

“To study the Effect of GST in Indian economic system,

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Abstract

Goods and service tax (GST) is a modified tax shape which is precisely is aware of as indirect tax. GST is the result based tax, as it is gathered at the time of use no longer at the factor of an impact on like preceding tax. The current study purpose is to define all those goods & services offerings that are not included in GST and to understand the effect of GST in Indian economic system and the boom of income in state and union and to examine from where India have pick out up this GST thinking. The cutting-edge study is primarily based on secondary statistics such as journals, internets, newspaper, magazines and books.

Keywords: Modified, Preceding

Introduction

GST was once launch in India on 1stJuly 2017 by means of our new finance minister Arun jaitley with the aid of passing the GST consignment by the lok Sabha. GST is defined as the big tax structure by backing and increasing the economic growth of a country. It would also increase the position of India in both International and Domestic level. It has also cut the tax burden ⁽¹⁾. It is mandatory to have a good taxation system because it is the only source of revenue in nation. Now consumer pays the final tax. France is the first European to put into effect GST in 1954. GST is an extensive tax imposes on manufacturing sale and utilization of items and offering at a National level ⁽²⁾. As long as 62 years of its begin more than 164 countries across the world have taken on GST because this tax system have a capacity in increasing the revenue in the most transparent and large expandlevel ⁽³⁾.

Existence of GST

The good and services tax came into existence in 1954 at France. After France this GST concept was taken over by various other countries like Japan, South Korea, UK and Australia also execute the GST law on elect goods. This indirect tax rule came in India in 1986 by vishwanath pratap Singh when he was a finance minister in Rajiv Gandhi's Government with the establishment of the modified value added tax (MODVAT)

After the seven month of new Modi Government origination the new finance ministry Arun Jaitley initiate the GST bill in the Lok Sabha. At that point BJP has the majority. In February 2015, jaitley set ground deadline of 1 April apply 2017 to GST.

Objectives

- To study all those Goods stored outdoor from GST
- To study the Effect of GST in Indian economic system.
- To Study various issues solutions after GST implementation
- To examine about from where India have pick out up this GST thinking.

Literature Review

Sabari Nath T V (2019) studies, 'Implementation of goods & service tax (GST) in India emerging opportunities & challenges and founded that this tax system will reduce the burden of tax payer and also remove the cascading effect of tax which would help in removing corruption and also help in the economic growth.

P. Govindan (2019) studies, 'Growth of GST in Indiaa golden opportunity for growth of Indian corporate sectors' and founded that the government of India and ministry have to take same reforms in filling tax, refund,interest the tax payer to help them and to make the process lesser painful for businesses.*S Rajan Saravana, K Kirubakaran (2018)* Highlighted the

‘Impact of GST Automobile Industry in India’ and found that GST will going to lower tax crack and stop duplicity in value of products.

Upashi Ranjana (2017) Studied in his research paper on ‘Effects of Goods and service tax on different sectors in Indian’ concluded that Tax assembly is going to enhance. GST impact is Impartial and optimistic on different sector of the wealth and it will also be limiting in dishonesty. *Nath Banamali (2017)* analysed in their paper ‘Goods & service tax: A milestone in Indian economy’ will finish that by composing several indirect tax spills effect will diminish which will provide relief to the producer and the consumer both. It will also increase the employment opportunities and improves GDP of the country. *Dani shefali (2016)* Focused in their research paper ‘Impact of GST in Indian economy’ that the GST administration is an unenthusiastic attempt to justify indirect tax structure. The government of India should first study about it. *Kour Milan deep, Chaudhary Kajal, Singh Surjan, Kaur Baljinder (2016)* Focused on the ‘Impact of GST after its implementation’ and concluded that GST structure will reduce the compliance Burden. GST has given a good result after implementation.

Analysis

This paper has been developed by using secondary data assemble from different journals, newspaper, magazines, internet and Books covering wide collection of information on GST literature.

Goods Stored outdoor from GST: -The administration has break down certain goods and services as immune from GST different from zero rated goods and service. Here is the of all the immune goods and services

Food: Wheat, eatable fruits and veggie (not cold/ arctic), eatable roots and beet troll, flesh(not handle), kindcoconut, jiggery, tea leaves, (not handle), curcumin, Butter milk, yoghurt, additive

Raw Material: Basic material silk, silk lavish, wool (not handle), khadi fabric material, cotton used for khadi thread, basic material jute filament, charcoal and hand loom. Agriculture service, transportation, judicial, education service, medical.

Effect of GST in Indian Economic System

Elimination of tax on tax / Duplex taxation

This meant that every invoice had the value of goods as well as services for e.g. Manufacture purchasing a raw material for their product worth Rs 1000 this contain the GST of Rs 100 (i.e. 10%of 1000) the manufacturer then has to add this value of Rs 100 to the product. This makes the worth of the product to be $1000+100=1100$) under the previous system. But now onwards manufacturer had to pay Rs 110 (10%of value) tax. Now manufacturer has to pay less tax because he is already paid tax of Rs 100 at the time of purchasing Raw Material. So, the final tax paid by manufacturer is $110-100=10$.

Grow in Ambitious

It will also increase the scope of business because under GST system prices of the product fallen down to the end consumer which will raise the competition in the market.

Shorten of tax form

The GST saves a lot of time and resources for the calculation of taxes under this calculation of tax become much more simplified.

Coherence for software industry

GST has made clear the difference between products and services tax system how to apply tax to them which will remove dispute.

Grow in export

It will also increase the competition in the international level due to the decrease in cost of production in the domestic market.

Negative Effect

Lack consolidate Record

Now a tax payer has to register himself in the state and have to pay central tax now onwards tax payer cannot pay tax from all over the country.

Favour value to consumer Tax burden will increase to the end consumer. Because GST is now target based tax.

Public training Government have to educate the taxation system to the tax payer by giving them workshop.

Various solutions for the betterment and updation in GST implementation: -

The outside issue is in the compliance process. Business man was not able to fill tax because of the complexity of filling system. Government have to make a new return form for the tax payer to help them and to make the process lesser painful for businesses.

These complimentary services are the marketing strategy of the seller/businessman the tax are only valid for those services in which the supplier offers the scheme of 1+1free,3+1free or extra quantity to the customer as the free services in this services they charged single prices for the product and offer the other product as free.

There should be training sessions for GST by the GST expert's which should be available anytime there should not be any time bound and for the starting period GST billing and filling should be free for all businessman.

Conclusion

From the above based study, the topic 'The impact of GST in Indian economy growth' have a multi-fold benefits and limitation which can be rectified. There is a positive impact of GST in Indian economy by the implementation of GST system corruption rates has been diminished , elimination of tax on tax/ Duplex taxation , Grow in Ambitious , Shorten of tax form , Coherence for software industry , grow in export and some goods are stored outdoor from GST like food , raw material, agriculture services, education services .Some of negative impact cannot be ignored but they can be work out there are some solution for that problems like we can provide workshops and training by the experts any time and charges tax to all those goods and services which are the marketing strategy of business man in which they charge single price for the product & extra quantity also Government have to make a new return form for the tax payer to help them and to make the process lesser painful for businesses.

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