



GSTAT at the Crossroads

Operationalisation, Procedure,
and the Pains of a Delayed Dawn



Introduction: Eight Years in the Making

When the Goods and Services Tax was introduced on 1 July 2017 with the ambitious promise of “One Nation, One Tax, One Market,” the Goods and Services Tax Appellate Tribunal (GSTAT) was conceived as an indispensable pillar of its dispute resolution architecture. Section 109 of the Central Goods and Services Tax Act, 2017 mandated its constitution as the second appellate forum – the institutional bridge between the administrative appellate authorities and the higher judiciary. Yet for over eight years, this pillar stood unbuilt, leaving taxpayers in an appellate vacuum of extraordinary proportions.

Owing to a series of legal challenges, constitutional complications, qualification controversies, and administrative delays, the GSTAT remained non-

operational for over eight years – forcing aggrieved taxpayers to approach the High Courts under writ jurisdiction at significantly higher cost and delay.

GSTAT was formally launched by the Union Finance Minister, Smt. Nirmala Sitharaman, in New Delhi on 24 September 2025, and

formally commenced its first phase of adjudicatory operations on 16 February 2026, with the Principal Bench at New Delhi and several State Benches including Cuttack and Delhi becoming functional for hearing cases and Kolkata on 23 March 2026.



Smt. Nirmala Sitharaman
Union Finance Minister



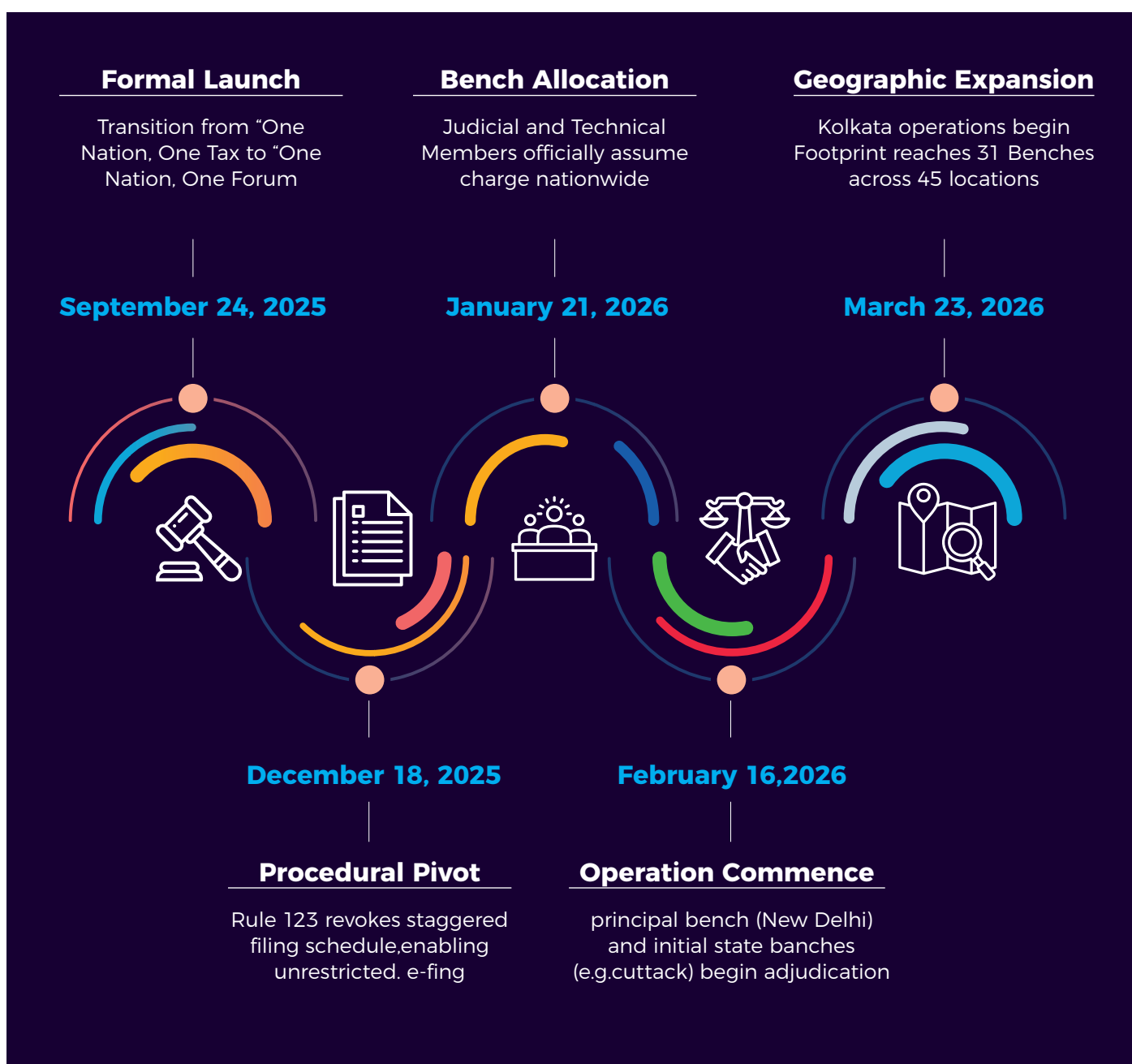
The indirect tax ecosystem is evolving from ‘One Nation, One Tax’ to ‘One Nation, One Forum for Fairness and Certainty.’”

