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FROM A RIGHT WITHOUT A FORUM TO A FORUM WITHOUT APPELLANTS: THE FIRST YEAR OF THE GST APPELLATE TRIBUNAL

~ Gayathry B Pillai & ~Malavika P Nair

Abstract

For eight years after GST began in 2017, taxpayers had a right of second appeal to a Tribunal that did not exist. The GST Appellate Tribunal (GSTAT) opened for online filing in September 2025 and began deciding cases in 2026. This article asks whether that turned a right on paper into a usable remedy. It argues that the Tribunal's absence was managed rather than cured. Filing deadlines were later rebuilt through executive orders, not legislation. And the predicted flood of appeals never came. Officials expected two to nearly five lakh appeals; about 75,000 had been filed by late August 2026. That shortfall, not a backlog, is the key unexplained fact. The article weighs its possible causes and proposes reforms the evidence can support.

***Keywords*:** GST Appellate Tribunal; section 112 CGST Act; access to justice; pre-deposit; MSMEs; limitation

I. Introduction: A Remedy Postponed

The Central Goods and Services Tax Act 2017 (CGST Act) gave taxpayers a second appeal from the start. Under section 112, a person aggrieved by an order of the first Appellate Authority, or of a Revisional Authority, may appeal to the GST Appellate Tribunal.[1] For most of the regime's first decade, that appeal could not be filed. The Tribunal was launched on 24

[1] Central Goods and Services Tax Act 2017, s 112.

September 2025, when its filing portal opened.[2] Its benches did not decide cases in any number until 2026. Even then, the Delhi High Court had to press the Union to make the Tribunal work.[3]

Writing on GSTAT has usually made two claims. The first is that taxpayers held 'a right without a forum'. The second is that a huge backlog would overwhelm the Tribunal once it opened. The first claim is accurate for 2017 to 2025. The second is not supported by the evidence. By 23 August 2026, about 75,000 appeals had been filed across all benches.[4] That is a fraction of what officials had expected. The Tribunal's President said he was 'a bit disheartened' and did not know why so few appeals had come in.[5]

This article therefore asks a narrower question. How far did the opening of GSTAT, between September 2025 and October 2026, give taxpayers real access to a second appeal? And what do the gaps between expected, filed, registered and decided appeals tell us about the barriers that remain, especially for micro, small and medium enterprises (MSMEs)?

To answer it, the article separates six stages: the legal right, the Tribunal's existence, filing, registration, hearing and a timely decision. Part II covers the years without a Tribunal, and Part III how access was rebuilt. Parts IV and V examine the first year's figures and decisions. Part VI assesses the remaining barriers, and Part VII proposes reforms. The portal does not define its terms, and no figures after 23 August 2026 had been published by 31 October 2026. The article therefore calculates no disposal rate.

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[2] GST Council Secretariat, 'GST Council Newsletter' (September 2025) <https://gstcouncil.gov.in/sites/default/files/2025-10/september_newsletter_0.pdf> accessed 21 October 2026.

[3] *Rajesh Khanna v Commissioner of Central Tax Appeals-I* WP(C) 81/2026 (Del HC, 2 February 2026).

[4] 'GSTAT Filings Cross 75,000, but Only 83 Cases Disposed of So Far' *Business Standard* (New Delhi, 23 August 2026) <https://www.business-standard.com/industry/news/gstat-filings-cross-75-000-tribunal-disposes-of-83-cases-so-far-126082300662_1.html> accessed 21 October 2026.

[5] 'GSTAT Chief Concerned Over Low Number of Cases Filed in Appellate Tribunal' *Deccan Chronicle* (August 2026) <https://www.deccanchronicle.com/nation/gstat-chief-expresses-concern-over-low-number-of-cases-filed-with-appellate-tribunal-1981086> accessed 21 October 2026.

