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GST Accountability in Era of Intelligentisation & Digitalisation: Grievances Redressal and Curbing Tax Fraud.

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Abstract

The emergence of digitalization and intelligentization has significantly altered the realm of tax administration, particularly within the Goods and Services Tax (GST) framework. The digitalization process has contributed substantially to facilitating GST compliance. Implementing online tax filing, e-invoicing, and the GST Network (GSTN) has optimized tax collection processes and decreased instances of tax evasion. These digital solutions offer the capability to monitor transactions in real-time.

The intelligentization, propelled by artificial intelligence and machine learning, has elevated GST accountability. Artificial intelligence-enabled systems can examine extensive datasets to identify irregularities, instances of fraud, and non-adherence to regulations, hence enhancing the efficiency and dependability of the tax assessment procedure. Predictive analytics can anticipate and project income patterns, thus facilitating the process of fiscal planning.

In addition, the utilisation of blockchain technology contributes to the augmentation of transparency in transactions related to GST. Immutable ledgers play a crucial role in guaranteeing the verifiability of transactions, thereby mitigating conflicts and cultivating a sense of trust between taxpayers and tax authorities.

The primary method for addressing issues related to the GST in India entails taxpayers submitting their problems through the designated GST portal. The system facilitates the submission of complaints and inquiries through an online platform. Taxpayers can monitor the progress of their complaints and obtain feedback from tax authorities. In the era of increased automation and digitisation, addressing issues related to the GST has become more expedient and effective. Using AI-powered chatbots and online platforms facilitates the expeditious resolution of concerns for taxpayers. Using digital records and data analytics aids tax authorities in effectively addressing concerns and promotes a smoother and more transparent process for resolving grievances linked to the GST.

Keywords: Digitalization of Tax Administration; Intelligentization in Tax Processes; GST Framework ; Tax Compliance Collection; Taxpayer Services; Grievance Redressal

But to ensure the responsible use of taxpayers' information, it is imperative to address privacy and data security concerns. Moreover, the digital divide could impede small enterprises' capacity to adhere to digital Goods and Services Tax (GST) obligations.

Tax authorities can enhance tax-collecting procedures' efficiency, transparency, and equity by leveraging cutting-edge tools like Artificial Intelligence (AI), machine learning, and blockchain. The responsibility of legislators and tax administrators to address privacy and inclusion concerns while managing these improvements is paramount.

1. INTRODUCTION

The Goods and Services Tax (GST) has been recognised as a significant catalyst in the realm of taxation, leading to a paradigm shift towards digitisation and intelligentization. The GST is applicable in India from July 1, 2017[1], to streamline the intricate tax framework and foster a consolidated tax system. Nevertheless, a distinguishing feature of the contemporary GST framework is its flexibility to adapt to the digital era, utilising technology and data intelligence to augment accountability and efficiency.

The process of digitalisation has played a significant role in transforming the landscape of GST responsibility. Traditional tax systems, characterised by extensive paperwork and manual procedures, frequently encountered inefficiency, inaccuracies, and widespread tax evasion issues. The implementation of digitisation has led to a notable improvement in the efficiency of GST compliance processes. It is now mandatory for taxpayers to electronically submit their returns, establishing an environment devoid of paper documentation. Implementing e-invoicing mandates has facilitated the integration of transactions with the GST Network (GSTN), enabling instantaneous reporting and certification. Implementing this digital ecosystem guarantees that tax authorities possess immediate access to transactional data, leading to enhanced precision in tax evaluations and decreased instances of tax evasion.

Intelligent systems can effectively analyse extensive datasets and discern patterns and abnormalities, rendering them highly advantageous within the domain of GST. AI-powered solutions can identify inconsistencies and suspected instances of tax fraud, guaranteeing that tax evaluations are founded on robust data analysis. Predictive analytics possesses the capability to anticipate income patterns, hence facilitating the process of fiscal planning and allocation of resources.[2]

Furthermore, the emergence of blockchain technology has significantly impacted transparency and accountability in transactions related to GST.[3] The immutable ledger mechanism of blockchain guarantees the integrity of transactions by preventing any modifications after they have been recorded, thereby establishing an indisputable record of all GST transactions. However, these achievements are not without their problems. The issue of data security and privacy is significant, requiring the implementation of strong measures to preserve taxpayer information. Furthermore, the digital gap continues to pose a substantial obstacle since smaller enterprises may need help keeping up with the digital GST obligations.

