

## **Analysis of initial 5 years of India's largest tax system i.e. Goods and Services Tax (GST)**

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### **INTRODUCTION**

India being a federal country, having diverse tax system has done a revolutionary change in its largest tax system that is none other than the Indirect Tax system. Businesses of India have witnessed the implementation of Goods and Services Tax (GST) throughout India on 1st July 2017.

Tax is a monetary charge or compensation which is levied on the tax payer, irrespective of it being an individual or any type of entity. It is imposed in order to generate funds for the public expenditure done by the government. It is made mandatory for the tax payer to pay taxes if it fails to pay the tax, they may be punishable. A study of its initial five years has been undertaken with regards to GST, focusing on comparative changes with regards to earlier Indirect tax system of the country. Moreover an attempt is also made to analyse inclusion of new tax payers in the system, GST workings, concept, collection of GST numbers over the five years, contribution to GST revenue from different constitution of Business, various scheme analysis under GST, concept of E way bill, facilities and ease by GST etc.

GST transform the entire indirect taxation system in India. With continuous amendments in GST it had brought in a lot of changes along with it. All these amendments affected each and every inhabitant in one way or the other. Our aim in this study is to evaluate most important changes brought in by GST and also how are all the citizens of the nation reacting to the same.

### **LITERATURE REVIEW**

#### **Banashri T (2019)**

The researcher undergo that the GST is the most rational step towards the restructuring of the taxation system. Since the GST is a one tax for one nation, all the sectors present in the Indian economy will face its impacts. Author concluded, GST will surely boost the Indian economy and take it to new heights. It was concluded in study that burden of the taxes will be similarly divided among the goods manufacturers and the service providers.

**Beja Kovic and Stefanov Rusian (2019)**

According to the researcher, there must be liberalization in the goods and service that would be available for smaller firms. They also presented the various types of informal activities like hairdressing and beauty services.

**OBJECTIVES**

A research without an objective is like a human body without a brain. When a research is done, it always has one main aim. This aim is that the research proves to be a contribution to the society. Therefore, a research must be done with the objective of doing the betterment of the society. In the above research, the researcher has striven hard and put all his efforts in the collection of data to give finest results possible, and thereby provide an optimum solution. The objectives of this study is to come up with the pros and cons of implementation of GST by the Government of India and whether ease is provided to the tax payers with regards to implementation of GST. With this in mind, we can state the objectives of this research are:

1. To study the effect of Goods And Service Tax in terms of Revenue collected for the Government
2. To study the procedures adopted in GST in terms of easy in compliances
3. To analyze the tax return filing process in GST

**RESEARCH METHODOLOGY**

This Doctrinal research is descriptive and analytical in nature. Secondary and Electronic resources have been largely used to gather information and data about the topic. Books and other reference related to GST have been primarily helpful in having this research in giving firm structure. E-books, websites and some journals have also been referred. Mainly GST 5 years analysis report of Government has been used to make research work.

**RESEARCH WORK**

**GST RETURNS:** Sections 37 to 45 cover different GST returns. A brief description for these provisions is given below. All GST returns are supposed to be filed and submitted electronically

- Furnishing details of outward supplies in Form GSTR-1

Section 37 is applicable for furnishing details of outward supplies in Form GSTR-1. This section is applicable for all registered persons (other than an input service distributor, a non- resident taxable person, a person covered by Composition Scheme and a person paying TDS/TCS under section 51/52).

All registered persons (except a few given above) shall furnish, electronically, in Form GSTR-1, the details of outward supplies of goods/services affected during a tax period.

1. Tax Invoice:- Section 31 of GST contain tax invoice. Tax Invoice is essential for any supply of goods and services, It is not necessary the supplier of goods and services issue an invoice. As per GST law it is obligatory that registered dealer purchased goods and services from unregistered dealer it is compulsory to issue tax invoice and payment voucher it is depend upon the type of registered dealer. If registered dealer purchased goods and services from free from tax distributor or getting benefit of composition scheme than a dealer a supply of bill should issue in place of invoice.

2. Essential of Tax Invoice:- Tax Invoice is the most mandatory document in GST. It is beneficial for the dealer to get input tax credit but also a valid proof for the dealer to supply of goods and services. Even a registered dealer should not get benefits of input tax credit without invoice or debit note. On the basis of invoice GST is charged at the time of supply of goods and services.

3. Usually the date of issue of an invoice is taken on the basis of supply of goods. In other condition supply of services the date of supply of service or payment of receipts whichever is earlier. GST cannot be exaggerated without invoice. It is the prime document, proofing the supply of goods and services. It is also the key document for crucial getting benefit of input tax credit.

4. Conditions of issuing Tax Invoice/ Bill of supply by registered dealer:-

- a) Description of supply of goods and services determined by timing of issue of invoice.
- b) Issue of Tax Invoice timing should be only for taxable supply of goods.
- c) Issue of Tax Invoice timing should be only for taxable supply of services.

## **FINDINGS**

- Active tax payers migrated from pre GST 47,09,386 and as on 30th June 2022, 1,38,29,686.
- Highest Returns Filed in a day - 24.85 Lakhs
- Over 90 Crores Returns filed till June 2022
- 80.20% Percentage of tax payer are register as Proprietor, whereas it contribute 13.28% in collection.
- 10.53% Percentage of tax payer are register as Partnership, whereas it contributes 7.29% in collection.

- 6.66% Percentage of tax payer are register as Company, whereas it contributes 63.22% in collection.
- Total Number of E-way Bill generated From Apr 2018 to Jun 2022, 280,05,92,362
- Number of Tax payers registered with e-Way bill system As on 30th June 2022 41,80,323
- Number of Transporters registered with e-Way bill system As on 30th June 2022 67,959
- 29,444 Officers Work on GST Back Office as on 30th June 2022

## CONCLUSION

After the analysis of this research paper work it could be concluded that GST have become far better system of indirect taxation in India than the earlier ones and it has proved itself to provide a common platform to the businesses across the country moreover it has also increased handsome amount of revenue to the Government also.

Furthermore, the study suggests that the GST framework requires continuous innovation and continuous changes in GST collection, refund or input credit, audit process, GST Council changes, GST Network and taxpayers' complaints to meet changing business needs.

With the overall observation made in the research study, we can recommend that the government can carry on with their work of GST. Moving back to the older system of taxation can be of loss as the structure of GST is extremely definite and appreciated.

However, there can be made some changes with respect to the rates of taxes of the different commodities, the period of filing returns, the ease of access of the GSTN portal and the data security of all the vendors.

With a few changes here and there, GST promises to be a boon for the Indian economy in the long run.

## REFERENCES

1. Ahuja D., , & Pandit D. (2020). Public expenditure and economic growth: Evidence from the developing countries. *FIIB Business Review*, 9(3), 228–236.
2. Statistical Report on 5 Years of GST available on GST portal