

A

Project Report

On

TO STUDY THE IMPACT OF GST ON INDIAN ECONOMY

Submitted By

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DECLARATION

I Anusha Sharad Murhe , of MBA-2 : Seat No hereby declare that the project work titled which has been submitted to University of Pune, is an original work of the undersigned and has not been reproduced from any other source. I further declare that the material obtained from other sources has been duly acknowledged in the report.

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INDEX

CHAPTER NO.	TITLE OF CHAPTER	PAGE NO.
	EXECUTIVE SUMMARY	7
1	INTRODUCTION	9
2	LITERATURE REVIEW	14
3	RESEARCH METHODOLOGY	18
4	DATA ANALYSIS AND INTERPRETATION	22
5	FINDINGS	43
6	CONCLUSION	45
7	BIBLIOGRAPHY	47

CHART NO.	CHART TITLE	PAGE NO.
1	GST –Impact On Spendings	22
2	GST Slabs	23
3	Impact Of GST on CPI Basket	29
4	Impact Of GST on Ecise AND Sales Tax	34
5	Growth Of Manufacturing Sector	33
6	Growth Of Textile Sector	35
7	ATF (rs. / Litre)	3
8	GST Collections	39

TABLE NO.	TABLE TITLE	PAGE NO.
1.	Tax Rates before and after implementation of GST	24
2	Changes in CPI	28
3	Treatment Of Agriculture	32
4	Performance of Pharma Industry	36
5	Annual Growth Rate	41

EXECUTIVE SUMMARY

The Goods and Services Tax or GST came into effect on the 1st of July 2017. The aim of introducing the tax was to replace all the existing indirect taxes with a single comprehensive tax. Through GST, all indirect taxes such as central excise tax, service tax, VAT and entertainment tax were consolidated.

Goods and Services Tax is levied on the manufacturing and sales of goods and services across the country. The tax is charged at every stage of the manufacturing process. GST is applicable for both the customer and the manufacturer. It is a destination-based tax. This means that GST is to be collected at the point of consumption.

In this study we will see that how GST has affected the Indian Economy and transformed its tax regimes

Secondary data has been used for analysing the impact of GST on various sectors of Indian Economy. Data has been represented in the form of charts, tables, and graphs for proper and quick understanding.

How various sectors like manufacturing, agriculture, textile, food and restaurant industry, petroleum, aviation etc have been affected can be clearly known from this study

The Goods and Service Tax (GST) is a comprehensive tax levied on manufacturing and sales of products, consumption of goods and services at a national level. It is the tax on value-added products and services to each assessment practice that has a complete and continuous chain of benefits, from the producer/service provider's point of view at the retail level, where only the final consumer pays the tax. The introduction of the GST will be a significant step towards indirect tax reforms in India. GST will have a positive effect on the manufacturing sector, GDP growth, exports, and employment generation and negative impact on basically service sector because of the proposed GST rate is higher than the current service tax rate. However, the implementation of the GST will be too delayed because of the conflict between state and center on issues related to the limitation of fiscal autonomy of states, constitutional amendments. One thing we can say that after the successful implementation of the GST will bring inclusiveness, excellence, innovation, accountability, uniformity, efficiency, and transparency in indirect taxation mechanism in the long run. For that, the ultimate consumer, as well as the business and industry will be benefitted consumer has to pay the taxes

CHAPTER1

INTRODUCTION

INTRODUCTION

After independence, the priority for the national architectures was to establish a self-reliant, self-sufficient and prosperous nation. Consequently, the Indian economy has been established on socialistic pattern. This socialistic approach has influenced the planning and implementation of economic policies by the Indian Government in the post independence era. The Indian taxation system had also been designed to facilitate the adequate financial and non financial resources to the government for discharging the responsibilities as per the Indian constitution. The Indian taxation system aimed at increasing revenue for public expenditure, employment generation, economic development, national welfare, and inflation control etc. However, after Independence during 1951-58, the Indian economy has registered the growth rate of about 3.6% (Central Statistical Organization).

New Economic Policy (NEP), 1991 had been introduced for Liberalization, Privatization and Globalization of the Indian economy. These reforms have helped the Indian economy to achieve a distinguished position at global platform. Since 1991, the Indian economy has been growing at a higher rate . Consequently, the Government has introduced various economic reforms in India to enhance the progress of Indian economy from time to time. These economic reforms have remarkably transformed the India into one of the fastest growing economy in the world.

According to the International Monetary Fund, the growth of Indian economy will increase to 7.8% in 2019-2020, helping India to regain the position of the fastest growing economy in the world . Recently, On July 1st, 2017, the Indian Government has introduced Goods and Service Tax (GST), a new economic reform in the Indian indirect taxation system. Indirect tax is a tax indirectly paid to government but collected from intermediaries (such as retail stores) from the person who bears the ultimate economic burden of the tax (such as consumers)l. This significant reform has transformed the Indian economy from the destination based taxation to the origin based taxation system. With the implementation of GST, the Indian indirect taxation system been segmented into 5 slabs i.e., 0%, 5%, 12%, 18% and 28%, for the purpose of tax collection .

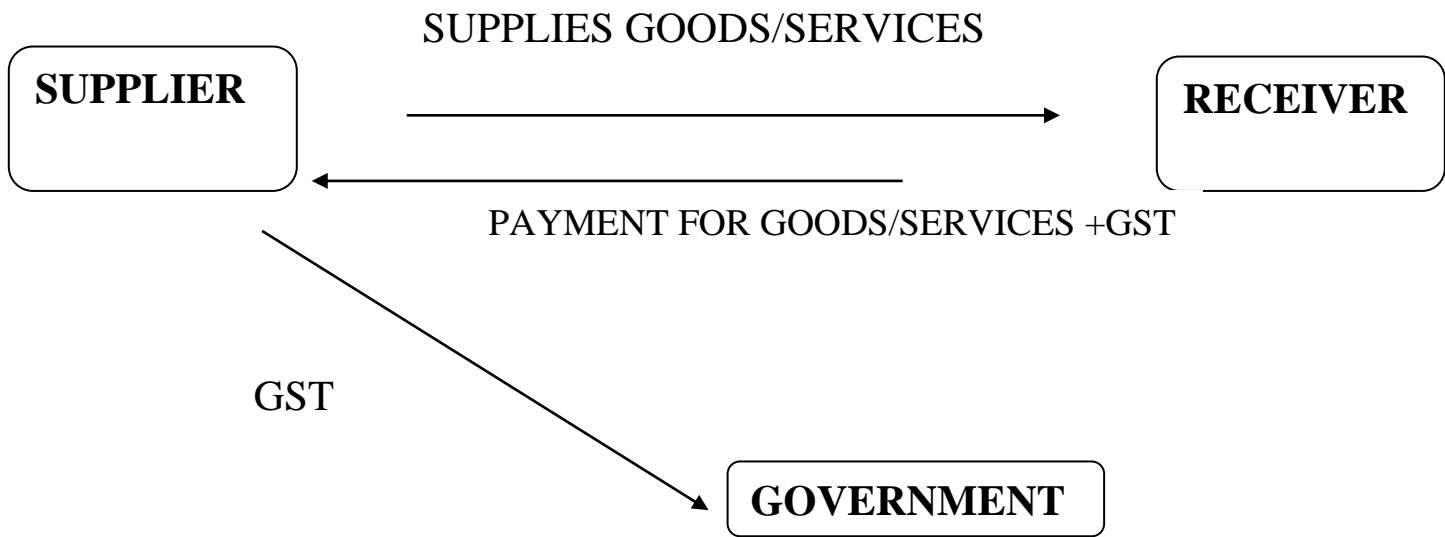
The GST has been implemented to ensure rational, transparent, uniform and comprehensive indirect taxation structure in India. GST has helped the Indian economy by providing standardization in tax calculation on goods and services. Further,