Although digitalisation and intelligentization provide notable benefits, they also give rise to some obstacles, including the digital divide, apprehensions regarding data security,[4] the expenses associated with compliance, and the need for legislative adjustments. Achieving a balance between these concerns is crucial to effectively leverage the possibilities of technology while simultaneously guaranteeing a just and effective GST regime.

The issue of data security and privacy is essential, requiring protective solid measures to mitigate cyber threats and prevent unauthorised access to taxpayer information[5]. Incorporating digital processes can impose an

[1] Goods and Services Tax Council, *About Us*, GSTC, https://gstcouncil.gov.in/about-us.
[2] El Bachir Boukherouaa et al., *Powering the Digital Economy: Opportunities and Risks of Artificial Intelligence in Finance*, 2021 DEP. PAP. (2021), https://www.elibrary.imf.org/view/journals/087/2021/024/article-A001-en.xml .
[3] Dr Janki Mistry, *CAN GST IN INDIA RIDE THE BLOCKCHAIN REVOLUTION?*, 5 JETIR 485-487 (2018).
[4] Nitin Bhuta, *Representation on Mis-Selling of GST Database on Social Media*, TAXGURU, https://taxguru.in/goods-and-service-tax/representation-illegal-selling-gst-date-base-social-media.html .
[5] *Id.*

additional financial strain on organisations, tiny and medium-sized enterprises (SMEs) due to increased compliance costs.

Excessive dependence on technology can provide challenges when malfunctions in technical systems impede the smooth execution of filing and payment procedures, increasing the likelihood of inaccuracies and subsequent penalties. Furthermore, the precision of data input provided by enterprises is of utmost importance for the optimal functioning of intelligent systems.

Digitalisation and virtualisation have brought about a significant transformation in addressing GST issues. However, it has also presented several obstacles. Digital platforms are prone to technological difficulties, which might result in challenges when submitting complaints or monitoring their progress. Taxpayers may encounter problems in effectively navigating online systems, resulting in feelings of irritation and causing delays in the settlement of issues. [6]These technical malfunctions have the potential to impede the prompt payment of complaints. The efficacy of communication between taxpayers and tax authorities in virtual environments could be more efficient, potentially resulting in misinterpretations or delayed replies.[7] The utilisation of digital tools may occasionally induce intricacy into the process of addressing concerns.

Modifying the legal structure to accommodate digital and virtual operations requires significant time and complexity. Unequal access to digital platforms is observed among taxpayers, particularly those residing in remote or disadvantaged regions.

Tax authorities require adequate resources and specialised skills to efficiently operate and sustain digital platforms. More help might provide a barrier for specific regions or countries.

2. EVOLUTION OF TECHNOLOGY AND E-INVOICING: IMPACT ON TAX COMPLIANCE:

The advent of technology has brought about a significant transformation in the domain of tax compliance, specifically within the framework of GST. The emergence of e-invoicing stands out as a highly notable advancement in this context. Implementing technology-driven e-invoicing has significantly impacted the adherence to Goods and Services Tax (GST) regulations.

To begin with, the use of e-invoicing has resulted in the optimisation of the entire invoicing procedure. Business entities produce electronic invoices seamlessly connected with the GST Network (GSTN).[8] The utilisation of real-time data sharing facilitates enhanced accuracy and diminishes the likelihood of errors, fostering improved compliance. Tax fraud, wrong filing, and administrative mistakes are some of the things that could lead to such a gap. Several steps have been taken to close the holes, such as giving notice when data given in returns is different and conducting e-waybill-related checks during shipping, among others. If a business makes more than **five crore rupees** in turnover in a financial year, it is mandatory to issue B2B e-invoices[9]. The government could have provided five more invoice registration sites (IRPs) to use in June 2022 to ensure the process of creating GST e-invoices could have been simpler for taxpayers.[10]

Furthermore, the implementation of e-invoicing contributes to increased transparency. Tax authorities can obtain real-time transaction data, posing challenges for enterprises in their attempts to underreport or alter financial

