

## An Overview of GST

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**Abstract:** The main objectives of this paper are to know the possibility to decrease in tax cost for business and cost of production, fiscal deficit and their impact on GDP of India, trace out the advantages of GST along with the suggestions to strengthen the mechanism of GST in India. The data collected from the 120 respondents each 40 represents from the auditors, corporate and tax practitioners selected through the convenient sampling technique. The multiple regression analysis applied to infer the results. The study found that 15.5 per cent variation in reduction in fiscal deficit was explained through the various issues of GST and found that widen the tax basis for promotion of more revenue was more favorable response towards decrease in fiscal deficit and it was followed by the remove the constraints and distortions in an economy, improve the efficiency of distribution and manufacturing activities and eradication of the multiple taxes. The study also identified that GST was more useful for management of tax followed by the optimum utilization of practices and guidelines, allow the hassle free supply of goods, decrease the tax cost for business, possibility to increase the flow of currency and growth in GDP. It is suggested that settle the cases of this act as possible as early, update with the amendments of GST, congruent with the other acts, awareness programmes on various issues of GST, see the speedy redressal of disputes, proposed to transparent services by the commissioners.

**Key Words:** GST, Fiscal Deficit, Widen the Tax Basis, Management of Tax, Tax Cost for Business, Hassle free Supply of Goods, Cost of Production.

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### I. INTRODUCTION

GST is a destination based tax which is imposed on usage of goods and services. It is levied at all stages from manufacture to the final consumption, with credit of taxes paid at previous stages available as set off. It refers to the tax will be imposed on only value addition and it is borne by the final consumer. It is a single rate for taxable goods and services in a supply chain. The arrangements identifying with enrollment, valuation, time of supply of products, time of supply of administrations, change in rate of expense in regard of supply of administrations, exclusion from installment of duty, info impose credit and usage thereof, records and records, installment, return, review, appraisal, arbitration, requests, discounts, intrigue, recuperation of assessment, offenses and punishments, investigation, pursuit and seizure, indictment and energy to capture, advances, audit, propel administering and intensifying might apply, so far as might be, in connection to the exact of assessment under this Act as they apply in connection to demand of duty under the CGST Act, 2016.

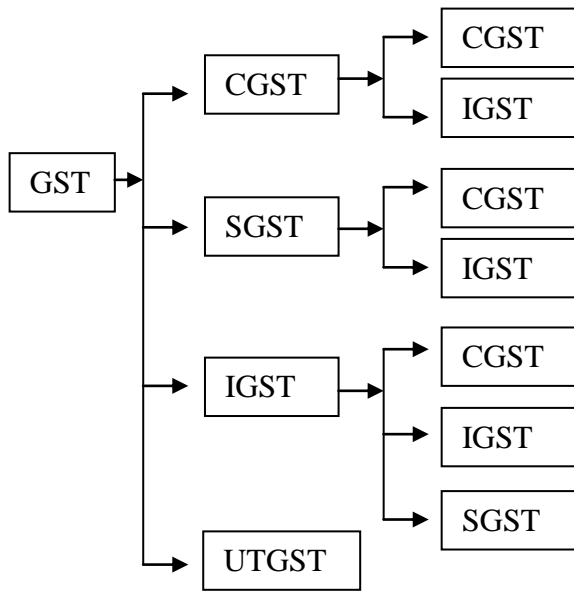
#### Necessary of GST :

The following reasons may be a cause of introduction of GST. (1) The prevailing of the cascading effect, means tax on tax, increases of the compliance cost through imposing of multiple taxes unable to meet the world competition by the exporters because of huge cost on exporters, impossibility of curb black money and corruption, and prevailing of the inefficient dispute resolution system in the current indirect tax regime.

#### Benefits of GST:

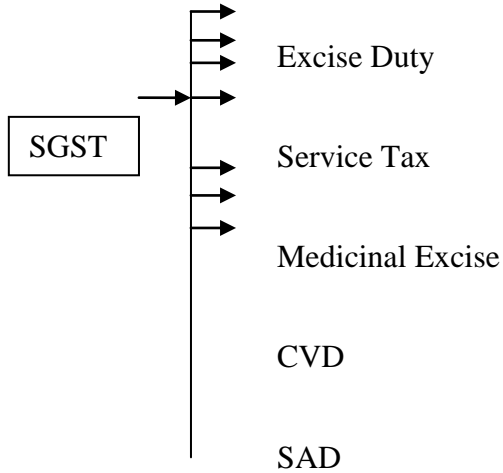
All major indirect taxes converted in to a single tax, therefore, it is a possibility in saving in procedural and compliance cost for government as well as for business man. It removes the cascading effect, tax on tax, which implies the free flow of input tax credit. Transparency in tax flow helpful to curb corruption and black money, because of all the transactions operate through the online GSTN, facilitate the effective dispute resolution system, enhance the competitiveness of India with in the world, as a result the overall growth in economy.