GST has ensured uniform tax regime, elimination of double taxation, and more transparency in pricing. GST may enhance the disposable income of the Indian citizens through supporting GDP growth and eradicating black money. The GST is basically imposed on manufacturing, sale and consumption of goods as well as services at the national level. It is a value added tax imposed at each stage in the supply chain. GST has merged the various indirect taxes (Service Tax, Additional Excise duties, Surcharges, cesses, Central Sales Tax, VAT, etc.) into a single indirect tax.

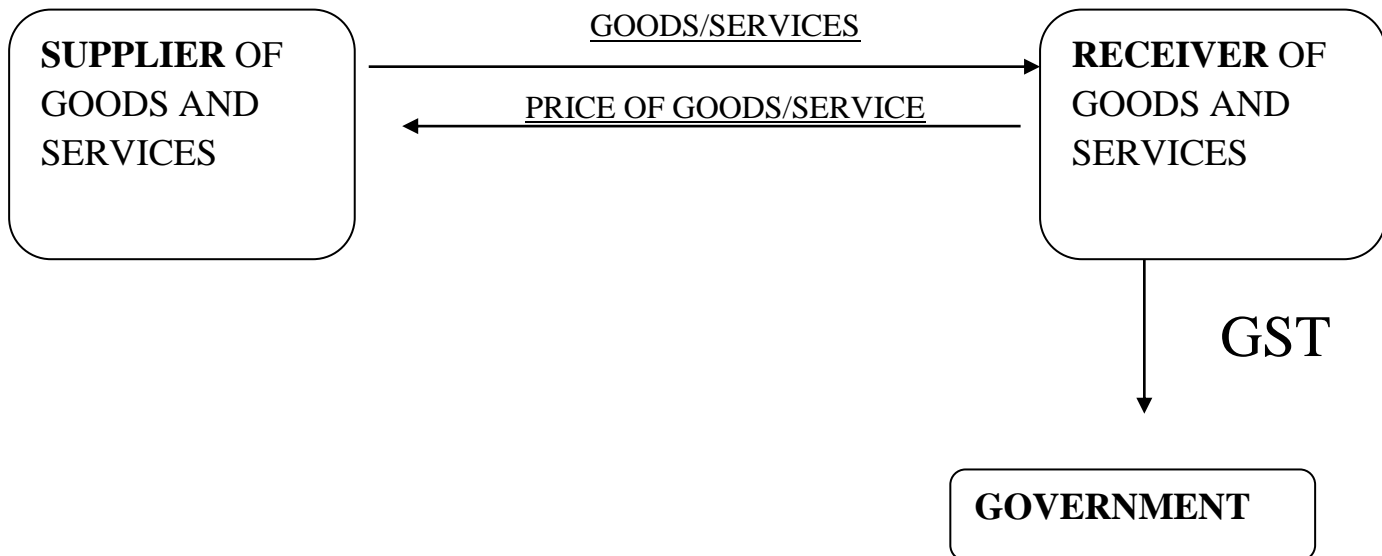
Further, due to the implementation of GST, 13.2 lakh new dealers have registered themselves in the taxation system. This may also help in increasing the GDP of the Indian economy due to high numbers of tax payers. According to Dani, GST would liberate the manufacturing sector from cascading effect of taxes, resulting in improvement in the cost-competitiveness of goods and services. Further, GST may also help in reducing the prices of goods and services, thereby increasing their consumption.

During a research by the NCAER (National Council of Applied Economic Research), it has been suggested that due to GST, GDP could increase by 0.9 to 1.7 percent . However, many sectors of Indian economy have been influenced with the implementation of GST. Further, the GST has also influenced the life of an Indian citizen in different perspectives.

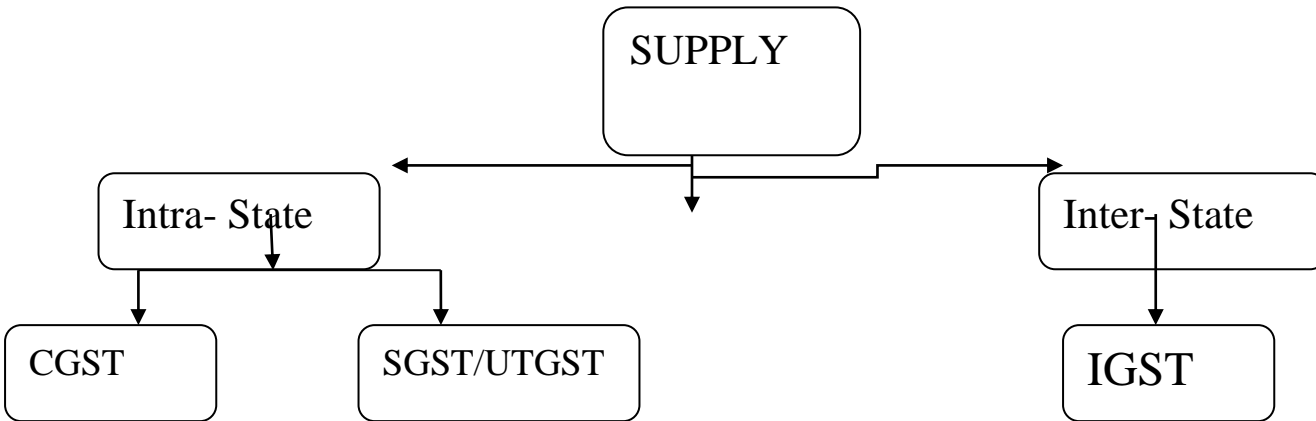
A. NORMAL PROCESS OF GST-



B. GST PAYMENT INCASE OF REVERSE CHARGE MECHANISM



C .INTER STATE AND INTRA STATE



CHAPTER 2

LITERATURE REVIEW

LITERATURE REVIEW

1. Dr. R. Vasanthagopal (2011) studied “GST in India: A Big Leap in the Indirect Taxation System”

ABSTRACT- concluded that switching to seamless GST from current 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 130 countries in world and a new preferred form of indirect tax system in Asia also.

2. Jana V. M., Sarma& V Bhaskar (2012) studied “The Road Map for implementation of Goods and Service Tax”.

ABSTRACT- found that the steps to be undertaken to implement the comprehensive tax system i.e., GST. The authors have thrown light on the constitutional amendment required for the implementation of GST in India.

3.Syed Mohd Ali Taqvi (2013) studied” The challenges and opportunities of Goods and Service Tax in India.”