II. Eight Years Without a Tribunal

A. The design

The CGST Act sets out four levels of appeal. A taxpayer goes first to the Appellate Authority, then to the Tribunal, then to the High Court on a substantial question of law, and finally to the Supreme Court.[6] The Tribunal was meant to be the last body to decide facts. It was also meant to bring judicial and technical members together. Most disputes were expected to end there.

Each level has a price. A first appeal needs the admitted tax in full and ten per cent of the disputed tax. A second appeal needs a further ten per cent, capped at ₹20 crore each of central and state tax.[7] Paying that second deposit stops recovery of the rest of the demand until the appeal is decided.[8] The deposit is therefore both the cost of entry and the source of protection. This matters for the analysis in Part VI.

B. Why the Tribunal was delayed

The delay had legal as well as administrative causes. In 2019 the Madras High Court struck down the provisions on the Tribunal's make-up, including one allowing an Indian Legal Service officer to sit as a judicial member.[9] Parliament replaced sections 109 and 110 through the Finance Act 2023, with effect from 1 August 2023. The new law created a Principal Bench and State Benches, with two judicial members on each bench.[10]

The Union notified thirty-one State Benches in September 2023.[11] A President took office in May 2024.[12] Procedure rules followed in April 2025.[13] Members were appointed in August and December 2025. By the December order alone, 49 judicial and 34 technical members were posted to benches and told to join by 21 January 2026.[14] Yet in February 2026 the Delhi High

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[6] Central Goods and Services Tax Act 2017, ss 107, 112, 117 and 118.

[7] ibid ss 107(6) and 112(8).

[8] ibid s 112(9).

[9] *Revenue Bar Association v Union of India* WP 21147-21148 and 14919/2018 (Mad HC, 20 September 2019).

[10] Finance Act 2023, amending Central Goods and Services Tax Act 2017, ss 109 and 110.

[11] Ministry of Finance, Notification SO 4073(E) (14 September 2023).

[12] 'Justice Sanjaya Kumar Mishra Assumes Role as President of GST Appellate Tribunal' All India Radio News (6 May 2024) <https://www.newsonair.gov.in/justice-sanjaya-kumar-mishra-assumes-role-as-president-of-gst-appellate-tribunal> accessed 21 October 2026.

[13] Goods and Services Tax Appellate Tribunal (Procedure) Rules 2025, GSR 256(E) (24 April 2025).

[14] Franklin Joshva, 'FinMin Allots Benches to 34 Technical and 49 Judicial Members for GSTAT' Taxscan (28 December 2025) <https://www.taxscan.in/top-stories/finmin-allots-

Court noted that members appointed months earlier had still not started deciding cases. It asked a Joint Secretary to explain on affidavit what was being done.[15]

C. How the gap was managed

Contrary to some earlier writing, taxpayers did not have to take every adverse first-appeal order to a High Court. Three measures filled the gap.

First, a Removal of Difficulties Order issued in 2019 paused the time limit for a second appeal. The three months would start only when the Tribunal's President or State President took office.[16] A taxpayer who lost a first appeal lost nothing by waiting. Second, a 2024 circular allowed a taxpayer who intended to appeal to pay an amount equal to the Tribunal deposit and give an undertaking. Recovery of the rest of the demand was then treated as stayed.[17] Third, a taxpayer facing urgent recovery or a clear legal error could file a writ petition in a High Court.

These measures kept the right of appeal alive but put off the remedy. A business with money tied up in a confirmed demand gained little from knowing it could appeal later. The circular helped only those who could pay the deposit in cash in advance. Writ petitions did give real relief in some cases. In *Suncraft Energy*, for example, the Calcutta High Court refused to deny a buyer's input tax credit just because its supplier failed to report the sale. The department had to act against the supplier first.[18] But writ relief is discretionary. It is poorly suited to disputes about facts, and its cost does not fall with the amount at stake. For a small business with a modest factual dispute, the High Court was a poor substitute for the promised Tribunal. The point is not that such businesses gave up good claims in large numbers. That has not been shown. The point is that the substitutes worked best for those with the most money.