**Input Credit System of GST and finalization of GST Bill :**

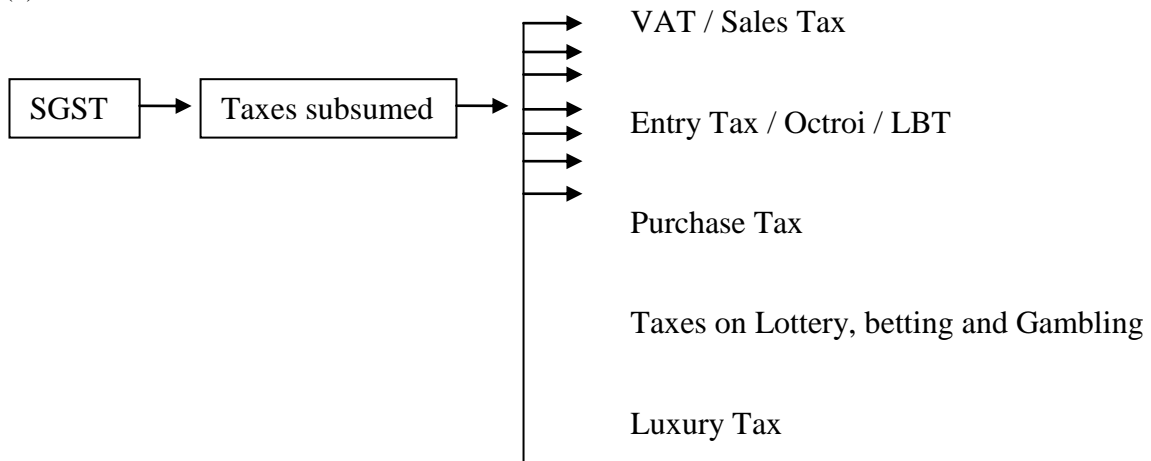


The above picture explains the components of GST. It is segregated as CGST (Central GST), SGST (State GST), Integrated GST (meant for both central and state government), whereas UTGST refers to the union territory GST.

(1) Taxes subsumed under CGST

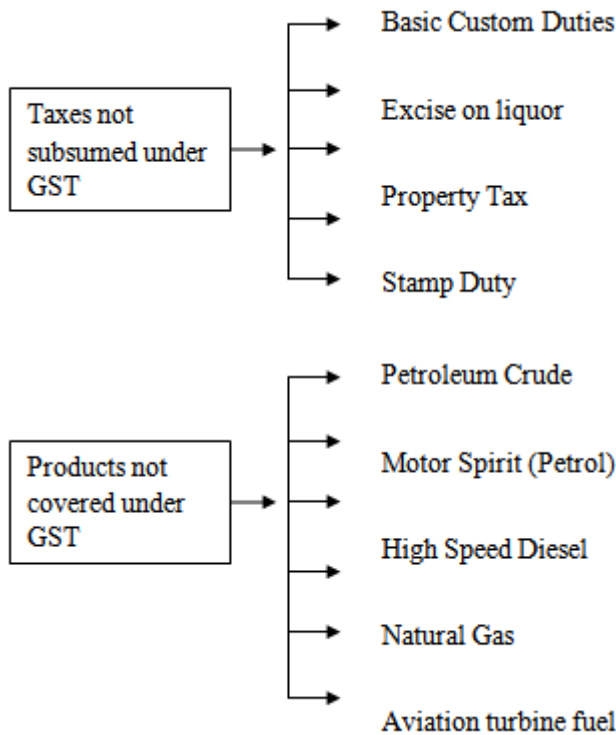


(2) Taxes subsum

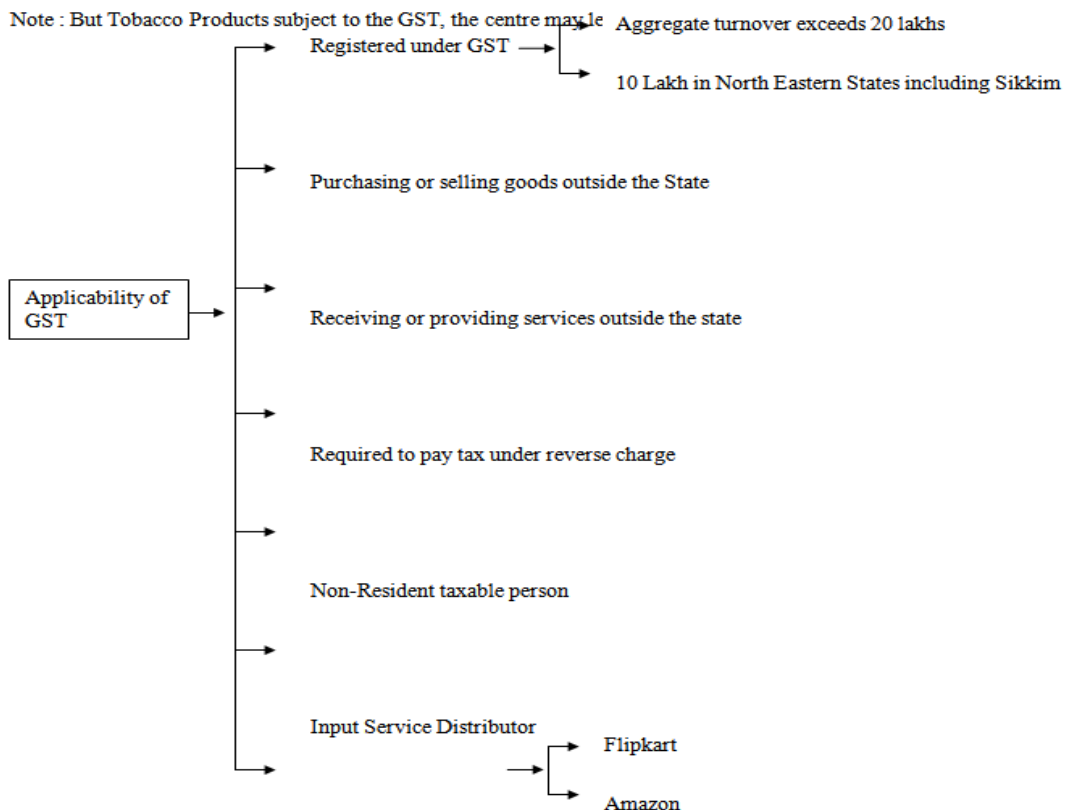


The above taxes were replaced with the GST. All the indirect taxes were replaced with unified tax structure i.e. Goods and Services Tax Act.

**Taxes not Subsumed under GST :**



The above taxes were not replaced with GST, they have been continuing as a tax component.