[6] Marg ERP Ltd., *Navigating GST Complaints: A Comprehensive Guide for Taxpayers.*, (Feb. 19, 2023), https://margcompusoft.com/m/navigating-gst-complaints/ .
[7] *Id.*
[8] EY INDIA, *How E-Invoicing and Technology Are Improving GST Compliance*, https://www.ey.com/en_in/tax/gst-compliance-technology/how-e-invoicing-and-technology-are-improving-gst-compliance.
[9] FCA RAJEEV MANOCHA, *E-Invoicing Mandatory for Businesses with 5 Crore+ Turnover from 1st August 2023*, TAXGURU (2023), https://taxguru.in/goods-and-service-tax/mandatory-e-invoicing-businesses-5-crore-turnover-1st-august-2023.html.
[10] Arpit Kulshrestha, *How Digitalisation & GST E-Invoicing Speed up Tax Compliance*, (Aug. 15, 2022), https://blog.saginfotech.com/digitalisation-gst-e-invoicing-speed-up-tax-compliance.

figures. The implementation of transparency measures aids in the mitigation of tax evasion and enhances overall compliance with the GST. It has eradicated the scope of scams, fraud, arbitrariness of authority and corruption.

In addition, the implementation of e-invoicing has resulted in a streamlining of the reconciliation process. The efficiency of matching input and output invoices is enhanced, reducing the occurrence of mismatches and streamlining the input tax credit claiming procedure.

2.1: DIGITAL TAX ADMINISTRATION:

To boost the efficiency and effectiveness of systems and processes, the government consistently allocates resources and focuses on advancing an architecture enabling data triangulation. For example, integrating the income tax and GST systems allows a comparison of transactions reported on both platforms.

The current digital tax administration (DTA) has significantly increased the significance of the multi-registration environment in which firms operate. Implementing the Goods and Services Tax involves using a centralised system by tax administrators to facilitate information interchange between states. This ensures the efficient administration of interstate trade and the consistency of tax regulations.

The GSTN is responsible for providing a unified information technology platform to all parties involved in implementing the GST. This platform integrates the tax administration systems of both the central government and the state governments. The data documented in Form 26AS can be compared to the filings made in GSTR-1.

Integrating the income tax and GST datasets enables comparing transactions reported through either portal.[11] The data documented in Form 26AS can be compared with the GSTR-1 filings. The utilisation of FASTag data enables the triangulation of e-way bill files. The triangulation of bill submissions is facilitated by using the FASTag data e-way. [12]The mandatory requirement of Aadhaar authentication will consolidate many government records into a single unified reference. Real-time data exchange with the purchaser would be made possible through implementing the Information Technology Centre (ITC)[13].

The registration, filing of returns, and electronic payment processes of the GST are facilitated by the innovative GSTN. The GSTN's information technology architecture provides a unified platform for generating electronic invoices through authorised Invoice Registration Portals (IRPs). [14]

2.2: THE SCHEME OF "MERA BILL MERA AADHIKAR": PRIZE MONEY ON LUCKY DRAW

The Central Board of Indirect Taxes (CBIC) has recently introduced a new system called Mera Bill Mera Adhikaar (MBMA), which commenced on September 1, 2023[15]. The initiative offers customers a significant monetary reward for actively seeking out suppliers that provide bills that comply with the Goods and Services Tax (GST) regulations.

Starting September 1, interested individuals can upload their Goods and GST bills or transaction invoices on the designated application or online site. Nevertheless, the bill must be issued exclusively by shops or sellers who have successfully registered under the GST system. At the outset, participation is limited to those hailing from specific states and union territories, namely Haryana, Assam, Gujarat, and the union territories of Dadra and Nagar Haveli, Daman and Diu, and Puducherry. [16]The plan offers cash prizes of Rs 10,000, 10,00,000, and Rs 1 crore in the monthly and quarterly fortunate drawings, respectively.[17]

[11] EY INDIA, *supra* note 8.
[12] Kulshrestha, *supra* note 10.
[13] *Id.*
[14] *Id.*
[15] Archit Gupta, *Mera Bill Mera Adhikar Scheme on GST Invoicing: Is It Going To Be A Game Changer?*, NEWS18 (2023), https://www.news18.com/business/tax/mera-bill-mera-adhikar-scheme-on-gst-invoicing-is-it-going-to-be-a-game-changer-8570394.html .
[16] *Id.*
[17] *Id.*

2.3: IMPACT OF DIGITAL PAYMENTS AND GST REVENUE:

The global COVID-19 epidemic has significantly influenced non-cash transactions worldwide, and India is no exception to this trend. The rapid transition from cash-based transactions to digital payments, observed during the COVID-19 epidemic, may be linked to several variables. These include the closure of physical retail establishments, the limited supply of physical currency, and individuals' reluctance to engage in personal contact.