ABSTRACT-He explained that GST is only indirect tax that directly affects all sectors and sections of our country. It is aiming at creating a single, unified market that will benefit both corporates and economy. He also explained the proposed GST model will be implemented parallel by the central and state governments as Central GST and State GST respectively.

4.(Garg, 2014) Studied "Basic Concepts and Features of Good and Service Tax in India",

ABSTRACT-found that GST is the most logical steps towards the comprehensive indirect tax reform in India since independence. GST will create a single, unified Indian market to make the economy stronger. Experts said that GST is likely to improve tax collections and Boost India's economic development by breaking tax barriers between States and integrating India through a uniform tax rate.

5.Dr. Ambrishstates (2015) "Goods and Service Tax and Its Impact on startups"

ABSTRACT- GST is expected to unite the country economically as it will remove various forms of taxes that are currently levied at different points. Based on a 2015 NASSCOM report this paper alsoanalyzed how the GST has impact on startup of the country and how the has The impact on GDP.

6.Srinivas K. R (2016) in his article “Issues and Challenges of GST in India”

ABSTRACT- has mentioned that central and state governments are empowered to levy respective taxes as per the Indian constitution which is likely to change the complete scenario of present indirect taxation system. GST will be a compressive indirect tax structure on manufacture, sales and consumption of goods and services throughout India, to replace the various indirect taxes levied by the both the government.

7.Poonam (2017) in her article“Role of GST”

ABSTRACT-in her study has cleared that in the system of indirect taxation GST plays a very important role. The cascading and double taxation effects can be reduced by combing central and state taxes. Consumer’s tax burden will approximately reduce to 25% to 30% when GST is introduced and then after Indian manufactured products would become more and more inexpensive in the domestic and international markets. This type of taxation system would directly encourage economic growth. GST with its transparent features will prove easier to administer. With the above reviews we can assume that GST is a tax reform which will change the scenario of the country as a support for this review study.

CHAPTER 3

RESEARCH

METHODOLOGY

RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The methodology section answers two main questions: How was the data collected or generated? How was it analyzed?

1.DATA TYPE-

The proposed study is a Desk research and is an attempt of descriptive research, based on the secondary data sourced from journals, Internet, articles, previous research paper, parliament library and reference research ,Documentation and information service.

2.OBJECTIVES

- (i)To understand the impact of GST on Indian Economy
- (ii)To get the insights of GST
- (iii) To analyse how GST has impacted various sectors

3.SCOPE OF STYDY

- (i) The study is vital as it depicts the importance of implementation of GST.
- (ii) It shows that how implementing GST helped in removing the cascading effect of various indirect taxes.
- (iv) It provides basis for analyzing the impact of GST on the Indian Economy as a whole
- (v) It shows how is the economy functioning and the GST performance during the COVID pandemic

4.LIMITATIONS

- This data is based on old research paper hence this study cannot predict exact number.
- The pandemic situation is going worse every day so it is hard to predict economic situation of various sectors.
- This study is entirely based on secondary data and old studies which might have possibility that the result is little different than current situation.
- The lack of information about economic situations can be major limitation due to the pandemic
- There are more chances that the data may not be accurate.
- As there is limited data available for some sectors , recent data couldn't be traced.

CHAPTER 4-

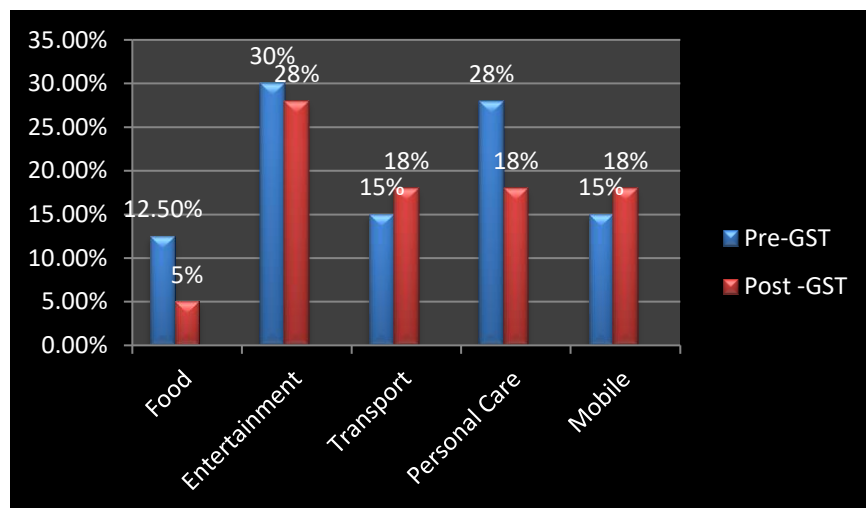
DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

1. GST and Spendings

Initially, the GST has been introduced by France in 1954. Subsequently, many European countries have followed France, in implementation of GST in 1970s-80s. Later, countries like Canada, Singapore, Australia, and Malaysia have also implemented the GST in the year 1991, 1994, 2000, and 2015, respectively. China, also introduced the GST on few goods. As on date, approximately 160 countries have implemented GST/VAT . In India, the Good and Service Tax has been implemented on July 1st, 2017.

Chart 1- GST – Impact On Spendings



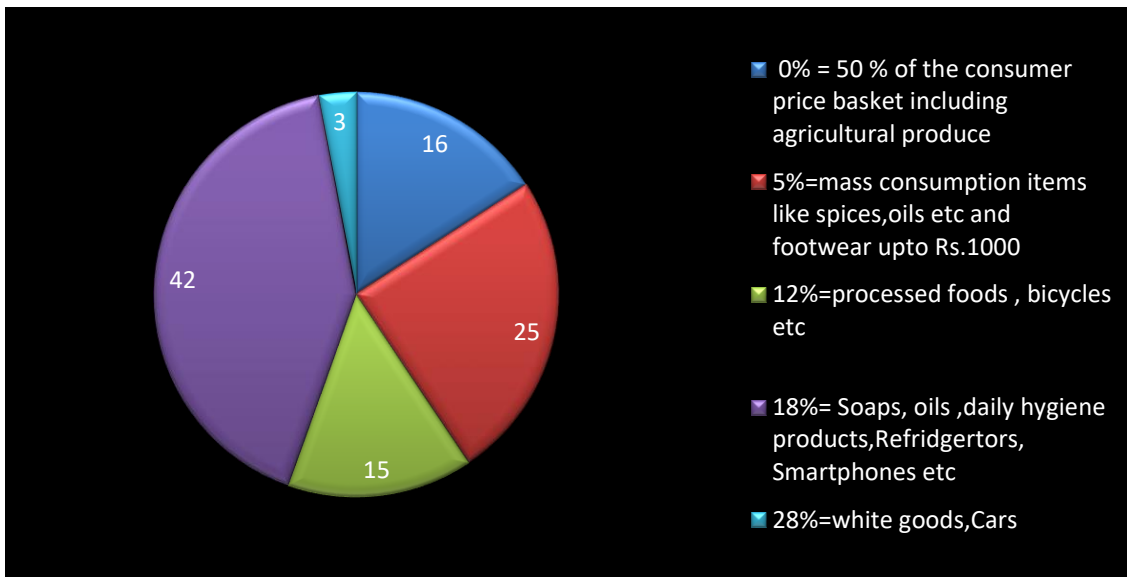
Interpretation-While GST will impact businesses and industries in a big way, it won't directly affect the salaried class and self-employed personnel. Since it is an indirect tax, it does not change the way they pay their personal taxes. The only impact they will see would be due to the change in rates of the goods and services they avail.