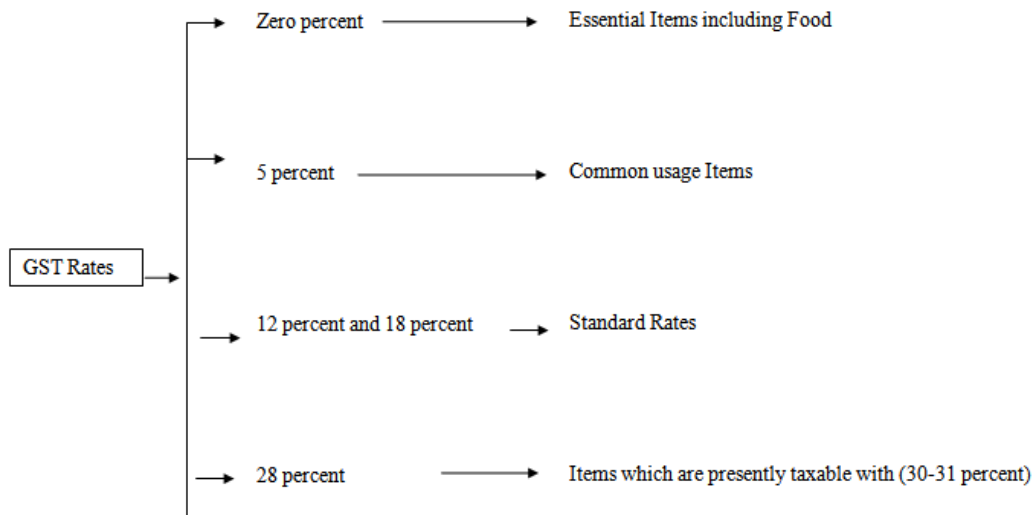


The above explains about the applicability of GST. The aggregate turnover exceeds the 20 lakhs and goods and services obtained from outside states, the GST emerges as a tax collector.

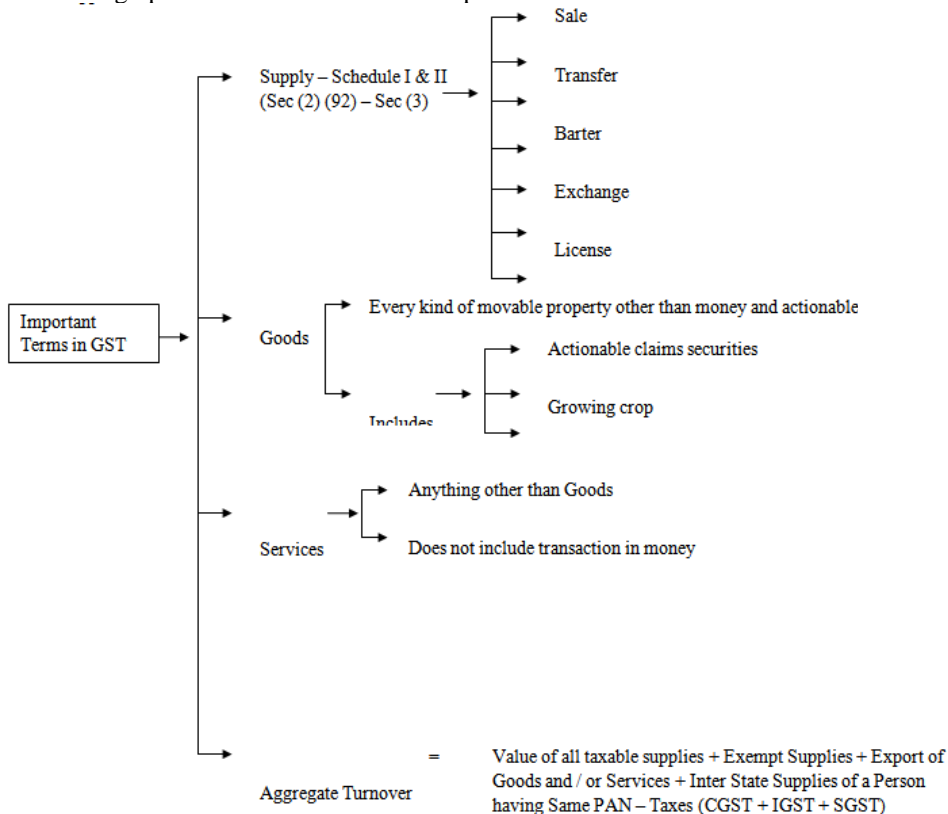
**Registration of GST :**

Every person who is liable to be registered under this act shall apply for registration in every such state in which he is also liable with in thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed. A person having multiple business verticals in a State may obtain a separate registration for each business vertical, subject to such conditions as may be prescribed. A person, though not liable to be registered under Schedule V, may get himself registered voluntarily and all provisions of this Act, as are applicable to a registered taxable person shall apply to such person.

The above applicable to different rates as a GST to collection of the taxes on various products and services. The above indicates that various terms in GST in terms of aggregate turnover, services, goods and supply.



The above graph indicates that schematic representation of the influence of GST on various issues.



**Impact of GST on a Consumer**

Particulars	Without GST	With GST
Manufacturer to whole saler		
Cost of Production	8000	8000
Add Profit Margin (40%)	3200	3200
Manufacturer Price	11,200	11,200
Add : Excise Duty (12.5%)	1,400	-
Total Value	12,600	11,200
Add VAT (13.5%)	1,701	-
Add CGST (9%)	-	1,008
Add SGST (9%)	-	1,008
Total Invoice Value	14,301	13,216
Wholesaler to Retailer		
COG to Wholesaler :	14301.000	13216.000
Add Profit Margin (10%)	1430.000	1321.000
Total Value	15,731.000	14,537.000
Add VAT 13.5%	2123.680	-
	17,854.680	14,537.000
Add CGST 9%	-	1308.330
Add SGST 9%	-	1308.330
Invoice value (COG to Retailer)	17854.680	17153.66
Retailer to Consumer :		
Add Profit Margin (10%)	1785.468	1715.36
Total Value	19640.148	18869.026
Add VAT 13.5%	2651.41	-
Add CGST ( 9%)	-	1698.210
Add SGST ( 9%)	-	1698.210
Total Price to Final Consumer	22291.55	22265.446
Cost Saving to Consumer	-	26.104

**Aggregate Turnover**

Aggregate value of following on All India Basis	Amount
All Taxable Supplies	XXX
Add All Exempt Supplies	XXX
Add Inter – State Supplies	XXX
Less Taxes charged under CGST / SGST / IGST	XXX
Aggregate Turnover	XXX

Note : Does not include inward supplies on which tax is paid under reverse charge.