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benches-to-34-technical-and-49-judicial-members-for-gstat-1440927> accessed 31 October 2026.

[15] *Rajesh Khanna* (n 3).

[16] Central Goods and Services Tax (Ninth Removal of Difficulties) Order 2019 (3 December 2019).

[17] Central Board of Indirect Taxes and Customs, Circular No 224/18/2024-GST (11 July 2024) <https://www.gstcouncil.gov.in/sites/default/files/2024-09/circular-no-224-2024.pdf> accessed 21 October 2026.

[18] *Suncraft Energy Pvt Ltd v Assistant Commissioner, State Tax, Ballygunge Charge* MAT 1218/2023 (Cal HC, 2 August 2023); the Supreme Court dismissed the Revenue's special leave petition on 14 December 2023.

D. What the Constitution expects of a tribunal

Article 323B of the Constitution allows legislatures to create tribunals for tax disputes.[19] In *L Chandra Kumar*, the Supreme Court held that such tribunals add to the High Courts rather than replace them, and that High Court review cannot be excluded.[20] In *Sampath Kumar*, the Court accepted a tribunal as a substitute for a High Court only if it was equally effective.[21] Later decisions required tribunal members to be independent of the government in appointment and tenure.[22]

None of these cases deals with a tribunal created by statute but never set up, so the comparison has limits. What they do provide is a test of effectiveness. A specialist tribunal justifies itself by offering a remedy at least as accessible as the one it replaces. That test, not the Tribunal's mere existence, is the standard used here.

III. Reopening the Door by Notification

A. Launch and portal

The Finance Minister launched the Tribunal and its e-Courts portal on 24 September 2025. The plan was for a Principal Bench in New Delhi and thirty-one State Benches at forty-five locations. All filing was to be online.[23] The procedure rules make online filing compulsory and allow hearings to be held in person or online, as directed.[24]

B. Deadlines set by executive order

The most important decisions in this period concerned filing deadlines. Almost none of them came from Parliament.

On 24 September 2025 the President of the Tribunal issued an order staggering the filing of old appeals. Each group of cases had its own window, starting with the oldest.[25] A notification

[19] Constitution of India, art 323B(2)(a).

[20] *L Chandra Kumar v Union of India* (1997) 3 SCC 261.

[21] *SP Sampath Kumar v Union of India* (1987) 1 SCC 124.

[22] *Rojer Mathew v South Indian Bank Ltd* (2020) 6 SCC 1; *Madras Bar Association v Union of India* 2025 INSC 1330.

[23] GST Council Secretariat (n 2).

[24] Goods and Services Tax Appellate Tribunal (Procedure) Rules 2025 (n 13) r 115.

[25] GSTAT, Order F No GSTAT/Pr Bench/Portal/125/25-26/1499-1502 (24 September 2025).

issued a week earlier had already fixed the final date. Appeals against orders issued before 1 April 2026 had to be filed by 30 June 2026.[26]

As that date approached, the portal struggled. Tax professionals reported that fee payments were not showing up, valid digital signatures were rejected and large uploads failed. Sessions expired without saving work. Businesses with cancelled registrations could not get the temporary ID they needed to file at all.[27] On 30 June 2026 the Finance Ministry extended the deadline to 31 July 2026, citing technical difficulties. About 30,000 appeals had been filed in the previous fifteen days.[28]

On 10 July 2026 the Tribunal went further. It created a 'token'. A person who could not finish an online filing could enter basic details and receive a token. If the token was generated by 31 July 2026, the appeal would count as filed on time, so long as it was completed within sixty days.[29]

The token was a sensible response, but its legal basis is weak. Time limits for appeals come from the Act and from notifications made under it. The token comes from an administrative order under a general procedural rule. Practitioners soon asked whether every bench would treat the token date as the filing date.[30] Even the sixty days were disputed: did they mean calendar days, or 1,440 hours from the moment the token was issued?[31] For the largest group

[26] Ministry of Finance, Notification SO 4220(E) (17 September 2025).

