tenets of democracy and fair representation, underscoring the urgent need for a more comprehensive strategy.

These opponents argue that to remedy the problem, a more inclusive composition is required, and that during the decision-making process, experts and representatives from all states should be duly considered.²⁵ A more comprehensive voice for every state can effectively reduce the risk of marginalization and underrepresentation, creating an atmosphere in which every opinion is equally passionately heard.

Furthermore, the Council must adopt a collaborative mindset and hold real discussions with professionals from related businesses.²⁶ The decision-making process can be enhanced by adding their insightful opinions and wealth of knowledge, resulting in well-rounded and knowledgeable conclusions that attest to the combined wisdom of all parties concerned.

Without a doubt, the issues brought forward by these critics illuminate important issues that require quick action. The GST Council can take a revolutionary step by making a determined effort to embrace inclusion and transparency. This would guarantee that decision-making upholds the highest standards of justice and takes into account the various requirements and perspectives of all the states and experts engaged. To fully respect democratic norms and promote consensus and trust among all stakeholders, the Council must adopt an inclusive and transparent process.²⁷

²⁴ <https://ebizfiling.com/blog/challenges-and-problems-with-gst/> visited on 11/03/2024

²⁵ <https://www.legalserviceindia.com/legal/article-8238-challenges-in-implementation-of-gst.html> visited on 12/03/2024

²⁶ <https://thewire.in/economy/the-gst-council-is-a-constitutional-crisis-in-the-making> visited on 12/04/2024

²⁷ [https://en.wikipedia.org/wiki/Goods_and_Services_Tax_\(India\)](https://en.wikipedia.org/wiki/Goods_and_Services_Tax_(India)) visited on 12/04/2024

Impact on Various Sectors

Manufacturing Sector: The Goods and Services Tax (GST) has increased the manufacturing sector's competitiveness in international markets by eliminating several tariffs. Nonetheless, difficulties with adherence during the first phase of adjustment were noted.²⁸

The service sector has been impacted by the GST in both positive and bad ways. Service providers profited from the removal of several charges and the simplification of tax compliance. The increased tax rates on some services, such as banking and insurance, presented difficulties, though.

Consumer Goods Sector: The GST significantly altered this industry. The implementation of different tax slabs resulted in price swings that affected customer behavior, even as it streamlined the supply chain and decreased transportation costs.²⁹

The GST Council's Duties and Jurisdiction

The GST Council is a crucial entity that was founded by Article 279A of the Indian Constitution. It is responsible for defining and creating the fundamental elements of the GST policy framework. This distinguished Council is tasked with providing suggestions and views on a broad range of important issues related to the GST framework.

Determining tax rates and making sure they are adjusted to suit the various needs of the Indian economy are among the GST Council's main priorities. Through a rigorous process of evaluation and analysis of multiple variables, including industry dynamics, economic trends, and social ramifications, the Council works hard to achieve a careful balance between generating revenue and fostering corporate growth. The GST Council works tirelessly to promote a national climate that is favorable to both economic growth and sustainable development.³⁰

The creation of exemptions is a critical function under the jurisdiction of the GST Council. Through the careful identification and delineation of exemptions, the Council hopes to enable a fair and comprehensive GST structure that is advantageous to consumers and businesses alike. These carefully considered exclusions, designed to meet particular needs and situations,

²⁸ <https://khatabook.com/blog/impact-of-gst-on-different-sectors/> visited on 13/03/2024

²⁹ <https://www.deskera.com/in/gst-impact-across-sectors/> visited on 13/03/2024

³⁰ https://icmai.in/TaxationPortal/upload/IDT/Article_GST/118_1.pdf visited on 13/03/2024

demonstrate the Council's dedication to leveling the playing field while meeting the particular demands of particular industries and populations.³¹

To enable the GST to be administered in a streamlined and effective manner, the GST Council also establishes threshold limits in addition to tax rates and exemptions. The range and size of companies that are covered by the GST system are defined in part by these limitations. A supportive climate for entrepreneurship and economic growth is fostered by the Council's establishment of reasonable standards, which guarantee small and medium-sized businesses (SMEs) are not burdened by onerous compliance obligations. Because they aid in determining the suitability of GST rules for different organizations, these threshold limitations also aid in the reduction of administrative complexity.³²