The above table explains the schematic representation of impact of consumer through the GST-Goods and Services Tax Act.

**Migration of Existing Tax payers to GST :**

The provisional registration certificate (PRC) will be issued to the every registered person under the earlier law and it is valid for six months and the final Registration Certificate issued by the Central or State Government on furnishing of the prescribed information.

**Migration of Existing Tax Payers to GST – Sec. 166 :**

Access the GST common portal, create your unique user name and new password after using provisional ID and password provided by the VAT department. Login to the GST common portal with your new login details.

Verify the auto populated details from the VAT system.

Attach the E-sign i.e., digitally or Aadhar (OTP), then ARN will be issued (Application Number), Provisional ID status migrated till appointed date, on appointed date, Provisional ID status would be activated.

Carry forward of CENVAT credit – S.167 : Carry forward of input tax / CENVAT credit

Unavailed CENVAT Credit on Capital goods – Sec 168

Unavailed Credit = (Total eligible credit – Credit availed) under the earlier law

Credit of eligible duties and taxes on inputs held in stock on switching over from composition scheme Sec-172.

The credit available on inputs held in stock and inputs contained in semi finished goods or finished goods held in stock as an appointed day.

The exempted goods returned to the place of business on or after the appointed day – Sec 173. Duty / tax paid goods returned to the place of business on or after the appointed day – Sec 174. Inputs removed for Job work and returned on or after the appointed day - Sec 175.

Manufacturer and Job worker need to declare details of inputs held in stock by the job worker on behalf of the manufacturer on the appointed day, if returned after 6 months, ITC liable to be recovered as per Sec 184. Semi-finished goods removed for Job work and returned on or after the appointed day – Sec 176. Finished goods removed for carrying out certain process and returned on or after the appointed day – Sec 177. Finalization of proceedings relating to output liability – Sec 183 – Proceeding of appeal revision, review or reference relating to any output duty liability initiated before, on or after appointed date disposed of in accordance with earlier law.

Treatment of the amount recovered or refunded in pursuance of assessment or adjudication proceedings – Sec 184.

Treatment of amount recovered or refunded pursuant to revision of return – Sec 185.

Treatment of long-term construction / works contracts – Sec 186.

Progressive or periodic supply of goods or services – Sec 187.

Taxability of supplies of goods services – Sec 188

Credit distribution of Service Tax by ISD (CGST) – Sec 190

Tax paid on Goods / Capital Goods lying with agent to be allowed as credit (SGST) – Sec 192

Goods sent on approval basis returned on or after the appointed day (SGST) – Sec 195.

Deduction of tax at source – Sec 196

Branch transfers (SGST) – Sec 194

Availing CENVAT Credit (CGST Act) – Sec 197 – A person cannot be prosecuted without the prior sanction of the commissioner.

Compounding of offence is allowed except the following :

A person who had committed an offence before under GST involving supplies ` 1crore and allowed to compound, acts according to the Narcotic Drugs Act and EEMA etc.,

#### **Reverse Charge under GST :**

If an unregistered dealer sale to a registered dealer – Buyer as a registered dealer shall pay the GST under reverse charge and if an e-commerce operator supplies services than reverse charge will apply on the e-commerce operator. All the persons who are required to pay tax under reverse charge have to register for GST irrespective of the threshold.

Input tax credit on Reverse Charge :

The tax paid on reverse charge basis will be available for input tax credit, if such goods and / or services are used or will be used for business. The service recipient (who pays reverse tax) can avail the input tax credit.

GST compensation cess will also be applicable on reverse charge.

#### **Zero Percent Tax – Goods**

Jute, Fresh Meat, Fish, Chicken, Eggs, Milk, Butter, mild, curd, natural honey, fresh fruits and vegetables, flour, began, bread, Prasad, salt, bindi, sindoor, stamps, judicial paper, printed book, news papers, bangles, handloom, boxes and horn bone grist, bone meal etc., hoof meal, horn meal, cereal grains hulled polymer joggery, salt - all types, kajal, children's picture, drawing or colouring books and human hair.

**Services :** Hotels and lodges with tariff below ` 1,000, grand fathering service has been exempted under GST. Rough precious and Semi precious stones will attract GST rate of 0.25 percent.

#### **5 percent – Goods**

Fish fillet, apparel below ` 1000, packaged food items, footwear below ` 500, cream, skimmed milk powder, branded paneer, frozen vegetables, coffee, tea, spices, pizza bread, rusk, sabudana, kerosene, coal, medicines, stent, life boats, cashew nut, cashew nut in shell, raisin, ice and snow, biogas, insulating, agarbatti, kites, postage or revenue stamps, stamp post mark first day.

**Services :** Transport Services (Railways, Air Transport), small restaurants will be under the 5 percent category because their main input is petroleum, which is the outside GST ambit.

#### **12 Percent – Goods**

Apparel above ` 1000, frozen meat products, butter, cheese, ghee, dry fruits in packaged form, animal fat, sausage, fruit juice, bhutia, namkeen, ayurvedic medicines, tooth powder, agarbatti, colouring books, picture books, umbrella, sewing machine, cell phones, ketchup and sauces, all diagnostic kits and reagents, exercise

books and note books, spoons, forks, ladles, skimmer, cake serves, fish knives, tongs, spectacles, corrective, playing cards, chess board, carom board, and other board games like ludo.

