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Impact of Goods and Services Tax in India

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"GST to strengthen growth, make the economy more predictable."
\- *Narendra Modi*
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Abstract: Goods and Services Tax known as GST is a significant mile stone in the indirect tax structure of India since independence. GST is a tax reform that transforms the country to: "One Nation, One Tax, One Market" by, replacing all indirect taxes levied on goods and services by the Central and State governments, simplifying the tax structure, easing compliances and digitization. More than 160 countries have implemented GST/VAT in some form or other. France was the first country to introduce GST. Now in India GST was implemented on 1stJuly 2017 with the objective to support and enhance the economic growth of the country. Goods and Service Tax (GST) is a destination based consumption tax on supplies of all goods and services. All sections of economy viz., big, medium, small scale units, intermediaries, importers, exporters, traders, professionals and consumers will be directly affected by GST. Purpose of the paper is to analyse the impact of GST and study the impact of GST on Indian economy. The study was based on secondary sources. It is concluded that GST has positive impact on the economic growth of the India.

Keywords: GST, GDP, indirect tax, centre, state, economic growth.

Introduction

India has witnessed several substantial reforms in Indirect taxes over the last 25 years, but Goods and Service Tax (GST) is the biggest and most significant of the reforms in indirect tax structure of India since independence, providing a uniform and simplified way of indirect taxation in India. GST subsumed excise and service tax, and various other local levies including VAT and Octroi. Goods & Services Tax (GST), a single unified indirect tax system aims at uniting India's complex taxation structure to a 'One Nation- One Tax' regime. Goods and Service Tax (GST) is a destination based consumption tax on supplies of goods and services. GST is applicable on all goods and services within the supply chain The main objective of concept of GST is to eliminate various forms of indirect taxes that are levied and collected at different points of consumptions and to overcome the shortcomings of the existing indirect tax system. It also aims at expanding the tax base through wide coverage of economic activities, removing the cascading effect , reduction of exemptions , enabling better compliance etc. thereby resulting into formation of a common national market for goods and services which directly has an impact on the GDP extension of the country. To provide the benefits to all stakeholders like central and state government and the ultimate consumer by mitigating the cascading impact of taxes on production and distribution cost of goods and services. By providing common base and common rate this act will bring simple and transparent administration of indirect taxation in India.

Literature Review

i. Chaurasia et al. (2016), studied "Role of Goods and Services Tax in the growth of Indian economy" and concluded that in overall GST will be helpful for the development of Indian economy and this will also help in improving the Gross Domestic Product of the country by more than two percent.
ii. Dr. R. Vasanthagopal (2011) studied ,"GST in India: A Big Leap in the Indirect Taxation System" and concluded that switching to seamless GST from present complicated indirect tax system in India will be a positive step in booming Indian economy. Success of GST will lead to its acceptance by more than 135 countries in the world and a new preferred form of indirect tax system in Asia pacific region also.

iii. Ehtisham Ahmed and Satya Poddar (2009) studied, “Goods and Service Tax Reforms and Intergovernmental Consideration in India” and found that GST introduction will provide easy and transparent tax system with increase in output and productivity of economy in India. But the advantages of GST are critically dependent on a rational design of GST.

iv. Garg (2014) studied,“ Basic Concepts and Features of Good and Services Tax in India” with a brief description of the historical scenario of Indian taxation and its tax structure and discussed the possible challenges, threats and opportunities that GST brings to strengthen our free market.

v. Khurana, Sharma et al. (2016) studied, “GST- A positive reform for Indirect taxation system” concluded that the GST will provide relief to producers and consumers by providing wide and comprehensive coverage of input tax credit set-off, service tax set off and subsuming the several taxes.

vi. Nitin Kumar (2014) studied, “Goods and Service Tax - A way forward” and concluded that after implementation of GST in India it may replace many indirect taxes and there will be only one tax i.e. GST which is expected to encourage unbiased tax structure too.

vii. Pinki et al. (2014) studied, “Goods and Service Tax- Panacea For Indirect Tax System in India” and concluded that the new NDA government in India is positive towards implementation of GST and it is beneficial for central government, state government as well as for consumers in long run if its implementation is backed by strong IT infrastructure.

viii. Sehrawat and Dhanda (2015) studied, “GST in India: A Key Tax Reform” and concluded that due to dissident environment of India economy, it is demand of time to implement GST. GST will give India a world class tax system by grabbing different treatment to manufacturing and service sector. But all this will be subject to its rational design and timely implementation.