[27] Malad Chamber of Tax Consultants, representation to the Union Finance Minister (26 June 2026), as reported in 'MCTC Seeks GSTAT Appeal Deadline Extension as Portal Glitches Hinder Filing' TaxGuru (27 June 2026) <https://taxguru.in/goods-and-service-tax/mctc-seeks-gstat-appeal-deadline-extension-portal-glitches-hinder-filing.html> accessed 21 October 2026.

[28] 'Government Extends Deadline for Filing Appeals Before GST Appellate Tribunal to 31 July 2026' SCC Online Blog (30 June 2026) <https://www.scconline.com/blog/post/2026/06/30/government-extends-deadline-for-filing-gstat-appeals-to-31-july-2026-by-ministry-finance/> accessed 21 October 2026.

[29] GSTAT, Order No 156/2026 (10 July 2026), as reported in Manu Sharma, 'GSTAT Launches Token Facility for Appellants Facing Issues in E-Filing Appeals' LiveLaw (15 July 2026) <https://www.livelawbiz.com/gstat/gstat-token-facility-goes-live-for-gst-appeal-facing-e-filing-issues-541334> accessed 21 October 2026.

[30] 'GSTAT Token Mechanism Safeguards Appeal Rights, but Experts Warn Legal Ambiguity Could Trigger Fresh Litigation' CAalley (15 July 2026) <https://caalley.com/news-updates/indian-news/gstat-token-mechanism-safeguards-appeal-rights-but-experts-warn-legal-ambiguity-could-trigger-fresh-litigation> accessed 21 October 2026.

[31] 'GSTAT Appeal Token: 60 Calendar Days or 1,440 Hours from Generation?' TaxGuru (29 September 2026) <https://taxguru.in/goods-and-service-tax/gstat-appeal-token-60-calendar-days-1-440-hours-generation.html> accessed 21 October 2026.

of appeals the Tribunal will ever receive, whether an appeal was on time may depend on an order no court has yet tested.

C. Benches that sit part of the week

The Principal Bench gave the first reported decision on the merits in February 2026, in *Sterling & Wilson*.[32] State Benches followed slowly. Kolkata announced on 23 March 2026 that it had begun work, six months after the launch.[33] Ahmedabad and Bengaluru, two major commercial centres, began hearings only in early August 2026.[34]

An office order of 14 May 2026 set up benches across the country and sorted cases into three groups. A single member may hear a case only if less than ₹50 lakh is at stake and no question of law arises.[35] The order also shows how thinly members are spread. Srinagar sits on Fridays. Goa sits on the fourth and fifth Fridays of the month. Some locations are covered on circuit or online, and several members serve more than one place.[36]

The Principal Bench also gained a new role. From 1 April 2026 it can hear appeals where advance rulings in different States conflict. This is a stop-gap until a national appellate authority for advance rulings is set up.[37]

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[32] *Sterling & Wilson Pvt Ltd v Commissioner, Odisha Commissionerate of CT & GST* APL/1/PB/2026 (GSTAT, Principal Bench, February 2026), reported at 2026 Taxscan (GSTAT) 106.

[33] GSTAT Kolkata Bench, Public Notice No 01/2026 (23 March 2026), as reported in 'GSTAT Kolkata Bench Starts Functioning' LiveLaw (24 March 2026) <https://www.livelawbiz.com/gstat/gstat-kolkata-bench-starts-functioning-527652> accessed 21 October 2026.

[34] GSTAT Ahmedabad Bench, Public Notice No 03/2026 (16 July 2026); 'GSTAT Bengaluru Bench to Commence Hearing of Cases from August 05, 2026' A2Z Taxcorp <https://a2ztaxcorp.net/gstat-bengaluru-bench-to-commence-hearing-of-cases-from-august-05-2026-prescribing-court-halls-hearing-days-and-timings-for-different-categories-of-cases/> accessed 21 October 2026.