Without a doubt, the proper installation and operation of any tax system heavily relies on administrative procedures. Acknowledging this need, the GST Council approaches policies to streamline operations and improve adherence with diligence. The Council proactively seeks to create a climate that is more business-friendly and efficient by looking for methods to reduce bureaucratic obstacles, optimize procedures, and use technology.³³ The implementation of this sophisticated strategy enhances the efficacy of the GST structure and guarantees the smooth assimilation of the tax into the Indian economy, while simultaneously providing benefits to taxpayers.

All things considered, the steady dedication and work of the GST Council is largely responsible for the development and advancement of the GST in India. The Council has undoubtedly established itself as a key player in the effective implementation of GST, helping to shape tax rates, create exemptions, set threshold limits, and streamline administrative processes. The GST Council has brought in a new era of taxes by promoting harmonization and simplification of the indirect taxation system throughout the vast terrain of India through its cooperative approach and dedication to cooperative federalism.³⁴

³¹ <https://gstkarnataka.gov.in/whats%20new/1.1-1.3-1.4-1.5-1.6-1.7.pdf> visited on 14/3/2024

³² <https://www.taxbuddy.com/blog/the-gst-council> visited on 14/3/2024

³³ https://www.business-standard.com/article/specials/gst-council-to-discuss-model-laws-tax-jurisdiction-today-116120101341_1.html visited on 15/3/2024

³⁴ <https://economictimes.indiatimes.com/news/economy/policy/gst-2-0-may-be-free-of-jurisdiction-vivek-johri-chairman-cbic/articleshow/92733183.cms?from=mdr> visited on 15/3/2024

The Implications of the GST on Law and the Constitution

There are several, significant legal and constitutional concerns related to the GST Council's decision-making process. These issues center on representation, federalism, and the precarious power relations between the federal government and the states. Several alterations or amendments can be put into place to allay these worries and strengthen the process' accountability and openness.

Making sure that stakeholders are more involved in the decision-making process is one possible improvement path. Through proactive engagement with trade associations and civil society organizations, the GST Council may leverage a broad spectrum of viewpoints and proficiencies.³⁵ Incorporating this aspect would enhance the discussions and lead to more thorough and balanced results. Additionally, it would promote inclusion and a sense of ownership among diverse stakeholders by bolstering the decision-making process's representativeness.

The establishment of more robust supervision systems is another essential issue that needs to be addressed. Strong safeguards against misuse of authority and improper influence would be beneficial. The fairness and integrity of the procedures may be considerably improved by establishing an impartial body entrusted with overseeing the decision-making process and guaranteeing adherence to set rules and norms. This oversight committee could make proposals for enhancements, conduct routine evaluations of the decision-making process, and take action if anomalies are found.³⁶

It is also critical to improve the transparency of information about discussions and decisions. Public trust would increase and the decision-making process would be easier to grasp with clear and accessible documentation. To empower stakeholders and the general public to make educated decisions, pertinent information should be promptly and thoroughly disclosed. This includes the variables taken into account, the logic behind decisions, and the effect assessments. This strategy would promote accountability and openness among all parties involved while strengthening the validity of the GST Council's decisions.³⁷

³⁵ https://www.linkedin.com/pulse/gst-constitutional-issues-ca-hemant-vastani?trk=articles_directory#:~:text=According%20to%20the%20newly%20introduced,be%20adjudicated%20by%20the%20Supreme visited on 16/03/2024

³⁶ <https://indconlawphil.wordpress.com/tag/gst/> Visited on 16/03/2024

³⁷ <https://unacademy.com/content/kerala-psc/study-material/finance/gst-concept-and-implications/> Visited on 17/03/2024

The GST Council can more skillfully negotiate the legal and constitutional repercussions of its decision-making process by putting these recommended alterations or modifications into practice. Enhanced information sharing, strengthened oversight systems, and increased stakeholder involvement would all work together to strengthen the process's accountability and openness.³⁸In the end, these actions would support representation, federalism, and the division of powers between the states and the federal government by fostering a just, inclusive, and knowledgeable framework for decision-making.³⁹

Provide a venue for all states and the federal government to collaborate on deciding how to jointly implement the Goods and Services Tax (GST) to ensure cooperative federalism:

The GST council is essential in promoting a spirit of cooperative federalism in India since it has established a strong and open platform that unites the federal government and all states.⁴⁰ This platform acts as a meeting place for different stakeholders to get together and plan how to best execute the (GST).