Objectives of Study

The main objective of the paper is to study the impact of Goods and Service Tax (GST) in India. Specifically stated, the objectives are as follows:

1. To study conceptual framework of GST in India.
2. To study impact of GST on prices.
3. To study impact of GST on common man.
4. To study impact of GST on businesses.
5. To study impact of GST on Central and State Governments
6. To provide information for further research work on GST

Research and Methodology

Research methodology is the blue print of the study. The study is based on the secondary data collected from journals, internet, articles, previous research paper and reports of various firms like, CRISIL's, NASSCOM's, PWC and EY which focused on the various aspects of Goods and Service Act. Considering the objectives of the study the descriptive type research design was adopted to have more and rigorous analysis of research study. The accessible secondary data is intensively used only for research study.

Conceptual Framework of Goods and Services Tax in India

Presently, there are around 160 countries that have implemented GST/VAT in some form or other. France was the first country to introduce GST or Goods and Services Tax. The idea for introducing GST in India is found in the budget speech of the Union Finance Minister in the year 2005-06.

The Journey So Far

2006	Finance Minister in the budget speech proposed 01.04.2010 as date for introduction of GST
2007	Empowered Committee (EC) of State Finance Ministers constituted Joint Working Group (JWG). The JWG submitted its report on GST to EC with CST (Central Sevice Tax) rate reduced from 4 to 3%
2008	EC finalized its overall strategy for GST structure, CST rate further reduced from 3% to 2%

2009 First discussion paper on GST was released: The13th Finance Commission released its Report on GST

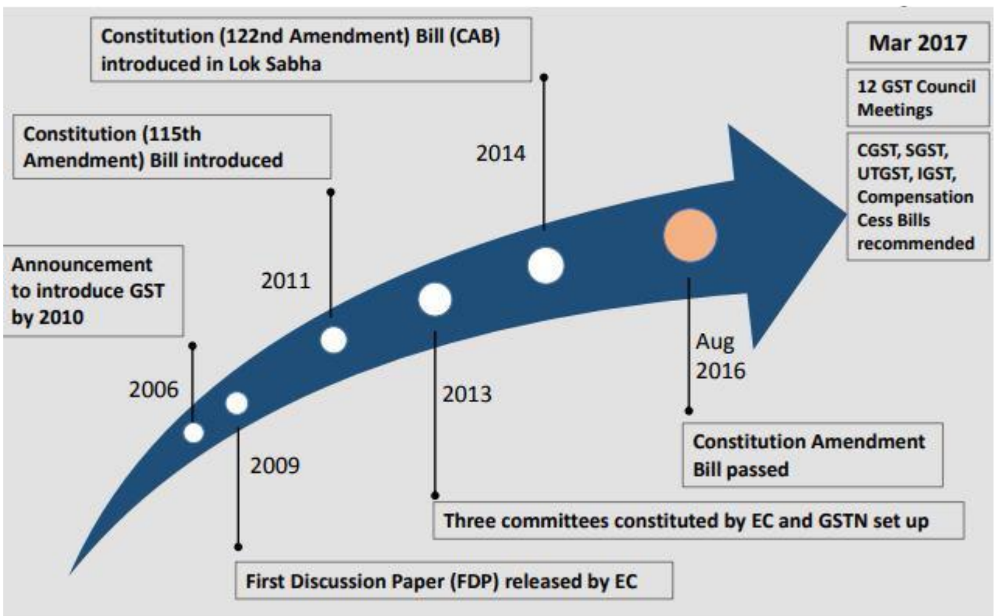
2011 IT strategy for GST released, In 2013 Supreme Court tabled its report on GST

2014 Revised Constitutional Amendment Bill tabled in Parliament

2015 Passage of Constitutional Amendment Bill in Lok Sabha, Joint Committee constituted by EC releases its business process reports on GST

2016 Model draft law released in public domain in June 2016, Passage of Constitutional Amendment Bill in Rajya Sabha in August 2016, Lok Sabha passes bill with Rajya Sabha amendments