Services : Non-A/c hotels, business class air ticket, fertilizers, work contracts will fall under 12 percent GST tax slab.

### **18 percent – Goods :**

Footwear costing more than ` 500, bidi patta, biscuits (all categories), flavoured refined sugar, pasta, cornflakes, mineral water, tissues, envelopes, tampers, note books, steel products, printed circuits, camera, speakers and monitors, kaja pencil sticks, Head gear and parts there of and the weighing machinery.

Services : AC hotels that serve liquor, telecom services, IT services, branded garments and financial service will attract 18 percent tax under GST, cinema tickets if ticket is below ` 100/-.

### **28 Percent Rate – Goods**

Bidis, Chewing gum, molasses, chocolate not containing coco, cvaffles and wafers coated with chocolate pan masala, aerated water, paint, deo doorants, shaving creams, after shave, hair shampoo, dye, sunscreen, wall paper, creamtiles, water heater, dish water, weighting machine, washing machine, ATM, vending machines, vacuum cleaner, shavers, hair clippers, automobiles, motor cycles, aircraft for personal use.

### **Getting Ready for GST:**

1. Prepare details of stock in hand
2. Prepare details of stock with job workers
3. Prepare details of capital goods in hand
4. Prepare details of capital goods with job workers
5. Prepare details of ITC available in such stock and capital goods
6. File form GST TRAN-1 within 60 days from appointed date
7. File from GST TRAN-1 within 60 days from appointed date
8. Encourage the suppliers to get them registered under GST
9. Keep list of transactions covered under reverse charges mechanism
10. Ensure the rates and tax ability of their products and supplies under the proposed GST regime
11. Final or last return under the existing tax regime is very crucial and will decide the amount of taxes to be carried forward into the proposed GST.

### **Costlier Items :**

Cigarette prices, commercial vehicles, mobile phones, textile and branded jewellery

### **Cheaper Items :**

Car Batteries, Paint, Cement Prices, movie ticket prices, electronic items – fans, lighting, water heaters and air coolers.

Cinema – Above `100 – 28%, Below `100 – 18%

Food, sauces revised from 18% to 12%

Dental wax revised from 28% to 18%

Plastic beads revised from 28% to 18%

School bags revised from 28% to 18%

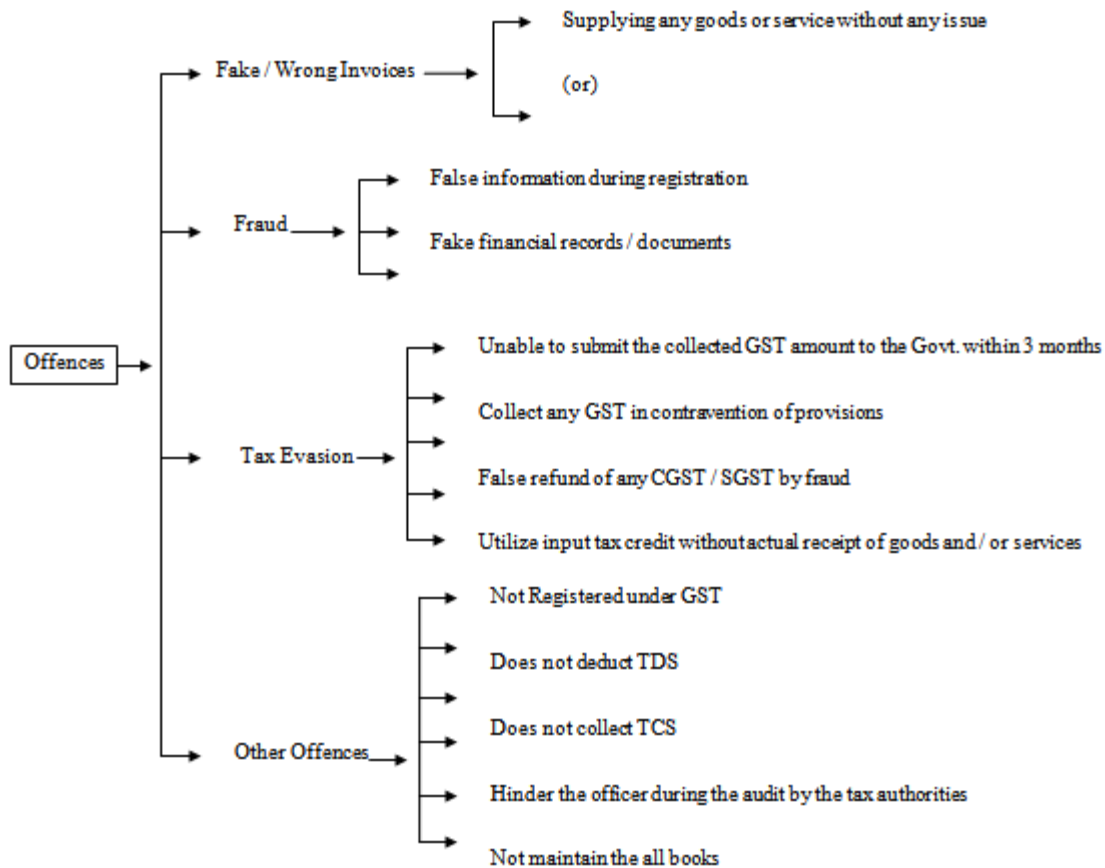
Colouring books revised from 12% to Nil (Zero)