2.GST SLABS

GST is an indirect tax reform, which has removed the inter-state commercial barriers and the double effects of taxes over the manufacturing and supply of goods & services in India.

Further, GST being consumption based tax has been intended to ensure better administration of indirect tax structure in India. Through proper implementation of GST, the competitive position of India may also enhance at global level. For effective implementation and administration of indirect taxes, GST has been divided into 5 slabs, i.e. 0%, 5%, 12%, 18% & 28%

Chart 2- slab wise distribution of products



Interpretation -The above table depict that, with the implementation of GST, the tax slabs of various consumable items have been modified. Therefore, GST can be considered as a shift in the economic policy of the India. The products of basic necessities were placed in 0% GST slab. Further, goods and services required for maintaining the healthy social life were kept in 5% slab.

Furthermore, the more luxurious products and services have been placed in the higher taxation slabs of GST i.e. 12%, 18% and 28%

3. Changes In the Tax Rates

A significant difference has also been observed in the old taxes and new GST rates, implemented on goods and services in India. In a detailed study over 55 product or services, it has been found that the taxes on the basic commodities have been reduced to 0% in many cases. Further, the taxes have also been reduced in a large number of cases. However, the enhancement in taxes has been found in maximum number of cases of goods and services. A detailed report pertaining to the comparison of old rates and new GST rates in respect of 55 products

Table No. 1- Tax Rates Before and after the implementation of GST

<u>SR. NO.</u>	<u>Name Of Item</u>	<u>Old Tax</u> <u>Rate</u>	<u>GST</u> <u>Rate</u>	<u>Change</u>
1.	Fish	0%	0%	No change
2.	Chicken	0%	0%	No change
3.	Egg	0%	0%	No change
4.	Milk	0%	0%	No change
5.	Curd	4%	0%	Reduced
6.	Fresh fruits and vegetables	0%	0%	No change
7.	Natural Honey	6%	0%	Reduced
8.	Un branded Flour	3.5%	0%	Reduced

9.	Newspapers	1%	0%	Reduced
10.	Printed Books	0%	0%	No Change
11.	Apparel below Rs. 1000	Exempt	5%	Increased
12.	Packaged Food	14.5%	5%	Reduced
13.	Footwear below Rs. 1000	10%	5%	Reduced
14.	Coffee	6%	5%	Reduced
15.	Tea	6%	5%	Reduced
16.	Spices	6%	5%	Reduced
17.	Pizza Bread	12%	5%	Reduced
18.	Medicines	Approx 5%	5%	No change
19.	Tailoring Services	18%	5%	Reduced
20.	Private LPG Distributor services	18%	5%	Reduced
21.	Apparel above Rs. 1000	Exempt	12%	Increased
22.	Butter	6%	12%	Increased
23.	Cheese	6%	12%	Increased
24.	Packaged Dry Fruits	6%	12%	Increased
25.	Fruit Juices	12%	12%	No change
26.	Umbrella	5%	12%	Increased
27.	Cell Phones	6%	12%	Increased

28.	Ketchup & Sauces	12%	12%	No change
29.	Exercise books	5%	12%	Increased
30.	Drinking Water Packed	18%	12%	reduced
31.	Footwear Of cost More Than Rs. 1000	21%	18%	Reduced
32.	Biscuits	14.5%	18%	Increased
33.	Cornflakes	19.5%	18%	Reduced
34.	Jams	12%	18%	Increased
35.	Ice-Creams	26%	18%	Reduced
36.	Speakers	14.55	18%	Increased
37.	Weighing Machines	5%	18%	Increased
38.	Printers	26%	18%	Increased
39.	Rain coats	5%	18%	Increased
40.	Switches	5%	18%	Increased
41.	Plywood	5%	18%	Increased
42.	Mattress	14.5%	18%	Increased
43.	Detergents	14.5%	18%	Increased
44.	Shampoos	26%	18%	Reduced
45.	Fans	14.5	18%	Increased
46.	Second –hand : medium and Large cars	28%	18%	Reduced

47.	Admissions to theme parks and water parks	28%	18%	Increased
48.	Telecom services	15%	18%	Increased
49.	Paints	26%	28%	Increased
50.	Wallpapers	18.5%	28%	Increased
51.	Water heater	26%	28%	Increased
52.	Dishwasher	26%	28%	Increased
53.	Washing machine	14.5	28%	Increased
54.	Vaccum cleaner	14.5	28%	Increased
55.	Automobile	14.5	28%	Increased
56.	Entertainment	30%	28%	Reduced

Interpretation-Due to the implementation of GST, the tax rate has been reduced on various items including curd, natural honey, flour, newspaper, packaged food, footwear, tea, spices, pizza bread, cornflakes, ice-cream, printer, shampoo, second hand cars etc.

However, taxes have been increased in various cases like, apparels, Butter, cheese, packaged dry fruits, umbrella, cell phones, raincoats, plywood, mattress, detergents, telecom, water heater, dishwasher, vacuum cleaner, automobile, speaker etc. These items are, basically, the luxurious items and also considered as the status symbol.

4. Changes in CPI

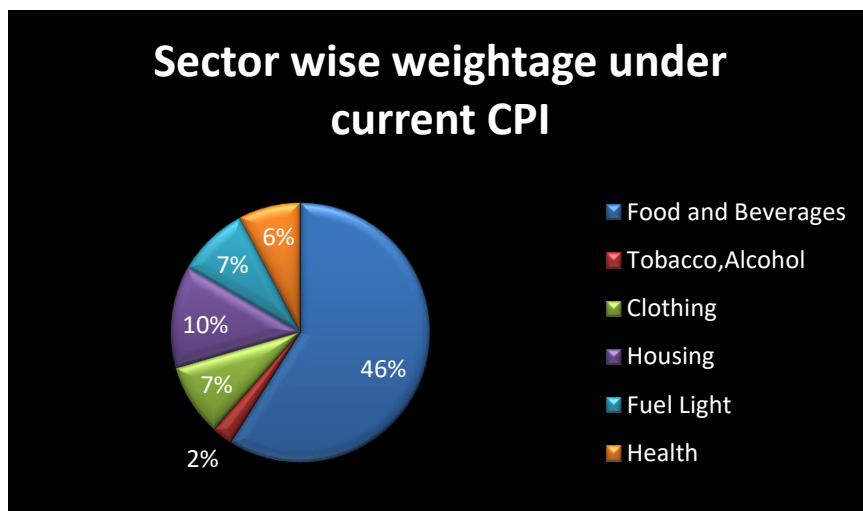
With the implementation of GST, the inflation has increased many folds in past few months. Many business organizations had hiked the prices due to the ambiguity regarding GST, before its implementation. It has resulted into enhancement in CPI inflation from 1.54% (June, 2017) to 3.36% (Aug, 2017) . Further, since July 2016, Indian economy has witnessed the maximum inflation rate in the month of December, 2017