2017 On 1st July GST was implemented thereby replacing all other indirect taxes.



Source: www.gstindia.com

Good and Services Tax in Different Parts of the World

Country	GST Rate
Australia	10%
France	19.6%
Canada	5%
New Zealand	15%
Singapore	7%
Japan	5%
Germany	19%
Sweden	25%
German	19%
India	18%
Pakistan	18%
Malaysia	6%
Denmark	25%

www.gstindia.com

Overview of Goods and Services Tax (GST) in India

Existing Indirect Tax Structure in India (before July 1, 2017)

Central Taxes	State Taxes
• Central Excise duty • Duties of Excise (Medicinal and Toilet Preparations) • Additional Duties of Excise (Goods of Special Importance) • Additional Duties of Excise (Textiles and Textile Products)	• State Value Added Tax/Sale Tax • Central Sales Tax (levied by the Centre and collected by the States) • Purchase Tax • Entertainment Tax (other than that tax levied by the local bodies) • Octroi • Entry tax (All Forms)

• Additional Customs Duty commonly known as Countervailing Duty(CVD) • Special Additional Duty Customs(SDV) • Service tax • Surcharges and Cesses	• Luxury Tax • Taxes on lottery, betting and gambling • Taxes on advertisements • Surcharges and Cesses

Concept of Goods and Services Tax (GST)

Goods and Services Tax (GST) is a single indirect tax on the supply of goods and services, right from the manufacturer to the consumer for across the nation, which will make India one unified common market. GST is a multi-tier tax where ultimate burden of tax fall on the consumer of goods/ services. It is impose on value addition at every stage in the economic chain. It is a destination based tax levied on consumption of goods and services. Under the GST scheme, a person who was liable to pay tax on his output, whether for provision of service or sale of goods, is entitled to get input tax credit (ITC) on the tax paid on its inputs.

Objectives of Goods and Services Tax (GST)

The motto of GST is “One Nation, One Tax and One Market”. The main objective of GST is to eliminate the cascading effects on production and distribution cost of goods and service for significantly improvement in the competitiveness of original goods and services in domestic and international markets which encourage economic growth of the country.

Features of Goods and Services Tax (GST)

- Goods and Service Tax (GST) is a comprehensive tax levied on manufacturing, sales and consumption of goods and services across the country.

- GST is a simple, transparent and efficient system of indirect tax.
- GST is a consumption base tax.
- GST is based on the "Destination principle"- applicable on all supplies with seamless flow of credit (for both goods and services) till it reaches the end consumer.
- GST is imposing on value addition at every stage of sales or purchase of goods and services at a national level, based on the input tax credit method, wherein manufacture and traders can get tax credit on the expenses incurred for inputs or goods purchased for the purpose of manufacture or resale.
- Only the final consumer will bear the tax.
- All GST registered businesses are eligible to claim input credit tax.
- PAN based Common TIN (Taxpayer Identification Number) registration.
- Use of supply term instead of goods and supply

Taxes Replaced Under GST (direct/indirect)

Central Taxes	**State Taxes**
• Excise duty • Duties of Excise (Medicinal and Toilet Preparations) • Additional Duties of Excise • Additional Customs Duty commonly known as Countervailing Duty(CVD) • Special Additional Duty of Customs (SDV) • Service tax	• State Value Added Tax/ Sale Tax • Entertainment Tax (other than the tax levied by the local bodies) • Octroi • Entry tax(All Forms) • Luxury Tax

Taxes Not Replaced Under GST

Central Taxes	State Taxes
• Basic Custom Duty • Export Duties • Clean Energy Cess • Custom Cess	• Stamp Duty • Property Tax • Tax on Liquor and petroleum products

Goods and Services Covered Under GST

- GST is applicable on transaction value of all goods and services (exclusion)
- Import of goods and services.
- Export are taxed at zero rate.

Goods and Services Not Covered Under GST

- Petroleum products – Petroleum crude, high speed diesel, motor spirit (petrol), natural gas and aviation turbine fuel –Central Sales Tax
- Real Estate- Stamp Duty plus Property Taxes would be payable
- Electricity- Electricity Duty
- Tobacco products- under GST as well as Central Excise
- Alcohol for human consumption- State Excise

Taxable Person

- All manufacturers, suppliers, Traders/dealers, importers/exporters of goods and service providers.
- Small businesses/ traders below a limit are exempted.