The past four months have been the most consequential in GSTAT’s short institutional life – marked by rapid bench constitution, procedural consolidation, the gradual expansion of its geographic footprint, and a set of teething troubles that demand balanced and honest professional scrutiny. Presently, with 31 State Benches spread across 45 locations, taxpayers no longer need to approach High Courts for every GST dispute.

Key Developments: Bench Constitution, Member Allocation, and Operational Expansion

The geographic expansion of the Tribunal has proceeded in phases. GSTAT Kolkata Bench commenced operations from March 23, 2026, to handle GST appeals for West Bengal, Sikkim, and the Andaman and Nicobar Islands under the GSTAT (Procedure) Rules, 2025. Several states have yet to appoint members or allocate office spaces, with a senior official acknowledging that appointments to the State benches and supporting staff remained pending, potentially delaying full operationalisation by several months in those jurisdictions.

The GSTAT Ignition Timeline





Filing Procedures: The New Appellate Rulebook

The procedural framework for approaching GSTAT is now substantially settled through the GSTAT (Procedure) Rules, 2025. A fresh advisory was issued through Public Notice No. 01/2026 dated March 23, 2026, emphasising adherence to the Rules and directing appellants to consult the Tribunal's portal at efiling.gstat.gov.in, where all relevant rules, advisories, and orders are consolidated.

The Digital Rulebook: Procedural Mechanics



efiling.gstat.gov.in

UPLOAD REQUIREMENTS






- Form APL-05
- Soft Copies: SCN, 010. OIA, Statement Of Facts & Grounds
- Valid Authorisation / Vakalatnama
- Proof of Pre-Deposit & Court Fees

PAPERLESS FILING



REGISTRY LENIENCY: 6-MONTH PERIOD GRANTED FOR MINOR PROCEDURAL DEFECTS
TECHNICAL SUPPORT: TOLL-FREE 1800-103-4782 & ONLINE INCIDENT REPORTING.

THE APPELLATE PARADIGM SHIFT

| | Old Regime (Writ Reliance) | New Regime (GSTAT) |
|---|----------------------------|--|
|  Forum Structure | High Court Writs | GSTAT Statutory Appeal (Prior HC deposits adjust under Sec 112(8)) |
|  Filing Medium | Paper-heavy & Physical | First Fully Digital Tribunal (e-Courts portal, hybrid hearings) |
|  Tax Pre-Deposit | 20% (up to ₹50 Cr) | 10% (capped at 520 each for CGST/SGST) |
|  Penalty Pre-Deposit | Exempt | 10% (mandatory for penalty-only appeals) |
|  Dept. Appeals | Unrestricted | ₹ 20 Lakh Minimum Threshold |

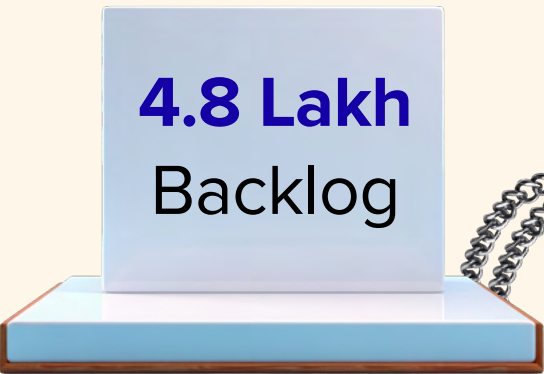
The Backlog Crisis: Scale, Urgency, and Practical Implications

The scale of the appellate vacuum created by GSTAT's eight-year absence is staggering and presents the Tribunal's most immediate institutional test. According to GSTAT President Justice (Retired) Sanjay Kumar Mishra, around 4.8


lakh appeals are expected to be filed against orders of the first appellate authority.