Exercise books revised from 18% to 12%

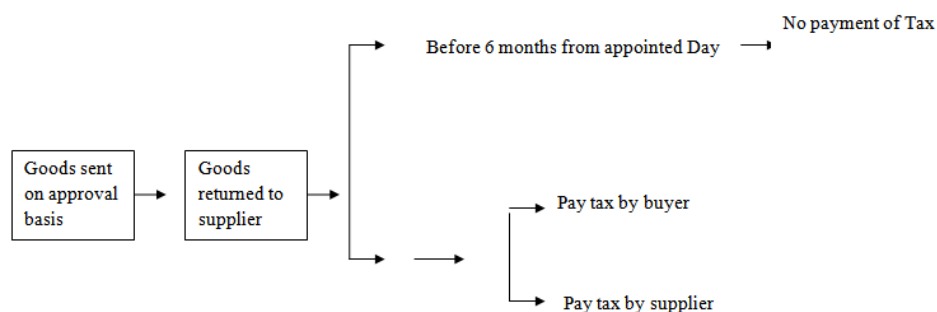
Concrete pipes 28% to 18%

Cutlery 18% to 12%

Cashew 12% to 5%



The above explains the various offences, where violation of the provisions of the GST. Where goods sent on approval basis, but if they are return by the buyer within 6 months, do not requires the payment of tax, otherwise he has to pay the tax (applicable for SGST also). Excise duty, additional excise duty, CVD and SAD with reference to stock held on 30-6-2017. GST Form TRAN-1 is to be filled by 29-8-2017, contains the details of credit claim, stock credit of excise and other related duties allowed (subject) to few conditions, and the credit allowed @ 40 percent of CGST, applicable after 1<sup>st</sup> July 2017. The credit shall be carried forward as CGST – statement comprises of the details of supplies to be submitted each month for 6 months.



The above explains the process of provisions where goods sent on approval basis.

## II. REVIEW OF LITERATURE

**Sachin Abda (2017)** opined that Present Indian tax system is very complex as it considers the cascading effects of tax. GST, make india is a unified economy through the GST. **Shefali Dani(2016)** opined that proposed GST regime may hamper the growth and development of the country. **Monika Sehrawat Upasana Dhanda (2015)** opined that It is a comprehensive tax system facilitate subsume all indirect taxes of central as well as states and form a integrated economy into single national market. **Agogo Mawuli (May 2014)** examined the “Goods and Service Tax-An Appraisal and opined that GST is not good for low-income countries and it is not useful for broad based growth to poor. **Nitin Kumar (2014)** opined that GST is useful to



remove economic distortion in existing tax system. **Pinki, Supriya Kamma and Richa Verma (2014)** Said that implementation of GST is useful for state government as well as central government along with the consumers in long run supported by the infrastructure of the information technology. **Nishitha Guptha (2014)** stated that usage of GST will facilitate to commercial benefits. **Jaiprakash (2014)** opined that GST facilitate to industry, trade, agriculture and consumers through a wider coverage of input tax set-off. **Saravanan Venkadasalam (2014)** has analysed the post effect of the goods and service tax (GST) on the national growth. **Garg (2014)** in the article named Basic Concepts and Features of Good and Services Tax in India investigated the effect and GST on Indian Tax situation and presumed that it will reinforce out free market economy. **Kumar (2014)** contemplated in the article Goods and Services Tax in India: A Way Forward foundation, noiseless components and closed with the positive effect of GST on present complex duty structure and improvement of normal national market. **Bird (2012)** abridges in the article The GST/HST: Creating a coordinated Sales Tax in a Federal Country the effect of GST will be on Canada. **Dr. R. Vasanthagopal (2011)** pointed out that the Indirect Taxation System” is facilitate drastic change from current complicated indirect tax system in India will be a positive step in booming Indian economy. **Ehtisham Ahmed and Satya Poddar (2009)** facilitate the transparent tax system through increase in output and productivity. **Engaged Committee of Finance Ministers (2009)** presented their First Discussion Paper on Goods and Services Tax in India which dissected the structure and escape clauses if any in GST

### Objectives of the Study:

1. To examine the advantages of the GST through its implementation.
2. To know the extent of reduction in fiscal deficit in India through the various issues of the GST.
3. To know the possibility to decrease the tax cost for business, and cost of production and their impact on GDP of India.
4. To offer a suitable suggestions to strengthen the mechanism of GST in India.

### III. RESEARCH METHODOLOGY

**Selection of Sample:** 120 respondents were selected from this study. Each 40 respondents represented from the category of tax practitioners, auditors and corporate.

**Sampling Technique:** The convenient sampling technique was applied to selection of the respondents.

**Collection of Data :** The data collected through the structured questionnaire from the 120 respondents comprises of 5 point scale and the secondary data also obtained from the journals and magazines.

**Tools used for the Study :** The SPSS software applied to infer the results. The techniques of the multiple regression analysis, chi-square test, and descriptive statistics of mean, std. deviation applied to infer the results.

#### Research Models

##### Research Model-1 :

**Decrease in Fiscal Deficit** =  $2.545 + 0.117 \times \text{Multiple taxes} + (-0.329) \times \text{Voluntary tax compliance} + 0.216 \times \text{Remove the constraints} + (-0.052) \times \text{Cascading in fluencies on taxation} + 0.168 \times \text{improve the efficiency of distribution and manufacturing activities}$ .

#### Personal Profile of the Respondents:

**Table 1: Personal Profile of the Respondents**

<b>Age</b>	0-20	11.7
	21-40	34.2
	41-60	16.7
	61-80	29.2
	Above 80	8.3
<b>Educational Qualifications</b>	Degree	28.3
	Post Graduation	32.5
	M.Phil	8.3
	Ph.D	8.3
	CA	7.5
	ICWAI	7.5
<b>Income</b>	ACS	7.5
	0-20000	12.5
	20001-40000	20.0
	40001-60000	23.3
	60000-80000	24.2
<b>Gender</b>	Above 80000	20.0
	Male	68.3
<b>Designation</b>	Female	31.7
	Tax practitioners	33.33
	Auditors	33.33
	Corporate	33.33

**Table 1 :** The above table discloses the higher number of the respondents (34.2 percent) belonged to the age group of 21-40 years, followed by the 61-80 years, 41-60 years, 0-20 years and above 80 years.. 32.5 percent of the respondent's possess the post graduation followed by the degree, M.Phil, CA, ICWAI as well as ACS. The 24.2 percent of the respondents earns the income between 60,001-80,000, followed by the 40,001-60,000, 20,001-40,000 and 0-20,000 and this table also depicts that the majority of the respondents (68.3 percent) belonged to the male category and rest of the confined to the female category. The study observed that equal number of participants represented from the tax practitioners, auditors and corporate.