In recent years, there has been a notable increase in the usage of digital payment systems in India, including mobile wallets, UPI (Unified Payments Interface), and online banking. The transition towards a cashless economy carries several ramifications for the income generated through the GST.

Over 7.8 billion UPI transactions worth more than ₹12.8 trillion were tracked in December 2022. [18]The numbers were 4.6 billion and slightly under ₹8.3 trillion in December 2021, the same time last year. Seventy-one per cent more goods were sold, and 55% more money was made.[19]

GST revenues have increased along with this growth, and the number of people who pay GST has grown significantly. When this tax system started in the middle of 2017, there were just over 6.2 million filers. Since then, this number has grown to over 14 million in November 2022. [20]Conversely, India had 1,492,015 operating companies listed as of October 2022, up from 1,157,774 in July 2017.[21] This is a 29% rise.

One potential benefit of digital payments is the potential for enhanced tax compliance, as these transactions generate a digital record that tax authorities can readily monitor. This measure mitigates tax evasion and enhances overall tax compliance, resulting in elevated GST revenue generation.[22] Digital payments facilitate a higher level of openness in financial transactions, creating obstacles for firms seeking to participate in underreporting or tax fraud. Consequently, this serves to strengthen the income generated from the GST.[23]

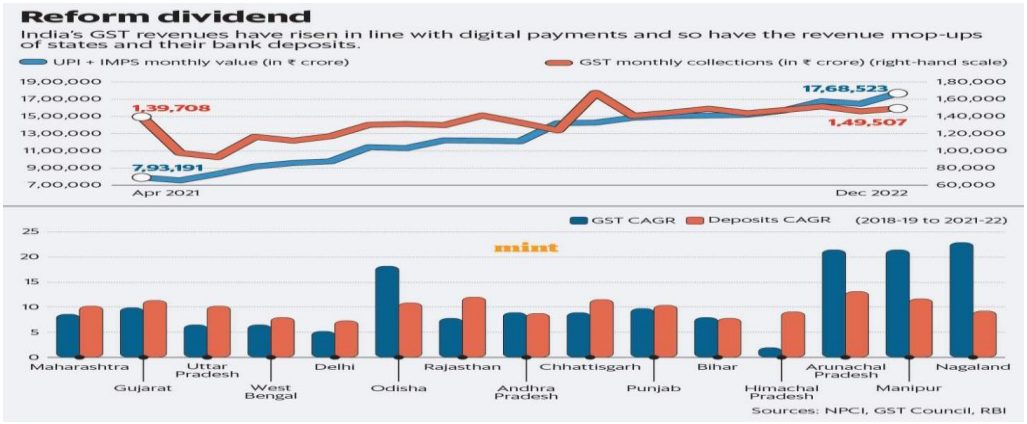

Figure 1Reform Dividend[24]

[18] Unified Payments Interface (UPI) Product Statistics | NPCI, https://www.npci.org.in/what-we-do/upi/product-statistics .
[19] Unified Payments Interface (UPI) Product Statistics | NPCI, https://www.npci.org.in/what-we-do/upi/product-statistics.
[20] Anantha Nageswaran & Misra Devi Prasad, *Swipe, Tap or Click: How Digital Payments Power Our GST Intake*, MINT (2023), https://www.livemint.com/opinion/columns/swipe-tap-or-click-how-digital-payments-power-our-gst-intake-11674496593737.
[21] *Id.*
[22] Forum on Tax Administration, *Supporting the Digitalisation of Developing Country Tax Administrations*, ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (2021), https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/supporting-the-digitalisation-of-developing-country-tax-administrations.pdf.
[23] *Id.*
[24] Misra, *supra* note 20.

The GST collected from migrated people comprised about 80.2% of all GST organised in 2021-22[25]. This shows that economic activity is becoming more **formal** and that smaller companies, or MSMEs, are the ones that are new to the GST system. The rise in electronic payments is both an outcome and a result of this more formalism.

The prevalence of digital payments leads to a decline in cash transactions. This phenomenon leads to a decrease in the **potential for undisclosed or illicit funds**, hence enhancing the stability and strength of the GST revenue flow. Integrating digital payment systems with tax collecting systems frequently results in streamlined processes and decreased administrative expenses. The enhanced efficiency of operations contributes to increased income from GST for the government. Utilising data analytics in the context of digital transactions enables authorities to discern patterns of tax evasion, enhance the precision of audit targeting, and optimise the collection of taxes, resulting in a substantial increase in GST income.