To absorb this volume in an orderly manner, the transitional framework is critical. All orders communicated before 1 April 2026 carry a one-

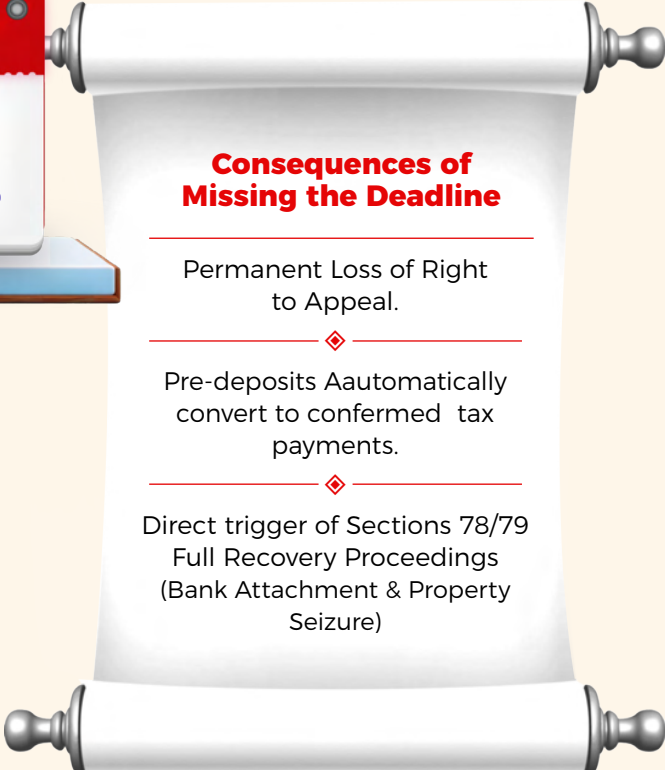
time extended deadline of 30 June 2026 for filing a second appeal before GSTAT. From 1 April 2026 onwards, the ordinary limitation of three months under Section 112(1) applies.



4.8 Lakh Backlog



June 30, 2026



Consequences of Missing the Deadline

- Permanent Loss of Right to Appeal.
- Pre-deposits automatically convert to confirmed tax payments.
- Direct trigger of Sections 78/79 Full Recovery Proceedings (Bank Attachment & Property Seizure)

This deadline is absolute and non-extendable for ordinary cases.

Challenges: Portal Failures, Liquidity Pressures, and Capacity Constraints

The transition to a fully digital appellate system has been commendable in design but troubled in execution. Since the GSTAT portal's launch, taxpayers and professionals have reported various difficulties including technical problems and challenges related to filing appeals and

navigating hearing procedures. ICAI has stated that it intends to compile these concerns and provide consolidated feedback to the relevant authorities.

On the liquidity front, the pre-deposit requirement – though reduced – continues to generate significant concern, particularly

for smaller businesses. The withdrawal of the staggered filing schedule is a welcome step, taken after the Tribunal reviewed the technical capacity of its e-filing portal and found that the earlier transitional restrictions were no longer necessary.



The Evolving Judicial Landscape: High Courts Step Back

With GSTAT now operational, High Courts across India are increasingly declining jurisdiction in favour of the Tribunal in appropriate cases. Taxpayers with pending writ petitions against first appellate orders must assess whether to shift to GSTAT, reserving writs for constitutional or urgent matters. The “Tribunal not constituted” ground has effectively lapsed, and prior deposits under High Court orders will be adjusted against the mandatory pre-deposit under Section 112(8).

The Allahabad High Court has also permitted appeals to be filed up to June 30, 2026, noting that absence of the Tribunal had earlier denied the statutory right to appeal.

This reinforces the Government’s transition framework and restores the appellate structure under the CGST Act while reducing reliance on writ litigation.



Conclusion: Structural Promise, Operational Imperative

GSTAT's operationalisation marks a genuine and long-overdue structural milestone in India's indirect tax regime. The comprehensive bench allocations, the detailed procedural rulebook, the mandatory digital filing infrastructure, the reduction in pre-deposit requirements, and the one-time backlog window collectively represent a serious and well-designed institutional effort.

For taxpayers and their advisors, the immediate and urgent practical imperative is singular: identify every adverse First Appellate Authority order predating 1 April 2026, evaluate the merits and pre-deposit economics, and file before June 30, 2026 – a deadline that is absolute, non-extendable for ordinary cases, and carries permanent consequences for the right to appeal.

GSTAT's operationalization is a landmark achievement, transforming from a long-delayed promise into a "jurisprudential anchor" for the Indian economy. While "teething troubles" regarding portal stability and the pace of member appointments in non-metropolitan states persist, the framework for a faster, specialized, and digital-first judiciary is now a reality.

As the Tribunal begins to process its massive caseload, its success will be measured by its ability to provide the technical consistency that taxpayers have lacked for nearly a decade. For the tax professional, the message is clear: the forum is ready, the rules are set, and the deadline is final.

Final Insight

The right to appeal is a cornerstone of tax justice, but that right is only as effective as the accessibility and efficiency of the forum provided to exercise it.

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