Who Will Bear the Taxes?

GST is a destination based tax ---final consumer bears the tax. Seller/service providers pay tax only on value addition, get full input tax credit.

Tax Rate

Four rate tax structure (5%, 12%, 18% and 28%)-lowest rate on precious metals, stones etc. reduced rate for necessary items and standard rate for other goods.

Before GST	**After GST**	**Products**
	Zero	Food grains used by common people
Upto 9%	5%	Items of mass consumption including essent commodities. Edible oil, spices, tea, coffee
9%-15%	12%	Computers, processed food
15%-21%	18%	Soaps, oil, shaving sticks
21%	28%	Luxury good, luxury cars, tobacco, aerated drin pan masala. Note: An additional cess on so luxury goods shall also be imposed.

GST Supplychain example (Assuming GST rate @ 8%)				
Supply of Goods	**GST Flow**	**Input Costs (ex-GST)**	**Sale Price (ex-GST)**	**GST Collected**
A weaver sells a fabric to a tailor for Rs 108 per metre	The weaver pays GST of Rs 8	**0**	**Rs 100**	**Rs 8**
The tailor sells a ready made completed shirt to a retailer for Rs 270	The tailor pays GST of Rs 12 (After input tax claim. Weaver claims tax credit for Rs 8)	**Rs 100**	**Rs 250**	**Rs 12**
The retailer sells the readymade shirt in his showroom for Rs 540	The retailer pays GST of Rs 20 (After input tax claim. Tailor claims tax credit for RS 12)	**Rs 250**	**Rs 500**	**Rs 20**
You purchase the shirt for Rs 540	No Tax credit claim. You pay entire GST Rs 40 @ 8%	**NA**	**NA**	**Total : Rs 40**
	www.relakhs.com			

Supplies under GST

Supply means goods and/or services. Supply of goods and services by a taxable person in the taxable territory for consideration in the course or furtherance of business. Supply includes sale, transfer, barter, exchange, lease and disposal.

Location based supply
• Intra –State supply
• Inter – State supply
• Import
• Exports

Combination
• Mixed Supply
• Composite Supply
• Continuous Supply

Based on Recipient
• Outward Supply
• Inward Supply

When will GST Be Levied?

GST is driven by supply concept. Transaction involve in supply of goods and services to be taxed. Central and States government will be simultaneously imposing Goods and Services Tax on a common base in the following manner:

• SGST -State Goods and Services Tax levied and collected by State government.
• CGST - Central Goods and Services Tax levied and collected by Central government.

• UTSGST -State Goods and Services Tax levied and collected by Union Territory government.
• IGST -Integrated Goods and Services Tax levied and collected by Central government.

Place of Tax

GST will be charged on the place of consumption of goods and services. GST will be applicable on the following supply:

- Intra –State supply and consumption of goods and services --- SGST and CGST will be levied further CGST and SGST shall also be levied on specific categories of supply of goods and/or services on which tax is payable on reverse charge basis.
- Inter – State supply of goods and services--- IGST will be levied
- Sale of good within Union Territory ---- UTGST and CGST
- Import of goods and services----- IGST shall be levied.
- Exports are zero-rate

Note: IGST would be levied, administered and collected by the Central government would be settled periodically between the Centre and the States.

Example: (Intra-state supply)

'A' sold to 'B' of Mumbai	
Particulars	Rs.
Selling Price	1,000
CGST @ 9%	90
SGST @ 9%	90
Total Sale Price	1,180
Total tax paid by A	180

'B' sold to consumer in Mumbai	
Particulars	Rs.
Selling Price	2,000
CGST @ 9%	180
SGST @ 9%	180
Total Sale Price	2,360
Total tax paid by B (360 -180)	180

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Example: Inter-state supply

'A' of Goa sold to 'B' of Mumbai	
Particulars	Rs.
Selling Price	1,000
IGST @ 18%	180
Total Sale Price	1,180
Total tax paid by A	180

'B' sold to consumer in Indore	
Particulars	Rs.
Selling Price	2,000
IGST @ 18%	360
Total Sale Price	2,360
Total tax paid by B (360 - 180)	180

Registration

Registration means obtaining a GST Registration Number from the concerned authorities to ensure compliance under GST. Every person is required to take a registration in every state of supply, if total turnover is more than 20 lacks except in North Eastern States, Uttarakhand, Himachal and Jammu and Kashmir (10 laces). Each taxpayer will be allotted a state wise, PAN based 15- digits Goods and Service Tax Identification Number (GSTIN) as the registration number.