Table 2- CPI DATA FROM 2016-2018

YEAR	MONTHS	RURAL	URBAN	COMBINED
2016	JULY- SEPTEMBER	399	386	261.67
2016	OCTOBER- DECEMBER	398	383	260.3
2017	JANUARY- MARCH	396	383	259.67
2017	APRIL-JUNE	398	392	263.33
2017	JULY- SEPTEMBER	410	395	268.33
2017	OCTOBER- DECEMBER	417	401	272.67
2018	JANUARY- MARCH	415	402	272.33

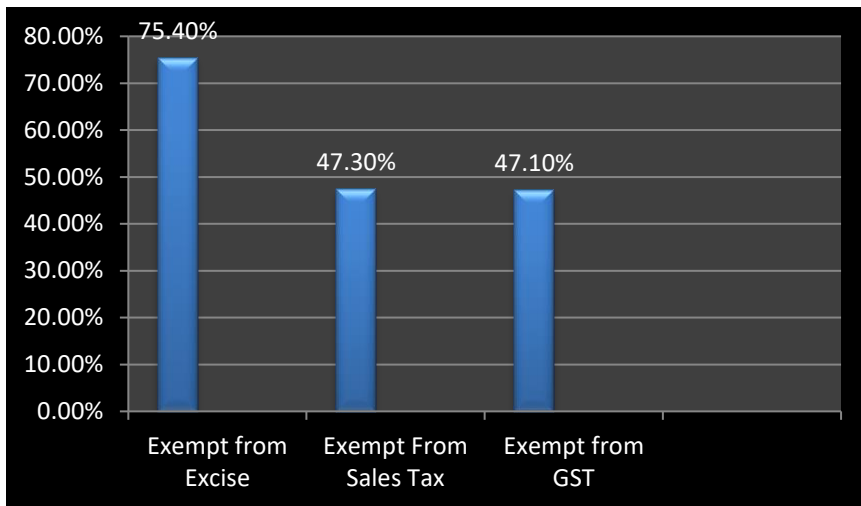
Interpretation-From the above table it can be seen that from July 2016 to June 2017 there was an increase of 0.63% i.e. $(263.33-261.67/261.67*100)$ and from June 2017 to 2018 March the increase was 3.54% $(272.67-263.33/263.33*100)$. Therefore, it is clear that CPI has increased after June 2017.

Chart 3-Impact Of GST on CPI Basket



Interpretation- GST has had a significant impact on 20-25% items in the CPI basket.

Chart 4- Impact Of GST on Excise and Sales Tax



Interpretation- 50% of the goods under the CPI basket have been exempted from Excise and Sales tax.

5. Impact of GST on various sectors of INDIAN ECONOMY

Indian economy is classified in three sectors —

Agriculture and allied, Industry and Services.

- **Agriculture sector** includes Agriculture (Agriculture proper & Livestock), Forestry & Logging, Fishing and related activities
- **Industry** includes 'Mining & quarrying', Manufacturing (Registered & Unregistered), Electricity, Gas, Water supply, and Construction
- **Services sector** includes 'Trade, hotels, transport, communication and services related to broadcasting', 'Financial, real estate & professional services', 'Public Administration, defense and other services'.

Further, every global, international and nation developments have significantly influenced on the Indian economy. Subsequently, the Indian economy has also been influenced due to the implementation of GST. The impact of GST implementation has also been felt in different segments of Indian economy. The details are as below:-

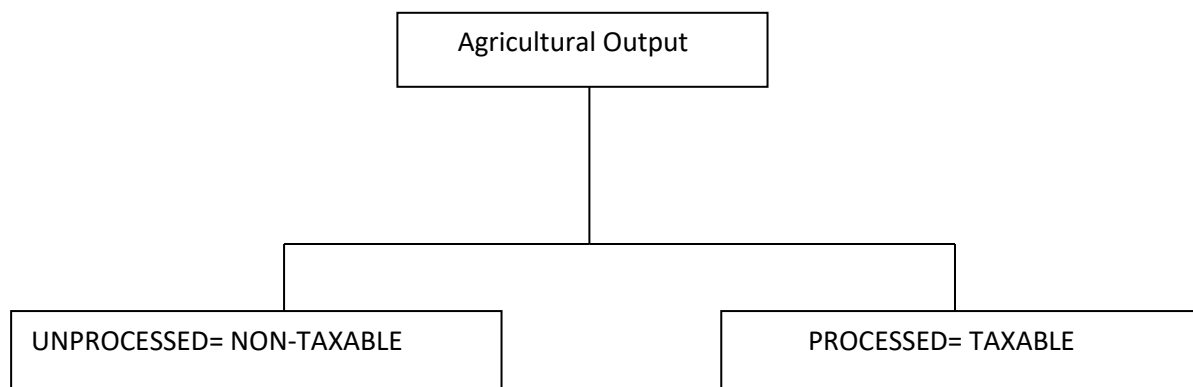
i)Agriculture

Agriculture, being the primary sector of Indian economy provides employment to large proportion of Indian workforce. Further, Agricultural sector has been contributing largely to the GDP of Indian economy. However, the contribution of agriculture sector to the Indian GDP has reduced to 3245.21 INR Billion in the third quarter of 2017, as of 3897.32 INR Billion in the second quarter of 2017 . With the implementation of GST, the prices of various agricultural inputs have also increased due to enhancement in GST rates. Further, Central Statistics Office (CSO) has forecast about the negative impact of GST on agriculture and farm sector .

Table 3.-TREATMENT OF AGRICULTURE IN TRADITIONAL TAX REGIME

<u>AGRO INPUT –</u>	<u>FARM PRODUCTS-</u>	<u>AGRO- PROCESSED</u>
Agro Chemicals = VAT + CS	Fresh Agricultural produce, fibers, livestock products , fisheries etc were exempted from taxation	COMMODITIES Packaged food= VAT +CST Dinning out= VAT+ SERVICE TAX

GST and AGRICULTURAL OUTPUT

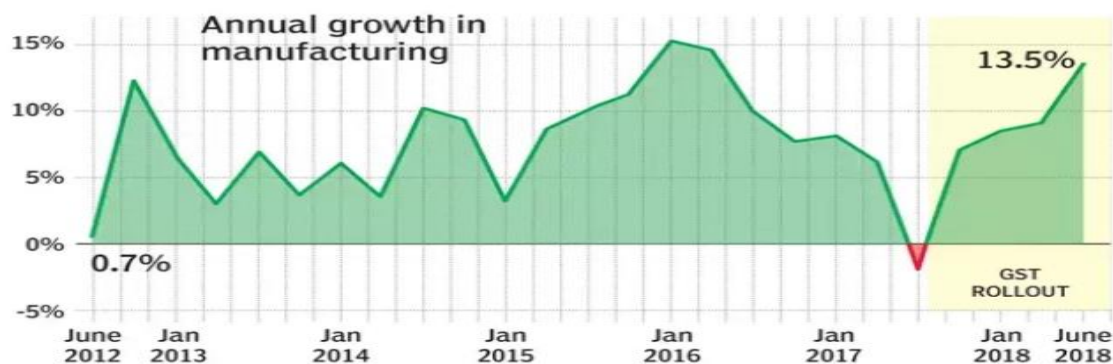


- Prices of agricultural goods might increase between 0.61 to 1.18%
- Prices of all manufacturing sector might decline between 1.22 to 2.53%
- Terms of trade will move in favour of agriculture between 1.9 to 3.8%

