



Introduction of Goods and Services Tax has stirred up a lot of controversies. While most have related to interpretation of the provisions of the law, some controversies have challenged the vires of the law. But rarely when such challenge has been heard by the Courts has it divided the judiciary. The latest in causing such a rift in judicial view is the taxability of intermediary services. To understand the root of the problem a reference is necessary to some of the Constitutional provisions and how the law was framed which has led to this dispute. Constitutional and Legislative Background Article 246A is a special provision with respect to GST introduced by the 101st Amendment to the Constitution. As per clause (2) thereof, Parliament has exclusive powers to make laws with respect to GST where the supply of goods or of services or both take place in the course of inter-state trade or commerce. Article 269A provides for levy and collection of