Goods and Services Tax Network (GSTN)

Goods and Services Tax Network (GSTN) has been set up by the Government as a private company under erstwhile Section 25 of the Companies Act, 1956 GSTN will be used as common portal for submitting registration application, making tax payment and filing returns for GST. It has been incorporated as company with 24.5 % holding by Central government, another 24.5% by EC and all States together and remaining 51% by financial institutions. GSTN would be developing back-end IT modules for 25 States who have opted for the same. The migration of existing taxpayers has already started from November, 2016. The Revenue departments of both Centre and States are pursuing the presently registered taxpayers to complete the necessary formalities on the IT system operated by Goods and Services Tax Network (GSTN) for successful migration. About

60 percent of existing registrants have already migrated to the GST systems. GSTN has already appointed M/s Infosys as Managed Service Provider (MSP) at a total project cost of around Rs 1380 crores for a period of five years. Since all registration and return filing shall be done online, the scope of evasion shall be reduced considerably. This will boost the tax revenue and cause more development of the country

Benefits of GST

- Overall reduction in prices for consumer.
- Reduction in multiplicity of taxes.
- Eliminate cascading/double taxation effect of taxes i.e. removes tax on tax due to cross tax credit mechanism under GST.
- Uniform Rate of tax and common national market.
- Broadening of Tax base. GST to include almost all goods and services barring a few exceptions.
- Free Flow of Goods and Services—No checkpoints.
- Non –Intrusive Electronic Tax Compliance System.
- Improved compliance and revenue collections.
- Unorganized segment set to come under tax net.
- Goods transportation set to become more efficient and cheaper.
- Greater use of IT will reduce human interface between taxpayer and tax administration.
- Transparency to eliminate corruption.
- Improved compliance and revenue collections.
- Increased international competitiveness and sustainability of domestic industries.
- GST is more comprehensive, effective, transparent, and business friendly tax system.

Drawbacks of GST

- Exclusion of petroleum and alcohol products from GST incurred heavy loss to the exchequer.
- Under GST act, one would require to file not less than 37 returns for a fiscal year. This includes several files such as monthly outward supplies return, monthly inward supplies return, monthly summary returns and one annual return etc.
- GST will hurt the unorganized sector by bringing them under the tax ambit and making a substantially large unorganized sector unviable.
    - However, with improved efficiency, the overall economic activity is likely to get a boost, which will certainly help employment on a national level.

Challenges of GST

- Limited access to Information Technology (IT) is one of the important challenges as GST requires strong IT infrastructure at grass-root levels. India essentially lacks this. It is a big challenge in front of small and medium players who are mostly in the unorganized sector in rural India to upload invoices on time.
- Determining place of supply and location of recipient.
- Determine whether the supply is an inter-state or an intra-state supply.
- Tax compliance is another challenge due to multiple registrations for a pan-India operator, as compared to a centralized registration with only two half-yearly returns.

Corrective Measure

The government is trying to reduce the burden of compliance for businesses by relaxing the return filing requirements for the first two months post implementation. Also, the provisions of TCS (Tax Collected on Source) on e-commerce and registration for online sellers have also been relaxed for the time being.

To ensure that manufacturers and service providers pass on the benefit to the final customer, the government included an anti-profiteering clause in GST. Under this, it becomes mandatory to pass on the benefit of tax reduction due to input tax credit to the final customer.

Impact of GST in India

GST is likely to be "positive" for economic growth in the short term, Joshi (Crisil) (incomplete reference) said the reform will improve the ease of doing business, bolster investor sentiment and lure more foreign investment in coming years.