[35] GSTAT, Office Order No 3/GSTAT/PB/2026 (14 May 2026), reproduced in 'GSTAT Constitutes Benches and Categorises GST Appeals' TaxGuru <https://taxguru.in/goods-and-service-tax/gstat-constitutes-benches-categorises-gst-appeals.html> accessed 21 October 2026.

[36] ibid.

[37] Central Goods and Services Tax Act 2017, s 101A(1A), inserted by the Finance Act 2026; Ministry of Finance notification of 7 May 2026, with effect from 1 April 2026.

IV. Counting the Missing Appeals

A. The August 2026 figures

The fullest public figures are those reported from the portal on 23 August 2026, three weeks after the extended deadline. By then 75,155 appeals had been filed, 5,819 had been registered and 83 had been disposed of. The Principal Bench had received 7,306 appeals, registered 134 and disposed of 7.[38] About 30,000 tokens had been issued. Of these, 28,024 were still open and only 969 had been used to complete an appeal.[39] The President said that about 3.5 lakh first appeals had been filed. That is the pool from which second appeals come.[40]

Official estimates had been much higher. In July 2026 the President spoke of about 4.83 lakh expected appeals.[41] In August he gave a lower range of two to two and a half lakh.[42] Three points follow. Filings fell far short of every estimate. Registration lagged far behind filing, with fewer than one in twelve appeals registered. And very few appeals had been decided.

B. What a disposal count cannot show

Eighty-three disposals out of 75,155 filings looks like failure, but that conclusion should be resisted. The portal does not say what 'disposed' means; it may include withdrawals as well as decisions. Most State Benches had been sitting for only weeks, and most appeals arrived just before the deadline. A count taken then measures a start-up phase, not the Tribunal's real pace. Nor do the figures separate appeals by taxpayers from appeals by tax officers. What they do show is narrower: the registration gap is large, and far fewer appellants arrived than expected.

C. Five possible explanations

On the official estimates, between half and four-fifths of the expected appeals never arrived. Even if every open token became an appeal, the total would be about one lakh. Some estimates published in 2025 were much lower, at about 48,000.[43] The wide range is itself telling. When

[38] *Business Standard* (n 4).

[39] ibid.

[40] *Deccan Chronicle* (n 5).

[41] CAalley (n 30).

[42] *Deccan Chronicle* (n 5).

[43] Sanjiv Agarwal, 'Functioning of GST Appellate Tribunal' TaxGuru (26 September 2025) <https://taxguru.in/goods-and-service-tax/functioning-gst-appellate-tribunal.html> accessed 21 October 2026.

the Tribunal opened, the government did not know how many second appeals its own system had produced.

No published study explains the shortfall. There are at least five possible explanations.

(1) Businesses have closed or claims were weak. The President suggested that many businesses had shut down and that many cases involved fake input tax credit.[44] Both are plausible for disputes dating back to 2017, but neither has been measured.

(2) Taxpayers settled under the amnesty. Section 128A of the CGST Act waived interest and penalties on certain demands for 2017–18 to 2019–20 if the tax was paid. Taxpayers who used it had to withdraw pending appeals.[45] The tax department knows how many did so.

(3) The deposit was too costly. A second appeal needs a further cash deposit on top of the first. After years of uncertainty, that cost may decide whether a business appeals at all.

(4) The portal failed. The problems reported in June and July 2026, and the low use of tokens a month after the deadline, are consistent with technical barriers.[46]

(5) Taxpayers did not know. Businesses told for eight years that there was no Tribunal may not have learned in time that one now existed, or that time was running against them.

These explanations overlap, but their effects differ. If closures and fake claims explain the gap, there is little cause for concern. If cost, technical failure or lack of information explain it, the burden falls on small businesses, the very taxpayers the Tribunal was meant to serve. The data needed to tell these apart already exists within government.

V. Early Decisions, Early Patterns

By September 2026 the Tribunal had published the first volume of its e-Journal, with twenty-seven decisions.[47] These decisions are recent and untested on appeal, so they are not yet settled case law. But they show early trends that matter to small taxpayers.