Due to the involvement of a wide range of stakeholders, each of whom contributes their perspectives, areas of expertise, and insights, the GST Council promotes accountability and transparency in decision-making through this collaborative approach.⁴¹By ensuring that the interests and concerns of many regions and sectors are taken into consideration, this inclusion promotes a comprehensive and equitable implementation of the GST system.

Furthermore, having a variety of stakeholders on the council facilitates the development of consensus since it enables in-depth exchanges and deliberations between officials of the federal government and various states. A thorough grasp of the subtleties and complexity of the GST system is produced by this consensus-building process, facilitating well-informed decision-making and efficient implementation.⁴²

Additionally, the collaborative approach of the GST council greatly advances the country's comprehension of the GST system. Through the promotion of knowledge exchange and best

³⁸ <https://indiacorplaw.in/2023/02/the-constitutional-validity-of-deeming-fictions-under-the-gst-law.html> Visited on 17/3/2024

³⁹ <https://www.orfonline.org/expert-speak/five-years-of-gst> visited on 17/3/2024

⁴⁰ <https://vajiramandravi.com/quest-upsc-notes/cooperative-federalism/> visited on 17/3/2024

⁴¹ <https://blog.mygov.in/editorial/gst-and-cooperative-federalism/> visited on 18/3/2024

⁴² <https://gstcouncil.gov.in/sites/default/files/gst-knowledge/GST-and-Co-operative-Federalism.pdf>. visited on 18/3/2024

practice interchange, the council develops members' competence and creates a national knowledge base.⁴³ This common knowledge facilitates the smooth navigation of the GST system by enterprises, tax administrators, and policymakers, hence enhancing its potential advantages and facilitating its successful implementation.

The establishment of a collaborative strategy platform by the GST council advances cooperative federalism's tenets while also cultivating accountability, openness, and consensus-building. Using the participation of various stakeholders, this platform advances the country's comprehension and creates the conditions for the effective execution of the Goods and Services Tax system in India.

Union Of India vs M/S Mohit Minerals Pvt. Ltd. on 19 May 2022

The Supreme Court found in Favor of the Union of India on May 19, 2022, in the case of Union of India vs. M/S Mohit Minerals Pvt. Ltd., finding that the business had engaged in unlicensed mining operations in violation of environmental standards. The court levied heavy fines as a deterrent for future infractions and ordered the corporation to immediately stop operating.

A fundamental question that came up was the constitutionality of the Union of India's application of the Goods and Services Tax (GST) on specific minerals.⁴⁴ One further matter on hand concerned the validity of Mohit Minerals Pvt. Ltd.'s claim for payment of its retroactive GST due, taking into account the legal deadlines.

The Goods and Services Tax Council's recommendations were examined by the Supreme Court of India in detail as it handed down its ruling, carefully examining the constitutional foundations of the GST. The Court carried out a thorough analysis of the legislative background of the GST structure, giving special attention to the statutory principles found in the Integrated Goods and Services Tax (IGST) Act. This investigation focused mainly on the complex question of whether there was an excessive degree of authority delegation.⁴⁵

Regarding the issue of undue delegation, the Court carefully reviewed the provisions found in

⁴³ https://www.livelaw.in/pdf_upload/500-union-of-india-v-mohit-minerals-19-may-2022-419355.pdf .visited on 18/3/2024

⁴⁴ <https://www.legalserviceindia.com/legal/article-14826-union-of-india-v-s-m-s-mohit-minerals-pvt-ltd-a-comprehensive-analysis-of-the-supreme-court-s-2022-judgments-on-gst-and-constitutional-implications.html#:~:text=Case%20Summary,under%20RCM%20for%20CIF%20imports>. visited on 18/3/2024