**Table 2: Variables Entered or Removed**

Model	Variables Entered	Variables Removed	Method
1	Widen the Tax Basis for Promotion of More Revenue, Promote the Voluntary Tax Compliance, Eradication of Multiple Taxes, Remove the Constraints and Distortions in an Economy, Improve the Efficiency of Distribution and Manufacturing Activities, Elapse the Cascading Influences on Taxation <sup>a</sup>	.	Enter

- a. All requested variables entered.
- b. Dependent Variable: Decrease in Fiscal Deficit

**Source: SPSS**

Table-2 : This table discloses the variables entered as an independent variables like widen the tax basis for promotion of more revenue, promote the voluntary tax compliance, eradication of multiple taxes, remove the constraints and distortions in an economy, improve the efficiency of distribution and manufacturing activities and elapse the cascading influences on taxation

**Table 3: Test of Variability in Decrease in Fiscal Deficit through the Various Independent Variables.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.393 <sup>a</sup>	.155	.110	1.11267

- a. Predictors: (Constant), Widen the Tax Basis for Promotion of More Revenue, Promote the Voluntary Tax Compliance, Eradication of Multiple Taxes, Remove the Constraints and Distortions in an Economy, Improve the Efficiency of Distribution and Manufacturing Activities, Elapse the Cascading Influences on Taxation
- Dependent Variable: Decrease in Fiscal Deficit

**Source: SPSS:Field Study**

Table-3: This table discloses that the correlation coefficient was 0.393 and squared of it (0.393)<sup>2</sup> was 0.155 considered as a coefficient of determination and suggested that 15.5 percent of variation in decrease in fiscal deficit was explained through the widen of tax basis, voluntary tax compliance, multiple taxes, remove the constraints and distortions, improve the efficiency of distribution and manufacturing activities, and elapse the cascading influences on taxation

**Table 4: Test of Fit for the Regression Analysis.**

Model	Particulars	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	121.412	6	20.235	122.190	.000 <sup>a</sup>
	Residual	23.682	143	.166		
	Total	145.093	149			

- a. Predictors: (Constant), Widen the Tax Basis for Promotion of More Revenue, Promote the Voluntary Tax Compliance, Eradication of Multiple Taxes, Remove the Constraints and Distortions in an Economy, Improve the Efficiency of Distribution and Manufacturing Activities, Elapse the Cascading Influences on Taxation
- b. Dependent Variable: Decrease in Fiscal Deficit

**Source: SPSS: Field Study**

Table-4 : This table test for fit for the regression analysis. The sum of squares of the residual value was much more than that of the sum of the squares of the regression value at df was 119, where F value was 3.442, significance value was 0.004, hence it can be concluded that the proposed null hypothesis was rejected and alternative hypothesis was accepted and confirmed that tax basis, tax compliance, eradication of multiple taxes, remove the constraints and distortions in an economy, improve the efficiency of distribution and manufacturing activities and elapse the cascading influences on taxes on influenced at reduction in fiscal deficit at the level of 15.5 percent.

**Table 5:** Test of More Favorable Response towards the Decrease in the Fiscal Deficit through the Various Independent Variables.

Model	Particulars	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.545	.731		3.479	.001
	Eradication of Multiple Taxes	.117	.088	.122	1.326	.187
	Promote the Voluntary Tax Compliance	-.329	.107	-.278	-3.067	.003
	Remove the Constraints and Distortions in an Economy	.216	.103	.199	2.100	.038
	Elapse the Cascading Influences on Taxation	-.052	.102	-.052	-.510	.611
	Improve the Efficiency of Distribution and Manufacturing Activities	.168	.106	.149	1.584	.116
	Widen the Tax Basis for Promotion of More Revenue	.223	.108	.211	2.059	.042

a. Dependent Variable: Decrease in Fiscal Deficit

Source: SPSS:Field Study

Table-5: This table shows the more favorable response towards the decrease in fiscal deficit through the various variables. The majority of the respondents opined that widen the tax basis for promotion of more revenue was more favorable response towards the decrease in fiscal deficit, followed by the remove the constraints and distortions in an economy, improve the efficiency of distribution and manufacturing activities, eradication of the multiple taxes, but elapse the cascading influences on taxation and promote the voluntary tax compliance was negatively influenced on the decrease in fiscal deficit. This table came out with the following equation.

Decrease in Fiscal Deficit = 2.545 + 0.117 x Multiple taxes + (-0.329) x Voluntary tax compliance + 0.216 x Constraints and Distortions in an economy + (-0.052) x Elapse the cascading influences on taxation + 0.168 x Improve the efficiency + 0.223 x Widen the tax basis.

**Table 6: Descriptive Statics of Advantages of GST**

Advantages of GST	N	Minimum	Maximum	Mean	Std. Deviation
Reduce the Cost of Production	120	1.00	5.00	3.2167	1.05467
Allow the Hassle Free Supply of Goods	120	1.00	4.00	3.2000	.94913
Management of Tax	120	1.00	5.00	3.3500	1.14972
Growth in GDP	120	1.00	4.00	2.8000	1.02572
Decrease the Tax cost for Business	120	1.00	5.00	3.0250	1.13362
Possibility to Increase the Flow of Currency	120	1.00	5.00	3.0083	1.30607
Optimize the Utilization of Practices and Guidelines	120	1.00	5.00	3.2167	1.05467
Valid N (listwise)	120				

Source: SPSS: Field Study

Table-6 : This table shows the descriptive statistics of various advantages of the GST. This table indicates that majority of the respondents opined that GST was more useful for management of tax followed by the optimum utilization of practices and guidelines, allow the hassle free supply of goods, decrease the tax cost for business, possibility to increase the flow of currency and growth in GDP. Hence it can be concluded that the GST was more useful to the management of tax followed by the reduce the cost of production.