2.4: USE OF INTELLIGENT BEING IN TRACING AND CURBING TAX FRAUD:

Italy is one of the most avid consumers of AI for detecting tax evasion[26]. The aforementioned system integrates the most recent algorithmic techniques to cross-validate financial data, thereby identifying taxpayers at a heightened risk of non-compliance with their tax obligations. The VeRa algorithm analyses many financial data sources, including tax returns, income information, the records of properties, bank details and electronic payment information, to identify any inconsistencies or errors. [27] Subsequently, individuals deemed at higher risk are issued a notice, requesting to elucidate the disparities. As VeRa analyses an increasing amount of data, its level of intelligence proportionally advances. Using AI models, including deep learning and natural language processing, Australia claims to have identified over $530 million in delinquent tax invoices and prevented $2.5 billion in fraudulent claims.[28] In addition to detecting underpayments, the Austrian Taxing Authority has employed AI systems to combat GST fraud. This includes successfully using gradient-boosting machine learning models to identify fraudulent behaviour patterns.

Vietnam has announced that it will implement Artificial Intelligence by the end of 2023 to aid in the detection of tax fraud. [29]This includes flagging companies that issue invoices too frequently, for atypically high amounts, or in other ways that indicate an attempt to reduce taxable revenue.[30]

Revenue Service of the United States of America has developed a plan to adopt Artificial Intelligence technologies and algorithms for the second half of 2023 in the US.[31] The AI tool tracks taxpayers who earn $1 million or more and have over $250,000 in assets. [32]Initially, emphasis will be placed on replacing current paper-based reporting and returns with AI analysis. Its Modernised e-file (MeF) system admits that 76% of paper tax returns are handled without human involvement. [33]This subsequent stage will involve experimentation and adopting AI models to extract valuable data from this exercise.

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[25] Anantha Nageswaran Misra Devi Prasad, *Swipe, Tap or Click: How Digital Payments Power Our GST Intake*, MINT (2023), https://www.livemint.com/opinion/columns/swipe-tap-or-click-how-digital-payments-power-our-gst-intake-11674496593737.html .
[26] MUC Consulting Group, *To Combat Tax Evasion, Italian Government Uses Artificial Intelligence*, MUC CONSULTING GROUP (1696175100), https://mucglobal.com/en/news/2992/to-combat-tax-evasion-italian-government-uses-artificial-intelligence .
[27] *Id.*
[28] Tess Bennett, *AI Helps Australian Tax Office Capture Billions of Dollars from Tax Cheats*, FINANCIAL REVIEW, https://www.afr.com/technology/ato-captures-billions-of-dollars-from-tax-cheats-with-ai-20230727-p5drnf.
[29] Richa Asquith, *New Models of Artificial Intelligence (AI) and Machine Learning (ML) Are Being Evaluated by Global Tax Authorities to Tackle Fraud*, VATCAL, https://www.vatcalc.com/artificial-intelligence/tax-authorities-adopt-ai-for-tax-fraud-and-efficiencies/ .
[30] *Id.*
[31] *Id.*
[32] Main, *The IRS Is Using AI to Target the Ultra-Wealthy for Tax Violations*, GIZMODO (2023), https://gizmodo.com/irs-using-ai-to-target-ultra-wealthy-for-tax-violations-1850819707.
[33] *Id.*

2.4.1: Development in India:

To identify the fake GST numbers, the central government of India has launched an AI-based Business Intelligence and Fraud Analyst BIFA[34] site, the e-way portal, and the Rajasthan government's Business Intelligence Unit (BIU)[35].

- **AI-based Business Intelligence and Fraud Analyst (BIFA):**

The GSTN began operating its Business Intelligence and Fraud Analytics (BIFA) instrument in 2019 with the assistance of Infosys.[36] It aims to supply state and central GST authorities with intelligence data and advanced analytics to identify fraud in the handling of GST. Fraud Analytics use sophisticated analytical methods to identify fraudulent behaviour about the GST. The use of this tool aids tax authorities and enterprises in the detection of various anomalies, including but not limited to tax evasion, counterfeit invoices, and fraudulent claims of input tax credit. The early detection of fraud, prevention of revenue leakage, and assurance of tax compliance may be achieved by monitoring trends and anomalies in GST data.