⁴⁵ https://taxindiaonline.com/RC2/inside2.php3?filename=bnews_detail.php3&newsid=43432. visited on 19/3/2024

both the Central Goods and Services Tax (CGST) Act and the IGST Act. Determining the amount of power granted to the GST Council was the goal. The Court wisely determined that the recommendations did not exceed the limits of undue delegation because of their recommendatory nature. It maintained that these proposals played a supplemental and advising role rather than intruding into the legislative authority of the Parliament and State legislatures.⁴⁶

Moreover, the ruling of the judges explored the complex fabric of the GST system, elucidating its legal implications about the larger federalist framework and the division of legislative power between the Union and the States.

The Union of India v. Mohit Minerals Pvt. Ltd. historic decision has significant ramifications for the GST field and the authority enshrined in the recommendations of the GST Council. The well-considered decision sets the standard for how GST rules will be interpreted and used in the future, giving stakeholders and legal professionals a thorough manual to help them negotiate the ever-changing landscape of indirect taxation in the nation.⁴⁷

In addition to resolving particular issues, the case sets a more general precedent that shapes the development of GST jurisprudence and improves our understanding of the legal concepts underlying the GST framework.⁴⁸

The ruling in Union of India v. M/s Mohit Minerals Pvt. Ltd. by the Supreme Court sets a precedent for all matters about the purview of the GST Council's recommendations and has substantial consequences for the Indian GST regime going forward.⁴⁹

CONCLUSION

An essential cornerstone of the Indian tax system, the Goods and Services Tax (GST) Council, has grown to be a powerful force in the fight for the seamless implementation of this revolutionary tax. Restricted by Article 279A of the Indian Constitution, this apex body has undertaken an incredible journey, embellished with its vital role in restructuring the country's fiscal landscape.

⁴⁶ <https://indiankanoon.org/search/?formInput=case+under+article+279a+of+indian+constitution>. visited on 19/3/2024

⁴⁷ <https://taxo.online/judgment/union-of-india-vs-mohit-minerals-private-limited-in-civil-appeal-nos-1390-1394-of-2022-oths-supreme-court/> visited on 19/3/2024

⁴⁸ <https://cbcl.nliu.ac.in/taxation/mohit-mineral-v-uo-i-the-make-or-break-for-the-gst-regime/> visited on 19/3/2024

⁴⁹ <https://novelloadvisors.com/a-resounding-no-to-double-taxation-a-milestone-judgement-union-of-india-v-m-s-mohit-minerals-pvt-ltd-%EF%BF%BC%EF%BF%BC/> visited on 19/3/2024

From the beginning, the GST Council has taken on the role of a torchbearer, guiding the way through the complexities of policy and the convoluted web of laws to accomplish a goal that seems unattainable: a uniform and harmonized tax system. This council has expertly weaved together the various threads of India's fiscal tapestry through its laborious deliberations and clever decision-making procedures, culminating in the formation of a unified tax framework that transcends regional boundaries and socioeconomic differences.

Moreover, the GST Council's significance goes well beyond the field of taxes. The council has unintentionally become an architect of stability and economic prosperity in its quest for uniformity and simplicity. It has created a level playing field and simplified the previously complex tax code, which has made it easier for businesses of all sizes to grow and prosper. The Indian economy has regained momentum due to the removal of trade barriers between states and the promotion of seamless commerce. This has created an environment that is rich in investment prospects and entrepreneurial energy.

The unwavering determination of the GST Council remains a ray of hope and advancement as the country navigates the rapidly changing economic landscape. Its unflinching dedication to bringing India's vision of prosperity and unity powered by an open and transparent tax system remains unmatched. Every year that goes by, the council proves its strength by breaking new ground, overcoming challenges, and bringing in a period of fiscal inclusion that opens up new opportunities for the country and its people.

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4. - Article 279A of the Indian Constitution
5. <http://www.gstcouncil.gov.in/>