

Reviewing Pre and Post GST Implication through Cross Industry Metrics Analysis¹

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Abstract

GST being a necessary and vital tax reform in India is a system where the tax is charged at the stage of consumption from the end customer. This is collected by the state of consumption and being dual in nature is equally shared between the government at the Centre and the State under the heads CGST & SGST. Unlike Pre GST era, GST is an exhaustive tax which is charged from the end consumer and also is charged throughout the chain of production and manufacturing where it provides with the benefit of ITC (Input Tax Credit) to every stakeholder in production supply chain where tax is only charged on value addition. This research article is a novel attempt to present an overview of Goods and Services Tax, which provides a foundation for the cross comparative analysis using rates of VAT and GST for industries far and wide.

JEL Code : H2, H21

Keywords : Tax; VAT; GST; Industry; Metrics Analysis; India

I. Introduction

IN INDIA, GOODS and Services Tax (GST) began to function from July 1, 2017, with an aim to bring in uniformity in tax payment system, which was a major criterion which did not exist in pre GST era in India. Pre GST era was largely Origin Based Tax. The people who manufactured or traded the goods or provided the services had tax-paying at origin. GST being the new tax initiative in India, where India needed such kind of a tax reform, because the past taxation structure in India was full of complexities.

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6.1 Limitations

The limitations of the study are as under

- i. Since GST is still in the initial phase in the country, the tax reforms and change in rates may occur from time to time through the meetings of GST council.
- ii. The status of goods and services which are under the exempted category under GST, may change if the GST council decides the same in future meetings
- iii. Rate change is one of the main limitations but this metrics will always form a base for future Studies.

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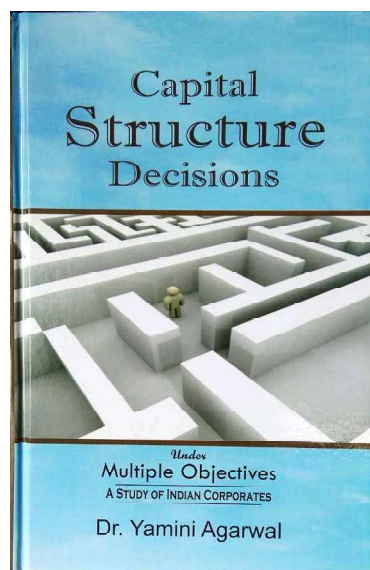
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Capital Structure Decisions under Multiple Objectives : A Study of India Corporates

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