Utilising artificial intelligence, the government of Uttar Pradesh has successfully discovered 2,558 individuals who have defaulted on their tax obligations inside the state.[37] The Himachal Pradesh State Taxes and Revenue Department has implemented artificial intelligence (AI) technology to enhance tax-collecting processes.[38]

- **Block Chain Technology:**

The Indian tax department is now considering the initiation of trials for the use of blockchain technology.[39] The primary objectives of this initiative are preventing fraudulent tax invoices and monitoring the supply of products, amongst other related purposes. During 2020-2021, tax officials identified a significant case of goods and service tax evasion amounting to Rs 40,000 crore over one year[40]. This evasion mainly occurred due to fraudulent invoices and false claims for input tax credits.

Utilising blockchain technology in maintaining GST records also ensures their immutability and resistance to tampering, as the data can only be added and not modified. No modifications or deletions are permissible, ensuring all stakeholder authorities get the data they need for their daily enforcement activities. [41]Stakeholders external to the GST ecosystem, such as other governmental enforcement agencies, can also access the blockchain-enabled records of the GST system.

The utilisation of blockchain technology also enables the provision of several perspectives on a given set of data, offering different levels of specificity and intricacy contingent upon the access controls that have been

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[34] ET Online, *How Fraudsters Are Using Fake Invoices to Claim Higher GST Refunds and Evade Taxes - Rise in Fake Invoices*, THE ECONOMIC TIMES, https://economictimes.indiatimes.com/news/economy/policy/how-fraudsters-are-using-fake-invoices-to-claim-higher-gst-refunds-and-evade-taxes/using-analytics/slideshow/79939150.cms .

[35] Rajasthan CM approves proposal of restructuring of Commercial Tax Department, https://taxguru.in/goods-and-service-tax/rajasthan-cm-approves-proposal-restructuring-commercial-tax-department.html .

[36] TNN, *Now, GSTN Can Seek Info from ED on Any Case*, THE TIMES OF INDIA, Jul. 9, 2023, https://timesofindia.indiatimes.com/india/now-gstn-can-seek-info-from-ed-on-any-case/articleshow/101602937.cms?from=mdr.

[37] Using artificial intelligence, UP identifies over 2,500 tax defaulters, THE TIMES OF INDIA, Dec. 13, 2022, https://timesofindia.indiatimes.com/city/lucknow/using-ai-up-identifies-over-2-5k-tax-defaulters/articleshow/96187326.cms .

[38] ET Government, *AI Being Deployed by State Taxes and Revenue Department to Improve Revenue Collection - ET Government*, ETGOVERNMENT.COM, https://government.economictimes.indiatimes.com/news/digital-india/ai-being-deployed-by-state-taxes-and-revenue-department-to-improve-revenue-collection/100436890.

[39] Karishma Asoodani, *Blockchain Tech to Aid Taxman in Curbing GST Fraud*, BUSINESS TODAY (2022), https://www.businesstoday.in/technology/story/blockchain-tech-to-aid-taxman-in-curbing-gst-fraud-347846-2022-09-21 .

[40] *Id.*

[41] GOA GST Backoffice, *Blockchain Enabled GST Enforcement Activities*, https://blockchain.gov.in/goagst.html.

established[42]. Blockchain technology's decentralised and distributed nature eliminates a central point of failure, enhancing its resilience against malicious attacks.[43] Enhanced security measures contribute to increased reliability. Every stakeholder exercises control over their respective transactions and data. The process of transaction authorisation is achieved using consensus.

2.4.2: GRIEVANCES REDRESSAL MECHANISM:

In India, the GST grievance redressal mechanism is designed to give multiple channels for taxpayers to express their grievances and obtain resolution. [44]At the vanguard is the GST portal, where taxpayers can file complaints or questions. The website provides a user-friendly interface for submitting complaints regarding issues such as incorrect tax assessments, delaying refunds, and technical errors.

The GST Council created a National Appellate Authority for Advance Ruling (NAAAR) and a State-level Appellate Authority for Advance Ruling (AAAR)[45] for more complicated matters. These organisations are responsible for deciding appeals against Advance Ruling Authority choices, assuring consistency in tax interpretations.

In addition, the GST Ombudsman mediates and resolves disputes between taxpayers and tax authorities as an impartial third party. [46]The office of the Ombudsman is a crucial connection for resolving grievances that cannot be resolved through conventional channels and mediation.

Disadvantages:

The grievance redressal system for GST in India, especially on digital platforms, confronts several obstacles. Multiple tax rates, exemptions, and rules contribute to the complexities of India's GST system. Often, it is difficult for taxpayers to comprehend and adhere to the regulations, resulting in complaints.

