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Book of Abstracts

NATIONAL CONFERENCE

SEPTEMBER 3 - 4, 2026

GST 2.0:
Decoding India's Economic Landscape on Sustainability, Sectoral Impact and Fiscal Dynamics - *Way forward for Viksit Bharat*



ORGANISED BY

DEPARTMENT OF ECONOMICS & PUBLIC POLICY

IN ASSOCIATION WITH

INDIAN COUNCIL OF SOCIAL SCIENCE RESEARCH

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Indian Council of Social Science Research (ICSSR)

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MESSAGE FROM THE CONFERENCE PATRON

SR. DR. ROHINI



It is a pleasure to welcome each one of you to the Two-Day National Conference, taking place on 3rd & 4th September, 2026 on "GST 2.0: Decoding India's Economic Landscape on Sustainability, Sectoral Impact & Fiscal Dynamics–Way Forward for Viksit Bharat," organised by the Department of Economics & Public Policy in collaboration with ICSSR.

GST continues to shape India's economic and fiscal landscape. This Conference provides a platform to explore its evolving dimensions, sectoral impact and role in sustainable growth, while fostering meaningful academic exchange towards the vision of Viksit Bharat,2047.

I extend my appreciation to the Department of Economics & Public Policy and ICSSR for this timely initiative and my best wishes for a successful and enriching Conference deliberation.

With Best Wishes,

Sr. Dr. Rohini
Director
Mount Carmel (Deemed to be University)
Bengaluru

MESSAGE FROM THE CONFERENCE PATRON

PROF. GEORGE LEKHA



It gives me immense pleasure to extend my warm greetings to all participants of the Two-Day National Conference titled "GST 2.0: Decoding India's Economic Landscape on Sustainability, Sectoral Impact & Fiscal Dynamics -Way Forward for Viksit Bharat," organised by the Department of Economics & Public Policy in collaboration with the Indian Council of Social Science Research (ICSSR).

The Goods and Services Tax has been a significant reform in India's taxation landscape, promoting greater integration, transparency and efficiency. This National Conference provides a forum to examine the evolving dimensions of GST 2.0, its sectoral and fiscal implications and its role in fostering sustainable and inclusive economic growth.

I congratulate the Department of Economics & Public Policy, for having collaborated with ICSSR and putting together this important academic initiative and wishing that the Conference provides a platform for fruitful deliberations towards India's journey to Viksit Bharat.

I extend my best wishes to all the speakers, researchers, faculty members and participants for a fruitful, enriching and intellectually enriching Conference.

Prof. George Lekha

Vice Chancellor (In-Charge)
Mount Carmel (Deemed to be University)
Bengaluru

MESSAGE FROM THE REGISTRAR - (IN-CHARGE)

DR. SUMA SINGH



Tax has always been a double-edged sword, a tool which fuels Government finances and at the same time a burden on citizens. Hence rational and simple framework is the key in building an efficient, just tax framework. The landmark journey towards ' One nation, One tax, One market' which India made in July , 2017 with the introduction of GST was a commendable initiative in strengthening and creating a unified tax ecosystem. The last few years of GST story has been a story of widening of the tax net, rationalising the tax slabs, addressing States concerns and also improving the quality of GST framework.

The 2 day ICSSR National Conference hosted by the Dept of Economics & Public Policy which brings along tax experts, academicians, industry representatives, researchers and policy makers should be a forum for addressing the pressing issues which pose a challenge to the GST framework and lay the pathway to strengthening one of India's biggest reforms. Congratulations to the organizers and best wishes !

Dr Suma Singh

Registrar (In-Charge)

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Bengaluru

MESSAGE FROM THE CONFERENCE CONVENOR and CO-CONVENOR



DR. ANJANA MANI
CONVENOR



DR. VIJAYAPRIYA
CO-CONVENOR

It gives us immense pleasure to welcome you to the Two – Day National Conference on '*GST 2.0 - Decoding India's Economic Landscape on Sustainability, Sectoral Impact and Fiscal Dynamics – Way forward for Viksit Bharat*' being organized by the Department of Economics and Public Policy, Mount Carmel (Deemed to be University), Bengaluru.

In today's rapidly evolving world, the exchange of knowledge, ideas, and experiences has become essential for academic excellence, innovation, and meaningful societal progress. This conference has been conceived as a platform that brings together academicians, researchers, industry experts, practitioners, and students to share their insights, present their research, and engage in constructive dialogue on contemporary issues related to GST 2.0 – The Next Generation GST Reforms.

Approval to the rationalisation of GST rates was unleashed from September 22, 2025. GST, the one nation one indirect tax, a step towards citizen-centric & simplified taxation system , underwent reforms during the 56th GST Council Meeting held in September 2025. The announcement of tax relief was during the festive season, which is a big sigh of relief to the aam aadhmi - as it is a financial relief to the dominant middle class, as it covers essentials, vehicles, cement, fitness memberships and the like, which is designed to comfort disposable income and thus peg up consumer spending. Twenty-two years ahead in 2025, GST 2.0 visualises the government's focus on Viksit Bharat 2047. India has achieved to become the world's fourth largest economy in terms of GDP. Consumption provides more or less 60% boost to the nation's GDP.

We hope that the deliberations, presentations, and interactions during the conference will provide meaningful opportunities for learning, collaboration, and professional growth. We are deeply grateful to our distinguished speakers, delegates, organizing committee members, faculty, students, and all those who have contributed to making this conference possible.

We warmly invite all participants to engage actively in the sessions and make the most of this enriching academic platform. We are confident that the conference will be intellectually stimulating, inspiring, and memorable.