Impact on Prices

Services would mostly be more expensive in the initial phases., while there will be mixed impact on the prices of goods .GST is expected to reduce the overall production cost by 10% to 15% of several products in view of the removal of cascading impact of multiple taxes under present tax regime and allowing full input tax credit. This will have positive impact on the prices of product increasing the demand for goods and benefit the consumers. In services, the tax rate has increased from 15% to 18%. The 3% increase could potentially mean an increase in the price of services by 3% for the common man, in the initial period, but in the long run due high input credits and reduction in cascading effect, it is anticipated that the inflationary effect will come down and prices, in general, would come down and stabilize. Thus GST will bring down inflation in the prices of manufactured Goods.

Impact on Consumer

The primary impact to be felt by the consumers would be the change in prices of goods and services on account of GST rates. In terms of impact in prices, under GST structure customers will pay less on the purchase price of goods and services due to the appropriate distribution of input tax credit between the manufacturer, retailer, and the supplier. The end-user of products/services will only bear the amount of tax charged by the last dealer and all the previous stages' benefits would be set-off. GST provides for a four-tier rate structure for both goods and services, and seamless flow of tax credits across goods and services. There will be mixed impact on common man some goods becoming cheaper and others likely to get slightly expensive. On the basis of the experience in other countries, GST may result in an initial inflationary impact in short run which effect common man's pocket, but in the long run GST will ultimately result in decrease in prices and have a positive effect on most of the sectors. In order to understand the impact on the common man, we categorized daily expenses into six heads:

Food: Eating out or cooking at home has become relatively cheaper with reduction in tax rates on essential items and removal of cascading effect of tax on eateries and restaurant. For instance, most of the food items such as sugar, tea, edible oil, food grains, etc, will be charged a lower rate, of 5%. Essential items such as milk, curd, cereals, rice (unbranded) have been exempted from levy of GST. Today, eating out at a restaurant, a consumer pays both service tax and VAT on the invoice, apart from service charge collected additionally. Under GST, the rate of tax on the restaurant invoice could be either 5%, 12% or 18%, depending on whether the restaurant is under the composition scheme, non-air conditioned or air-conditioned, respectively.

Housing: Buying a new house under the GST regime is going to cost slightly higher in the short run. For under-construction property, the existing tax rates are broadly around 6% in most states, comprising service tax and VAT (other than a few where the VAT rate is higher). Under GST, the rate shall increase to 12%, with the ability of the builder to avail all input tax credits resulting in a reduction of his costs which may be passed on to buyers by commensurate reduction in prices. However, this may not be possible for the builder immediately, especially where the builder has already procured the construction material.

Transportation: Buying cars will burn smaller holes in customer's pocket under GST regime as compared to erstwhile regime. Key market players have already announced price-cuts owing to benefit on account of increased credits and marginal reduction in tax rates. Also, travel in radio taxis will cost less, with the GST rate applicable being 5% as against 6% under the erstwhile regime.

Entertainment: GST is a boon for all who like to spend weekend outdoors, as effective from July 1, going to the movies will be more economical with entertainment tax —that was as high as 50% in some states—subsumed under GST.

Communication: However, GST may not be good news for people who like spending time on their handsets as it are going to pinch the pockets with the rate on most services including communication going up by 3%, from a 15% service tax to 18% GST.

Other daily household items: FMCG goods will witness a mixed impact under the GST regime. On the one hand, aerated drinks purchased from nearby shops will become more expensive, with the GST rate applicable being 28%, along with a 12% additional cess. Personal care products such as soaps, kajal, and tooth-paste and hair oil will see a drop of almost 10% in the effective tax rate applicable.

Impact on Business

GST will affect the business sector in many ways. Firstly GST will simplify process by integrating all taxes, making the process of paying tax simpler. GST will remove cascading effect of taxes imbedded in cost of production of goods and services reduce cost of tax compliance and facilitate ease of doing business in India. Under the GST regime suppliers, manufacturers, wholesalers and retailers will be able to recover GST incurred on input costs through tax credit mechanism. This reduces the transaction cost of doing business, which leads to improved competitiveness for business. Reduction in tax burden on producers will stimulate them to produce more. Easy and simplified taxation system will make returns filing easier for the business owners thus encouraging them to file their tax returns. Various taxpayer services such as registration, returns, and payments, will be done through the Goods and Services Tax Network (GSTN) portal therefore making compliance simple and transparent.