Resolving specific complaints may necessitate legal proceedings, and taxpayers may need help navigating the legal aspects of GST. Tax authorities may need help ramping up their internet-based grievance redress systems to manage a high volume of complaints efficiently. Employee education and adequate resources are essential.

The customer displays of online platforms only sometimes appear intuitive or user-friendly, leading to taxpayer frustration. There is no proper and face-to-face communication between the redressal officers and taxpayers. It affects the fair chances of representation of the grievances. It is essential to design platforms with a focus on usability. Technical issues and server downtimes can disrupt the online grievance redress, resulting in resolution delays and dissatisfied taxpayers.

Protecting sensitive taxpayer information and assuring data security on digital platforms is a significant concern. Breach of data privacy can erode confidence in a system. Taxpayers may experience delays in receiving responses to their complaints, which can cause frustration and hinder compliance.

[42] *Id.*
[43] *Id.*
[44] Madhu Balaji, *GST: How to Register GST Complaints? Know about GST Grievance Redressal Portal*, BUSINESSLINE (2023),https://www.thehindubusinessline.com/info-tech/how-to/gst-how-taxpayers-can-file-complaints-on-gst-portal/article66644890.ece.
[45] Pratik Shah, *How to Resolve Mushrooming GST Disputes - The Economic Times*, https://economictimes.indiatimes.com/small-biz/gst/how-to-resolve-mushrooming-gst-disputes/articleshow/97269514.cms?from=mdr.
[46] Nijab Shah, *View It Is Time We Had a GST Ombudsman!*, CNBCTV18.COM (2023), https://www.cnbctv18.com/views/it-is-time-we-had-a-gst-ombudsman-rbi-15612821.htm.

3. LEGAL ASPECTS OF DIGITALISATION AND INTELLIGNETIZATION:

3.1 USES OF INTELLIGENT BEING IN THE OTHER SECTORS:

The video surveillance system empowered with artificial intelligence (AI) has recognised and recorded traffic violations committed by the cars that belonged to 19 members of the legislature and parliament.[47] In the context of Ayushman Bharat, the Government of India uses Artificial Intelligence (AI) and Machine Learning (ML) technology to identify potentially fraudulent transactions or suspect financial dealings.[48]

A recently launched Kannada language television channel in India called Power TV is the one that debuted the world's first AI-powered news anchor named Soundarya.[49] In March 2023, the India Today firm introduced Sana, India's first news presenter powered by artificial intelligence, on the Hindi channel they own and operate, i.e., Aaj Tak[50]. Later, the regional news station OTV in India became the first to employ an AI-based robotic news presenter named Lisa to broadcast news in both the native language, Odia and English[51]

3.2: PROBLEMS WITH THE IMPLEMENTATION OF INTELLIGENTIZATION AND DIGITALISATION IN INDIA:

Legal adjustments have been made in India to accommodate digital evidence and documents within the country's framework. One of the most critical components is Section 65B[52], which describes the requirements to be met before electronic recordings are admitted into court. The IT Act and its revisions establish digital signatures and certifications frameworks, address cybercrime, and broaden the term "information technology" to cover numerous electronic documents.[53] The formation of the Cyber Appellate Tribunal[54] offers a venue for resolving disagreements about the admissibility of digital evidence. Additionally, there are continuous talks concerning comprehensive data protection legislation, which aims to preserve digital records and documents to adapt the legal environment to the digital era.

But, hitherto, India has no specific law for recognising and regulating the result and conduct of Artificial intelligence. The intelligent station will face several issues in the present and future. Ensuring ethical AI development and addressing bias in AI algorithms is an urgent topic. There are requirements for AI systems to have transparency, fairness, and accountability to prevent biased outcomes. This is especially important in recruiting, lending, investigating and law enforcement.

The Indian government was investigating the potential applications of artificial intelligence AI in various industries, including public services taxation, Agriculture, and transportation. Concerns were voiced over data administration, personal information protection, and government entities' ethical application of artificial intelligence. Because AI depends on massive volumes of data, maintaining data privacy and security is essential. The data privacy rules and regulations in India were being updated to meet these concerns as they developed. So, to regulate the conduct of AI and its liabilities must be governed by special laws with strict implementation.