**Table 7:**

**Hypothesis-1 :**

**Null Hypothesis (H0) :** Decrease in tax cost for business absence the flow of currency in India.

**Alternative Hypothesis (Ha) :** Decrease in tax cost for business allows the more flow of currency in India.

**Table 7 A: Decrease the Tax cost for Business \* Possibility to Increase the Flow of Currency**

	Possibility to Increase the Flow of Currency					Total
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Decrease the Tax cost Strongly	0	5	0	4	0	9

for Business	Disagree	(.0)	(55.6)	(.0)	(44.4)	(.0)	(100.0)
	Disagree	0	4	4	25	5	38
		(.0)	(10.5)	(10.5)	(65.8)	(13.2)	(100.0)
	Nueutral	5	0	10	4	5	24
		(20.8)	(.0)	(41.7)	(16.7)	(20.8)	(100.0)
	Agree	9	15	5	5	5	39
		(23.1)	(38.5)	(12.8)	(12.8)	(12.8)	(100.0)
	Strongly Agree	5	5	0	0	0	10
		50.0)	(50.0)	(.0)	(.0)	(.0)	(100.0)
Total		19	29	19	38	15	120
		(15.8)	(24.2)	(15.8)	(31.7)	(12.5)	(100.0)

Table 7 B: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.371 <sup>a</sup>	16	.000
Likelihood Ratio	88.855	16	.000
Linear-by-Linear Association	22.743	1	.000
N of Valid Cases	120		

a. 15 cells (60.0) have expected count less than 5. The minimum expected count is 1.13.

Source:SPSS:Field Study

**Analysis :** The table suggests that 44.2 percent of the respondents agreed that GST was useful to the more flow of currency and also 44.6 percent of respondents opined that GST was decreases the tax cost for business by interpreting of these two results found that Pearson chi-square value was 76.371 at df was 16, significance value was 0.000, hence, it can be concluded that the proposed null hypothesis was rejected and the alternative hypothesis was accepted and came to know that decrease in tax cost for business allows the more flow of currency in India.

**Hypothesis-2 :**

**Null Hypothesis (H0) :** Reduce the cost of production do not useful to growth in GDP

**Alternative Hypothesis (Ha) :** Reduce the cost of production useful to growth in GDP

Table 8A: Reduce the Cost of Production \* Growth in GDP

		Growth in GDP				Total
		Strongly Disagree	Disagree	Nueutral	Agree	
Reduce the Cost of Productio	Strongly Disagree	0	4	0	5	9
		(.0)	(44.4)	(.0)	(55.6)	(100.0)
	Disagree	5	5	0	14	24

	(20.8)	(20.8)	(.0)	(58.3)	(100.0)
Neutral	0	19	5	0	24
	(.0)	(79.2)	(20.8)	(.0)	(100.0)
Agree	5	19	15	19	58
	(8.6)	(32.8)	25.9)	(32.8)	(100.0)
Strongly Agree	0	0	0	5	5
	(.0)	(.0)	(.0)	(100.0)	(100.0)
Total	10	47	20	43	120
	(8.3)	(39.2)	16.7)	35.8)	(100.0)

Table 12 B: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.558 <sup>a</sup>	12	.000
Likelihood Ratio	64.449	12	.000
Linear-by-Linear Association	.127	1	.722
N of Valid Cases	120		

a. 13 cells (65.0) have expected count less than 5. The minimum expected count is .42.

**Analysis :** The table 13A describes the 35.8 percent of the respondents agreed that GST was useful for growth in GDP and 36.9 percent of the respondents opined that GST was useful to reduce the cost of production and interpretation of these two calculated Pearson Chi-square value was 50.558 at df was 12 and significance value was the 0.000, hence it can be concluded that the proposed null hypothesis was rejected and the alternative hypothesis was accepted and came to know that reduction of the cost of production through GST was useful to growth in the GDP.

#### IV. FINDINGS OF THE STUDY

1. The study found that only 15.5 percent of variation had taken place in reduction of fiscal deficit through the various measures of the GST and widen the tax basis was more favorable response towards the decrease in fiscal deficit followed by the removing of constraints and distortions in an economy, enhance the efficiency of manufacturing and distribution activities.
2. The study identified that major advantage of the GST was the management of tax followed by the optimize the utilization of practices and guidelines, allow the hassle free supply of goods, decrease the tax cost for business and increase the flow of currency etc.
3. The study also identified that reduction of the tax cost for business through the GST was useful to increase the flow of currency
4. The study also observed that reduction in cost of production via GST useful to growth in GDP.

#### V. SUGGESTIONS

- 1.It is required to implementation of liability by the tax person in the time of transfer of business, amalgamation or merger of companies, company in liquidation for guardians, trustees and court of wards.
- 2.It is required to take necessary measures to settle the cases of this act as possible as early.
- 3.GST offers should update with the rules and regulations of the GST along with the proposed amendments etc.

4. It is required to congruent with the others acts of tax of entertainments, entry, luxury and duty of excise on medicinal and toilet preparation act.
5. The necessary should undertake an awareness programmes on various issues of the GST for tax payers.
6. The appellate tribunal which were established under this act, should see the speedy redressal of the disputes arising out of this act
7. The necessary authority should also take necessary measures to tax refund for the concern individuals.
8. The commissioners created under this act suggest rendering their services honestly and transparently.

## VI. CONCLUSION

Finally, it can be concluded that the implementation of GST useful for the eradication of multiple taxes, remove the problems and issues in an economy, enhance the efficiency of distribution and manufacturing activities, widen the tax basis for promotion of more revenue as a result decrease the decrease in fiscal deficit, hence economy will move from the developing countries to the developed countries.

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