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[44] *Deccan Chronicle* (n 5).

[45] Central Goods and Services Tax Act 2017, s 128A, inserted by the Finance (No 2) Act 2024.

[46] *Business Standard* (n 4); Malad Chamber of Tax Consultants (n 27).

[47] 'GSTAT Releases Inaugural E-Journal: Volume I' A2Z Taxcorp (26 September 2026) <https://a2ztaxcorp.net/gstat-releases-inaugural-e-journal-volume-i-captures-landmark-

A. A mismatch is not fraud

In *Sterling & Wilson*, the tax department found a gap of about ₹27 lakh between the tax a company declared in one return and the tax it paid through another. The department treated the gap as deliberate concealment and used section 74, which allows a longer time limit and a heavier penalty. The first Appellate Authority found no fraud and switched the case to the ordinary provision, section 73, itself. The Principal Bench held that it had no power to do this. Only the original officer could reassess the tax under section 73. The case was sent back.[48]

Other benches have taken the same line. The Thiruvananthapuram bench held that claiming ineligible credit is not, by itself, deliberate concealment.[49] In a later case it held that a demand raised after an audit does not, on that basis alone, prove concealment.[50] The Thane bench held that credit cannot be denied only because a supplier's registration was later cancelled with backdated effect.[51] These decisions resist treating paperwork gaps as proof of fraud. That matters most to small businesses, which have little control over their suppliers' filings.

B. Conditions on access read narrowly

In *Reddy Veeranna Constructions*, the Hyderabad bench considered a 2025 amendment requiring a ten per cent deposit in appeals against penalty-only orders. It held that the amendment did not apply to proceedings begun before it came into force on 1 October 2025, and admitted the appeal without a deposit.[52] The order was made at the admission stage only. Still, it shows the Tribunal refusing to apply a new barrier to older cases.

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rulings-on-sections-73-74-itc-e-way-bills-pre-deposit-transitional-credit-and-anti-profiteering/> accessed 21 October 2026.

[48] *Sterling & Wilson* (n 32).

[49] *Santhome Latex Enterprises v Commissioner of CGST, Thiruvananthapuram* APL/21/TVP/2026 (GSTAT, Thiruvananthapuram, 21 August 2026), as reported in Kavi Priya, 'GSTAT Case Digest 2026' Taxscan (28 August 2026) <https://www.taxscan.in/top-stories/gstat-case-digest-2026-recent-rulings-important-decisions-1450502> accessed 21 October 2026.

[50] *Pavithram Gold & Diamonds v Commissioner of CGST & CE, Thiruvananthapuram* APL/38/TVP/2026 (GSTAT, Thiruvananthapuram, 2026), as reported in 'Latest Case Laws under GST' A2Z Taxcorp (28 October 2026) <https://a2ztaxcorp.net/latest-case-laws-under-gst-28-10-2026-a2z-taxcorp-llp/> accessed 31 October 2026.

[51] *Trivesh Enterprises LLP v Joint Commissioner of State Tax, Thane* APL/52/THN/2026 (GSTAT, Thane, 2026), as reported in A2Z Taxcorp (n 50).

[52] *Reddy Veeranna Constructions (P) Ltd v Commissioner (GST)* 2026 SCC OnLine GSTAT 158 (GSTAT, Hyderabad, 28 July 2026).

C. Small disputes and appeals by tax officers

Many reported cases are small. The Lucknow bench set aside a penalty of about ₹2.63 lakh imposed because an e-way bill was generated nine minutes after a vehicle was stopped.[53] Writ petitions handled such fact-based disputes badly.

A notable share of reported cases are appeals by tax officers, and several have failed at the first step. The Ghaziabad bench dismissed a State appeal because the amount was below the department's own ₹20 lakh limit for appeals and no exception applied.[54] The Agra bench dismissed a State appeal over ₹50,760 because the department produced only a general letter, not the Commissioner's specific direction that the Act requires.[55] Appeals like these take up bench time that is already scarce.