The government of India was looking at the possibility of establishing regulatory frameworks for AI, which would include creating rules for the ethical usage of AI. The primary concern was finding a happy medium between inventiveness and precautions against abuse. India was participating in worldwide talks on artificial

[47] The Hindu Bureau, *19 MLAs, 10 MPs Caught in Kerala for Traffic Violations in AI Cameras*, THE HINDU, Aug. 3, 2023, https://www.thehindu.com/news/national/kerala/19-mlas-10-mps-caught-for-traffic-violations-in-ai-cameras/article67154835.ece .
[48] Ministry of Health and Family Welfare, *Use of AI for Checking Frauds under AB-PMJAY*, http://pib.gov.in/PressReleseDetail.aspx?PRID=1946706.
[49] The Hindu Bureau, *Soundarya, Kannada's First AI News Anchor Debuts on Power TV*, THE HINDU, Jul. 14, 2023, https://www.thehindu.com/news/national/karnataka/soundarya-kannadas-first-ai-news-anchor-debuts-on-power-tv/article67079375.ece.
[50] *Id.*
[51] Meet Lisa, India's first AI bot that reads news in English, Odia, FE TECH BYTES (Jul. 10, 2023), https://www.financialexpress.com/life/technology-meet-lisa-indias-first-ai-bot-that-reads-news-in-english-odia-3163360/.
[52] Indian Evidence Act,1872, $65B, No. 1, Acts of British Parliament, 1872 (India).
[53] Information Technology Act,2000, No. 21, Acts of Indian Parliament, 2000 (India).
[54] Id, $ 48.

intelligence governance and standards. Ongoing collaborative efforts were being made to develop global guidelines for artificial intelligence.

4: Conclusion and Suggestions:

The digital platforms have substantially improved the accountability of the GST in India. Tax collection and compliance have been streamlined by implementing technology-driven systems and procedures, enhancing efficiency and transparency.

Providing taxpayers with real-time access to information about the GST, digital platforms facilitate their comprehension of their tax obligations, input tax credits, and compliance obligations. This openness decreases the probability of tax evasion. Seamless Payment and Filing: Online payment and registration systems facilitate complying with the GST for businesses. This reduces tax submission errors and delays, thereby promoting greater accountability. Tax authorities can detect possible tax evasion or inconsistencies using digital data analytics. This proactive approach improves the accountability of the GST by more effectively targeting non-compliant taxpayers. Digital platforms enable tax authorities to monitor compliance and noncompliance more efficiently. In addition to monitoring their compliance status, taxpayers can promote timely compliance with GST regulations. o mitigate tax fraud and fraudulent invoicing, digital platforms facilitate the implementation of measures such as real-time invoice matching and e-way billing. Taxpayers can easily access information, notifications, and circulars pertaining to the GST via digital platforms, allowing them to remain informed and compliant.

In India, the digital platforms for resolving GST grievances offer taxpayers a practical and easily accessible means of obtaining support and resolving matters about the Goods and Services Tax. Tax professionals, the official GST portal, the GST helpline, and GST Suvidha Providers all play crucial roles in assisting individuals and businesses to address their concerns.

Incorporating artificial intelligence into the accountability of the GST in India has the potential to result in substantial improvements. Various GST-related processes, such as data validation, invoice matching, and compliance reviews, can be automated by AI-powered systems. In addition to reducing manual labour and errors, this expedites the overall tax collection process. The precise analysis of immense data by AI algorithms minimises the likelihood of tax evasion and return errors. This results in more precise tax assessments and the collection of revenue. By identifying patterns and anomalies in transactions, AI can assist tax authorities in more effectively detecting fraudulent activities such as phoney invoices and tax evasion.

AI chatbots and virtual assistants can improve compliance by assisting taxpayers by addressing questions, guiding them through the GST filing process, and providing pertinent information.

However, it is essential to observe that the successful implementation of AI in GST accountability is contingent on infrastructure, data quality, and cybersecurity. Additionally, comprehensive regulatory frameworks and ethical considerations should accompany it to ensure data privacy and impartiality. In the last decade, the Indian government has brought several amendments, and laws have been made to regulate and give legal recognition to digital evidence and documents. But, hitherto, there is no law to regulate the conduct of Artificial intelligence and its glory. It is still unregulated.

For grievances, redressal through digital mode and with the assistance of artificial intelligence often needs to be more suitable. No face-to-face interaction with the authority also supersedes the right of fair chances to express. It also caused several manipulations and ambiguity. Some grievances need legal solutions, which is very difficult on digital platforms. So, there is a need for strict laws and policies with strict implementation to tackle and regulate these issues.

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