(ii) Manufacturing sector

According to RBI, the manufacturing sector of India had felt the adverse impact in 2016-2017 due to implementation of GST. RBI has also forecasted for unfavorable conditions regarding revival of Investment activity in manufacturing section due to implementation of GST. Further, a downfall has also been observed in the industrial production in India . Real Estate One of the most significant sectors of economy had an adverse impact due to GST. With the implementation of GST, buyers will be paying 12% GST, which will be 3.5% more as compared to earlier taxes (4.5 percent Service Tax and around 4 percent of VAT). Further, the costs of Land, material and building have also been increased due to GST .

Chart 5- Growth Of Manufacturing Sector

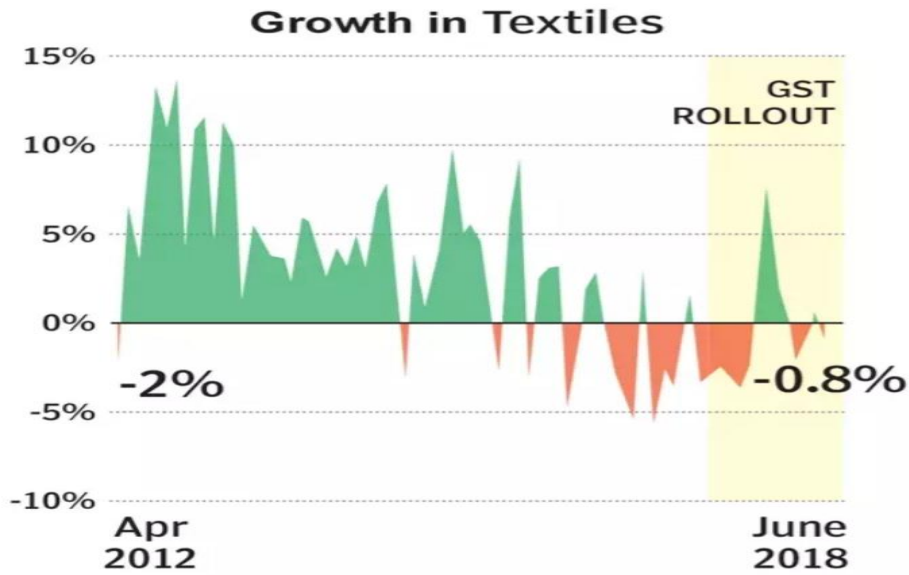


Interpretation-India's manufacturing sector grew at 13.5 % in quarter ending 2018. This is a remarkable turnaround for a sector that shrunk in April – June ,2017(partially as a result of manufacturers delaying production before the GST rollout)

(iii) Textile industry & handicraft

With the implementation of GST, India's apparel export has reduced 39% in value terms in October 2017. Further, GST has given a boost to textile import. Additionally, handicrafts industry has been badly hit due to implementation of GST. Earlier, handicraft was exempted from tax in more than 15 Indian states. However, 8 Indian states were imposing 5% VAT on handicraft items. At present, Handicraft has been brought within the GST tax slab of 12% and 18% .

Chart 6- Growth of Textiles



(iv)Aviation Sector

Due to implementation of GST, the aviation industry may experience the yearly hit of Rs. 5,700 crores, reported by domestic airlines to Finance Minister .

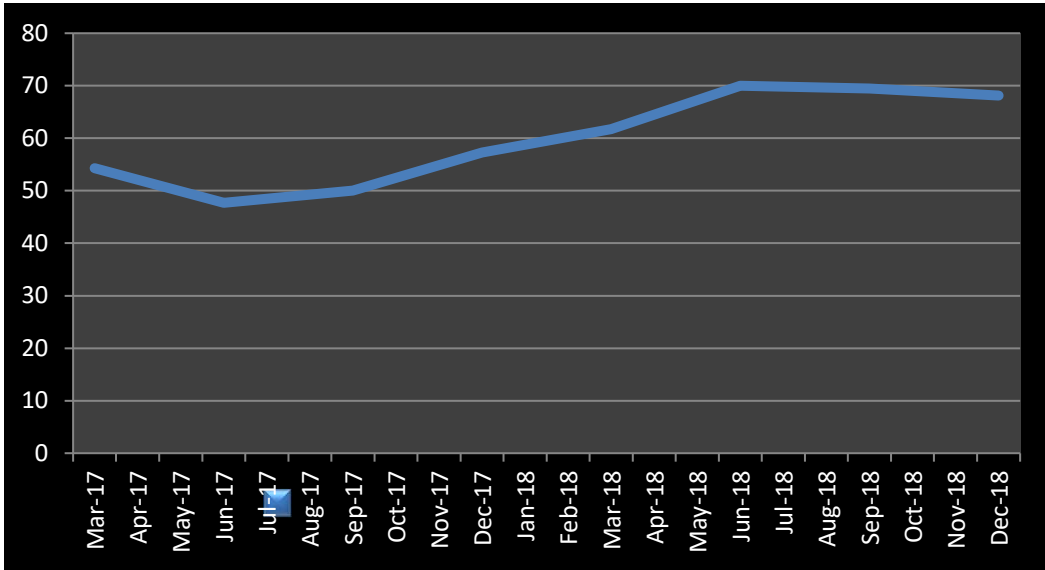


Chart-7 ATF(Rs./litre)

(v)Pharmaceutical Industry

Earlier the medicines were taxed at about 13%, but fortunately only 12% GST has been introduced on medicines including ayurvedic. It may result in cost reduction for consumers. However, prices on diagnostics tests are expected to rise in present times due to GST .

Table 4 – Performance of pharmaceutical industry

YEAR	ANNUAL TURN OVER (amt in CR)	% CHANGE
2016-2017	1,85,388	12.21
2017-2018	2,19,755	18.53
2018-2019	2,26,423	3.03

(vi) Service sector

India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. GST have a mixed impact on service sector. It is beneficial in some aspect but at the same time it is creating hurdle in ease of doing business. It is beneficial in items like seamless flow of credit, avoidance of double taxation but has increased a lot of compliance burden. Due to reduction of new work orders, and low activity, the service sector has felt the down turn harshly, after the implementation of GST. In July 2017, the output of service sector has been reported at lowest level in comparison to past four years, immediately after the implementation of GST. The Nikkei India Services Purchasing Managers' Index (PMI), has indicated 45.9 for the service output in the month July, 2017 which was lowest since 2013 September .