D. Signs of a system for consistency

Two October 2026 developments show the Tribunal building ways to keep its decisions consistent. In one Prayagraj case, the judicial and technical members disagreed on whether an order passed on an unnotified date was invalid. The question was referred to a larger bench.[56] Separately, the Principal Bench transferred twenty-two appeals by one telecom company, all on the same input tax credit question, from State Benches to itself to decide together.[57] These decisions show how the Tribunal reasons, not how long it takes.

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[53] *Lucknow Automotives v Assistant Commissioner (Mobile Squad), Gonda* APL/8/LCK/2026 (GSTAT, Lucknow, 19 August 2026), as reported in Priya (n 49).

[54] *Uttam Kumar Tiwari v R S Metals* (GSTAT, Ghaziabad, 2026), as reported in 'Departmental Appeal Below ₹20 Lakh Dismissed Without Established Exception: GSTAT Ghaziabad' TaxGuru (24 October 2026) <https://taxguru.in/goods-and-service-tax/departmental-appeal-rs-20-lakh-dismissed-without-established-exception-gstat-ghaziabad.html> accessed 31 October 2026.

[55] *State v Rohit Enterprises* (GSTAT, Agra, 2026), as reported in 'GSTAT Rejects Departmental Appeal for Lack of Commissioner's Direction' Taxscan (30 October 2026) <https://www.taxscan.in/gst/departmental-second-appeal-us-112-not-maintainable-without-commissioners-case-specific-direction-us-1123-gstat-read-order> accessed 31 October 2026.

[56] *Sahu Building Material v Assistant Commissioner, State Tax* APL/7/ALB/2026 (GSTAT, Prayagraj, 2026), as reported in A2Z Taxcorp (n 50).

[57] *Reliance Jio Infocomm Ltd v Various State and Central Tax Authorities* TRNS.OF. APPL/10/PB/2026 (GSTAT, Principal Bench, 2026), as reported in A2Z Taxcorp (n 50); see Ministry of Finance, Notification SO 4219(E) (17 September 2025).

VI. Where Access Still Breaks Down

This Part sorts each barrier into one of three groups. A barrier is documented if official or primary material shows it. It is plausible if the evidence fits but does not prove it. It is untested if it has been asserted without support.

A. Twenty per cent in cash (documented in design, plausible in effect)

The Finance (No 2) Act 2024 cut the Tribunal deposit from twenty to ten per cent of the disputed tax.[58] A taxpayer has already paid ten per cent at the first appeal, so reaching the Tribunal costs twenty per cent in total. On a demand of ₹50 lakh, that is ₹5 lakh for the first appeal and ₹5 lakh more for the second. The deposit must be paid in cash, not from tax credits.[59] The Act allows no waiver for hardship.

The effect on small businesses is plausible but not proven. MSMEs produced about 31 per cent of India's gross value added and 46 per cent of its exports in 2023–24.[60] The Reserve Bank found that MSME exports were hit harder by GST implementation, including delayed refunds, than by demonetisation.[61] A 2024 survey of 400 MSMEs linked problems with input tax credit to cash-flow strain.[62] A twenty per cent cash deposit on a years-old dispute is the kind of cost that could deter an appeal. Whether it did can only be tested against filing data broken down by business size.

B. Deadlines resting on weak foundations (documented)

The deadlines for old appeals were set by notification, extended by announcement and supplemented by an administrative token. Each step widened access. The problem is that the legal risk falls on appellants. Suppose a taxpayer completed an appeal on the sixtieth day under

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[58] Finance (No 2) Act 2024, amending Central Goods and Services Tax Act 2017, s 112(8).

[59] Finance Act 2025, ss 129 and 130, in force from 1 October 2025 under Notification No 16/2025-Central Tax (17 September 2025).

[60] Lok Sabha Unstarred Question No 3086 (7 August 2025) <https://eparlib.sansad.in/bitstream/123456789/2994832/1/AU3086_EwycRD.pdf> accessed 21 October 2026.