It is a general experience that transport vehicles get delayed during movement across States due to toll tax and check post. Inter -state movement will become cheaper and less time consuming, as all these taxes will be eliminated This will also bring down costs associated with maintaining high stocks, as there will be undisrupted movement of goods. As per a CRISIL analysis, GST can reduce logistics costs of companies producing non-bulk goods (comprising all goods besides the primary bulk commodities transported by railways – coal, iron ore, cement, steel, food grains, and fertilizers) by as much as 20 %. Major beneficiary of GST would be sectors like FMCG, pharmacy, consumer durables and automobiles and warehousing and logistic industry. High inflationary impact would be on telecom, banking and financial services, air and road transport, construction and development of real estate, GST will also have impact on cash flow and working capital. Cash flow and working capital of business organizations which maintain high inventory of goods in different states will be adversely affected as they will have to pay GST at full rate on stock transfer from one state to another. Currently CST/VAT is payable on sale and not stock transfers.

Impact on Central and State Governments

GST will be beneficial for the Central and State Governments. GST will remove the tax distortions from the economy. This will significantly improve the competitiveness of domestic goods and services leading to accelerated GDP growth and will promote ‘Make in India’ GST as a simple and single unified tax will attract foreign investors to invest in India due to simplicity and enhanced transparency throughout the process. This will increase FDI (Foreign Direct Investment) in the country and create job opportunities. With a robust user-friendly information technology (IT) system in the form of the Goods and Services Tax Network (GSTN) portal, GST would be simpler. Due to the simpler tax structure government can easily administer the collection of CGST or SGST.

GST will bring many of the businesses, which are not paying taxes today, under the tax net and increase the government's revenue. Electronic processing of tax returns, refunds and tax payments through ‘GSTNET’ without human intervention, will reduce corruption and tax evasion. It will increase tax collections and reduce the budget deficit, and the government will be able to spend more on economic development. It is also expected that GST structure with seamless input tax credit would reduce the average cost of manufacturing by 10% to 15%. GST is expected to increase GDP growth by 1.4 to 1.6% and help in achieving the targeted 8 to 9% GDP growth. GST will widen the tax base and improve the tax compliance leading to higher tax to GDP ratio. The tax to GDP ratio is expected to increase by 2% as per FRBM report. In other research done by NCAER it was suggested that GST would be the key revolution in Indian economy and it could increase the GDP by 0.9 to 1.7 percent. GST will decrease the cost of collection of tax revenues of the Government, and will therefore, lead to higher revenue efficiency. As per experts, India will gain $15 billion a year contributing to rise of GDP between 0.9% and 1.5% as GST will promote more exports, create more employment opportunities and boost growth.

Conclusion

GST is an indirect tax reform in the Indian indirect tax system which simplifies the tax structure of the country. GST is a method to get rid of inefficiencies of the previous system of multiple taxes. It is expected to bring greater transparency, improve compliance levels .In the GST system, taxes for both Centre and State will be collected at the point of sale on the manufacturing cost. Common man will be benefited by this as prices are likely to come down and lower prices mean more consumption, and more consumption means more production, thereby helping in the growth of the companies the increased production will lead to more job opportunities. There is no doubt that the corporates would benefit once they settle in under GST and assess the impact on their respective businesses. GST is no-doubt a win-win situation, from India's economic standpoint—it will place the country in the list of nations which have simplified tax regimes, thereby attracting foreign investments, as well as from the common man's perspective with prices of products and services coming down in the long run. It will be interesting to see as to how the government manages to deliver on its promise of holistic economic growth and reduced inflation in the long run, courtesy of the 'one nation, one tax' regime. We conclude that GST will play a dynamic role in the growth and development of our country.

Limitations

1. It is based on secondary sources.
2. As GST has been applicable in India w.e.f 1st July, 2017 it is too early to study the impact of GST
3. Due to time constrain sector wise detailed analysis was not done.

Further Areas for Research

There remains a scope and gap for further research in this domain of knowledge:

- It can be extended to regional or national level.
- One can make survey on opinion of consumer on GST based on primary data
- One can make a comparative study on impact of GST on manufacturing and service sector.

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