(vii) Petroleum Industry

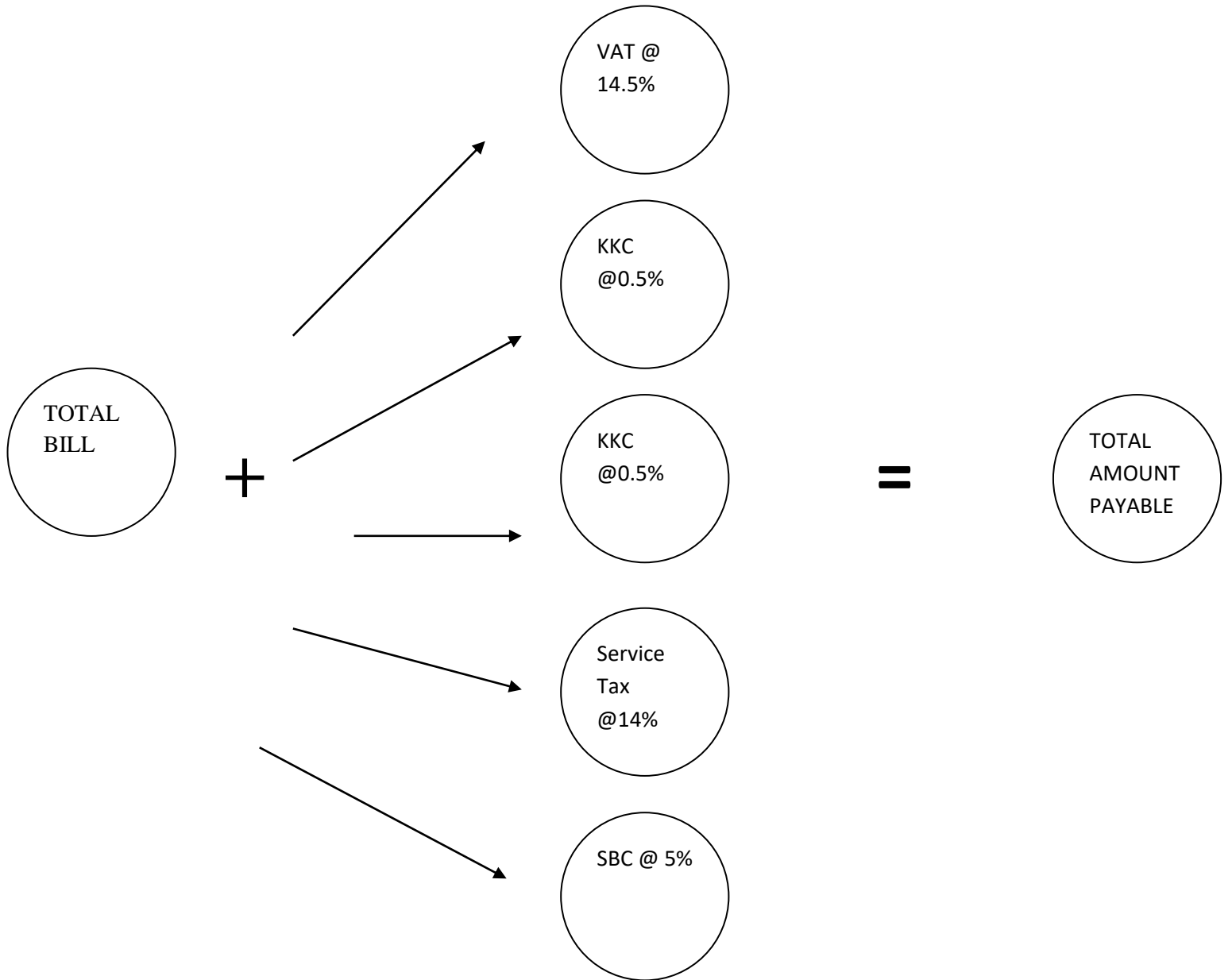
The petroleum industry may experience a boost in its sales, as on various petroleum products, the GST has been reduced to a large extent in comparison to the old taxes. Presently, the Petroleum products like peat; all ores & concentrates; kerosene PDS; tar, coal & ignite; and petroleum coke & petroleum bitumen are having GST 14.5%, 13.5%, 12%, 7%, and 9.5% less as compared to the old tax rates, respectively . So, in short, it can be expected that the GST may emerged as a source of competitive advantage for Indian economy.

(viii) Food And Restaurant Industry

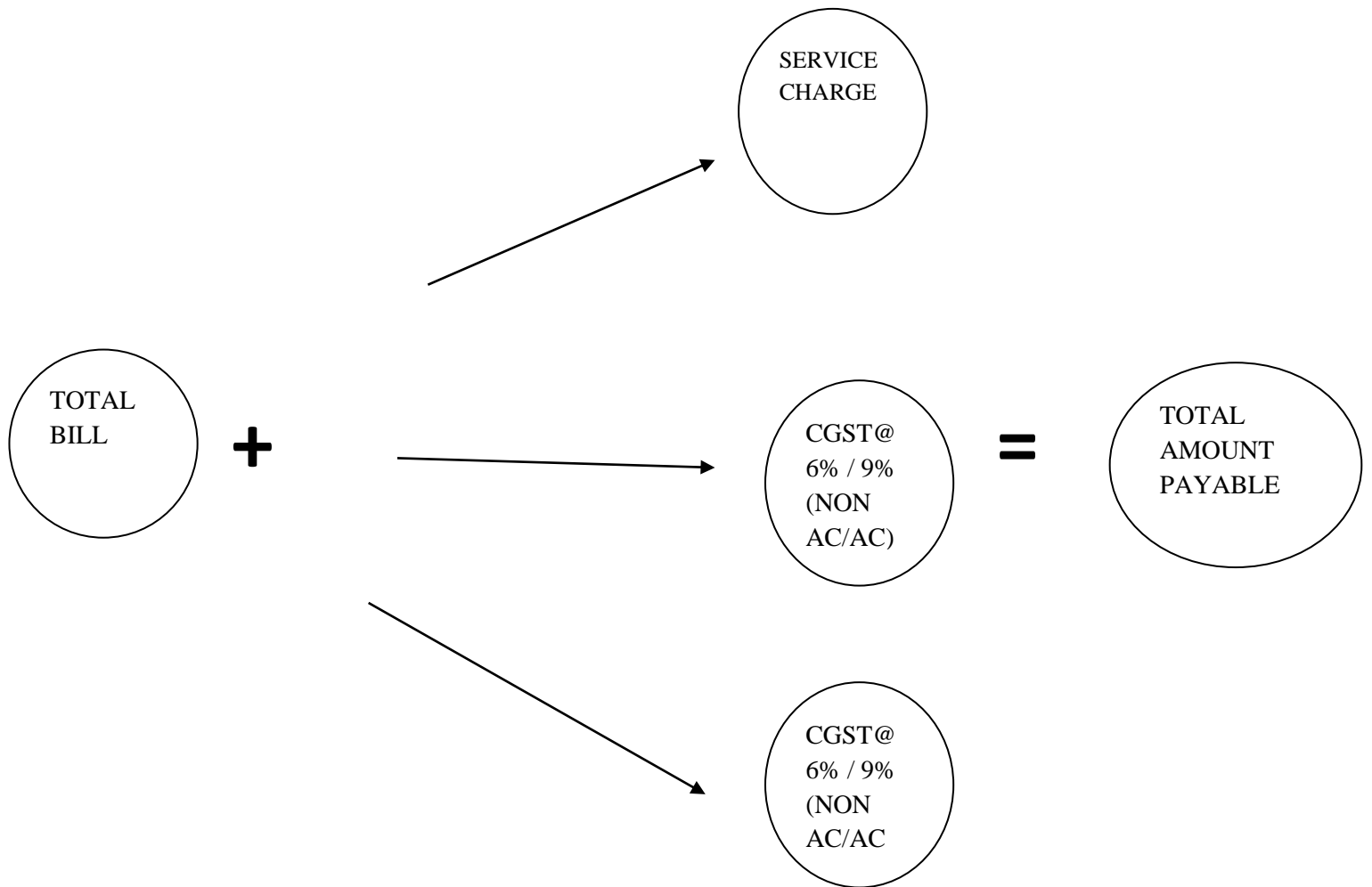
The Indian restaurant business nowadays, is price a staggering INR 247,680 crores and is developing at a yearly rate of 11 November – calculable to hit INR 408,040 crores by 2018.