[61] Harendra Behera and Garima Wahi, 'How Have MSME Sector Credit and Exports Fared?' (Mint Street Memo No 13, Reserve Bank of India, 17 August 2018) <https://rbi.org.in/scripts/MSM_Mintstreetmemos13.aspx> accessed 21 October 2026.

[62] Anchit Sureka and Nabasmita Bordoloi, 'The Impact of Blocked Credit and Unavailability of Input Tax Credit on MSMEs in India: An Empirical Study' (2024) 10 Journal of Tax Reform 572.

one way of counting, but not under the other. The Act gives no answer if the department objects. The Tribunal may excuse a delay, but that is at its discretion.[63]

C. A portal with no back door (documented)

Online filing is compulsory, and there is no paper alternative. The problems reported in June 2026 affected every step: payment, signature, upload and identity checks.[64] Businesses with cancelled registrations, often small firms that had stopped trading, could not get the ID needed to file. A month after the deadline, more than 28,000 tokens were still unused, which suggests the problems had not been fully fixed.[65]

D. Thin benches and the information gap (untested)

Part-week sittings and shared members are a sensible way to cover a large country. But with the registration gap, they suggest that waiting time for hearings may be the next problem. No figures on time to hearing have been published. It is also often said that small taxpayers do not know about the Tribunal. That may be true, but no survey supports it.

VII. Five Reforms the Evidence Can Support

Each reform below responds to a documented barrier or to a gap in the evidence.

First, publish the figures. The Tribunal should publish monthly figures for each bench: appeals filed, registered, heard and decided, with each term defined. Decisions should be broken down by outcome and by who appealed. The tax department should publish how many appeals were withdrawn under the amnesty and how many tokens became appeals, by business size. None of these needs new law.

Second, give the token a legal basis. Parliament should confirm that appeals begun by token by 31 July 2026 and completed within sixty days were filed on time. It should also state how the sixty days are counted.

Third, add a hardship waiver to section 112(8). The Tribunal should be able to reduce or waive the deposit where an appellant shows real financial hardship and a serious case. Customs and excise law had a discretionary waiver of this kind until 2014. It was replaced by fixed

[63] Goods and Services Tax Appellate Tribunal (Procedure) Rules 2025 (n 13) r 29.
[64] Malad Chamber of Tax Consultants (n 27).
[65] *Business Standard* (n 4).

percentages because it was misused, so any new waiver should be limited to micro and small enterprises or to smaller disputes. This needs an amendment to the Act. Rules cannot do it.

Fourth, add a back door to the portal. Where an appellant can show that the system failed, the registry should accept a paper or e-mail filing within a short window, to be uploaded later. A standing fallback would make the token's flexibility predictable.

Fifth, put the consistency mechanisms into the rules. The Tribunal has started referring split decisions to larger benches and gathering identical appeals before the Principal Bench. The procedure rules should state when Principal Bench and larger-bench rulings bind State Benches. At present this depends on practice, not on a rule.

VIII. Conclusion: Existence Is Not Access

From 2017 to 2025, section 112 gave taxpayers a right without a forum. The measures used to manage that gap kept the right alive but delayed the remedy. They helped most those who could pay a deposit early or afford a High Court case.

By October 2026 the Tribunal exists. Its benches sit across the country, its early decisions reason carefully about fraud and return mismatches, and it has begun to build ways to stay consistent. These are real gains.

But the move from existence to access is not complete. Most expected appeals did not arrive, and few of those that did have been registered by late August. Access rested on executive orders, ran through a portal that failed at a critical time, and cost a twenty per cent cash deposit with no allowance for hardship.

It is too early to judge the Tribunal's speed, and wrong to call it a failure on early figures. But the government does not know why so many expected appellants stayed away, and it holds most of the data needed to find out. Until it does, nobody can claim that GSTAT has closed the gap between the right to appeal and a usable remedy. Its standing will depend on whether the taxpayers it was built for can reach it, afford it and get a timely decision.