National restaurant Association of India's India Food Service Report 2016 estimates that by 2021 restaurant industry will alone contribute 2.1% to the GDP of India. The total food service market today stands at INR 3.09 lakh crores and has grown at 7.7% since 2013. This is projected to grow to INR 4.98 lakh crores at CAGR of 10% by 2021. This year alone the Indian restaurant sector will create direct employment for 5.8 million people and contribute a whopping INR 22,400 crores by way of taxes to the Indian economy. Post GST, the government is seeing the chance to come up with an extra assortment of INR 17,000 – 26,000 crores through nearer monitoring of tax levy and assortment from the unorganized section. In short, the restaurant business is clearly a hot section, and this needs an in depth insight on the impact of GST on restaurants and also the associated stakeholders

Before Implementation of GST



Ater Implementation Of GST



6. GST Impact on GDP Of India

Table 5. Annual Growth Rate

YEAR	ANNUAL GROWTH RATE
2016	7.5
2017	8
2018	7.1
2019	6.5

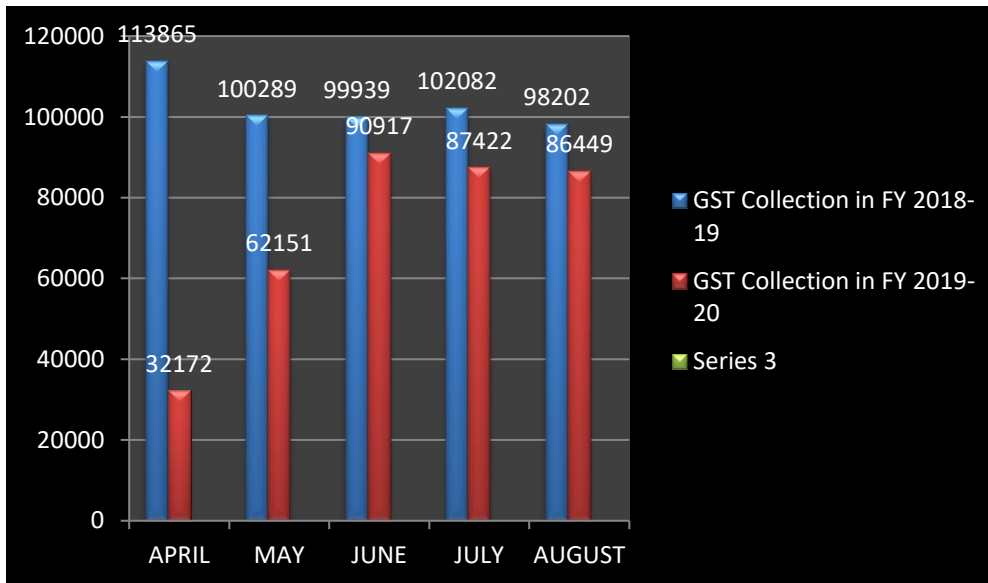
Economic growth in 2017-18 is estimated to slow to a four-year low of 6.5 per cent, against 7.1 per cent in 2016-17. This will be the lowest growth rate largely because of the adverse impact of the goods and services tax (GST) and the effects of demonetization

The overall GDP growth rate is not only projected to be lower than what was forecast by the Economic Survey in the range of 6.75-7.5 per cent, but is also just a shade higher than the 6.4 per cent registered in 2013-14.

However, it is much higher than the 5.5 per cent in 2012-13, a year known for policy paralysis.

7.GST Impact in COVID -19

Table -8 The GST collections have been severely impacted due to corona virus pandemic this year



Interpretation- The GST collection declined for the second consecutive month in August to Rs. 86,449 cr. The collection was 12% lower compare to Rs. 98202 cr. Of the same month last year.

The GST collections have declined since the beginning of this fiscal year as COVID-19 induced lockdown hampered economic activity. The revenue in April was Rs.32,172 cr.

In may was Rs. 62,151 cr. , June was Rs. 90,917 Cr. And July was Rs.87,422 cr.

CHAPTER 5 –

FINDINGS

FINDINGS

1. Implementation of GST helped in easing the tax procedures and implications.
2. GST played a crucial role in removing the cascading effect of taxes.
3. The main reason of the government behind introduction of GST was 'one nation one tax' which has been almost accomplished upto a certain extent.
4. Economic growth was estimated to slow to a four-year low of 6.5 per cent, against 7.1 per cent in 2016-17. This will be the lowest growth rate largely because of the adverse impact of the goods and services tax (GST) and the effects of demonetization
5. GST has affected working of all the sectors of the Indian Economy
6. .50% of the goods under the CPI basket have been exempted from Excise and Sales tax.
7. GST has had a significant impact on 20-25% items in the CPI basket.
8. The GST contributions have been negatively affected in the pandemic, however, a gradual comeback can be witnessed in some areas

CHAPTER 6-

CONCLUSION

CONCLUSION

The implementation of the Goods and Service Tax is one of the most significant achievements of the government of India. The vision of making India as a single tax regime is considered to be beneficial for different sectors of the Indian Economy.

In reality, the government of India couldn't achieve it completely. The Central Goods and Services Act (CGST) is the same all around India but in case of the State Good and Services Act (SGST), there are still variations for every state. It is because of the special privileges demanded by certain states and the hastened attitude of the government to implement the Goods and Services Tax as early as possible. This is considered to be another drawback for the Goods and Services Act.

One of the major advantages of the Goods and Services Tax is that it eliminated several other indirect taxes. In the central level taxes such as Central Excise duty, Additional duties of excise, Excise duty levied under Medicinal & Toilet Preparation Act, Additional duties of customs (CVD & SAD), Service Tax, Central Sales Tax, Surcharges & Cesses and in the state level taxes such as State VAT / Sales Tax, Purchase Tax, Entertainment Tax (other than those levied by local bodies) Luxury Tax, Entry Tax (All forms), Taxes on lottery, betting & gambling, Surcharges & Cesses, are eliminated after the introduction of the Goods and Services Tax. This made tax compliance less burdensome. On the contrary, the elimination of these taxes also eliminated the tax incentives and benefits provided by them.

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