Welcome to the conference, and we wish you all a fruitful and enriching cum learning experience.

Dr. Anjana Mani
Department of Economics & Public Policy
Mount Carmel (Deemed to be University)

&

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Head of Dept. of Economics & Public Policy
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Executive Summary

The Two-Day National Conference on "GST 2.0 – Decoding India's Economic Landscape: Sustainability, Sectoral Impact and Fiscal Dynamics – Way Forward for Viksit Bharat", organised by the Department of Economics & Public Policy in collaboration with the Indian Council of Social Science Research (ICSSR) on 3rd and 4th September 2026, provides an important academic platform for examining the evolving dimensions of India's Goods and Services Tax regime. The conference focuses on the emerging framework of GST 2.0 and its implications for India's fiscal architecture, economic growth and development trajectory. The broad conference theme is explored through diverse sub-themes, including GST and MSMEs and start-ups; sectoral growth and macroeconomic dynamics; fiscal sustainability; ease of doing business and ease of living; GST and the health and education sectors; Artificial Intelligence and automation in GST networks and compliance; GST and sustainable development, including the circular and green economy; judicial and legal perspectives; socio-cultural dimensions; and regional perspectives, including the impact of GST on the Karnataka economy. Together, these themes reflect the multidisciplinary nature of GST and its relevance to India's vision of an inclusive, sustainable and economically progressive Viksit Bharat.

The conference has received more than 40 scholarly contributions, on a diverse range, from researchers, academicians, practitioners and students, reflecting contemporary debates and emerging research perspectives on GST and India's evolving economic landscape. The papers encompass empirical studies, theoretical explorations, conceptual analyses, policy-oriented research and sector-specific assessments. Collectively, these contributions examine the implications of GST reforms across different sectors and stakeholders while engaging with issues relating to taxation, fiscal policy, economic growth, technology, sustainability, governance and regional development. The range of papers presented at the conference demonstrates the growing importance of interdisciplinary research in understanding the opportunities and challenges associated with GST 2.0 and provides valuable insights for researchers, policymakers, industry stakeholders and other practitioners.

The Research Publication Team in collaboration with the Centre for Research and Development is pleased to bring together the abstracts of the scholarly contributions presented at the conference through these Abstract Proceedings. This publication represents an important effort towards documenting and disseminating the research deliberations and diverse perspectives emerging from the conference. The proceedings will serve as a useful academic resource and provide a foundation for further research and policy discussions on India's indirect tax system and its evolving role in shaping the country's economic future.

The Research Publication Team places on record its sincere gratitude to the Indian Council of Social Science Research (ICSSR) for its collaboration and support in organising this national conference. We also extend our heartfelt appreciation to Dr Kavita Singh, Director, Centre for Research and Development, for her guidance and support in facilitating this academic initiative. A special note of appreciation is extended to the entire team of the Carmelite Journal for their dedicated efforts in bringing together and publishing the Abstract Proceedings of the Conference. Their collective commitment and contribution have played a significant role in documenting the intellectual deliberations of this important academic event and ensuring the wider dissemination of the scholarly work presented at the conference.

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GST Reforms and Ease of Doing Business: Implications for Work–Life Balance Among Women Employees in Public Sector Banks – A Conceptual Perspective

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ABSTRACT

The Goods and Services Tax (GST), introduced in India in 2017, represents one of the country's most significant indirect tax reforms aimed at simplifying the tax structure, promoting transparency, strengthening digital governance, and enhancing the Ease of Doing Business. Over time, GST has evolved beyond a fiscal reform into a catalyst for organizational transformation, particularly within public sector banks that facilitate tax payments, digital banking services, financial transactions, and customer support. Consequently, women employees in public sector banks have experienced changing job responsibilities, increased digital adaptation, evolving customer expectations, and greater compliance-related work, all of which have important implications for their work–life balance. Despite the growing body of literature on GST reforms and work–life balance, limited conceptual research has integrated these dimensions from the perspective of Ease of Doing Business and organizational transformation.

"The present conceptual paper synthesizes existing literature and relevant theoretical perspectives to develop a conceptual framework explaining the relationship between GST reforms, Ease of Doing Business, and sustainable work–life balance among women employees in public sector banks. The study adopts a qualitative conceptual research design based on an extensive review of recent literature, government reports, policy documents, and theoretical perspectives. The conceptual framework is developed by integrating the Job Demands–Resources (JD-R) Theory, Spillover Theory, Border Theory, and Conservation of Resources Theory to explain how GST-driven organizational changes influence employee well-being and work–life balance.

The proposed framework suggests that GST reforms improve business efficiency and digital governance while simultaneously increasing workload, technological adaptation, and customer service responsibilities among women employees. However, organizational support, digital competency, flexible human resource practices, and employee well-being initiatives can mitigate these challenges and promote sustainable work–life balance. The study contributes to the existing literature by linking fiscal reforms with human resource management and organizational behaviour, thereby extending the discussion of GST beyond taxation and economic outcomes. The findings offer valuable insights for policymakers, banking administrators, and researchers in designing employee-centric strategies that support both organizational efficiency and employee well-being in the evolving digital banking environment.

Keywords: *GST Reforms, Ease of Doing Business, Public Sector Banks, Women Employees, Work–Life Balance, Digital Governance, Organizational Support, Employee Well-being.*

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Goods and Services Tax (GST): Catalyzing Ease of Doing Business and Ease of Living in India

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ABSTRACT

One of the biggest indirect tax reforms in India was the introduction of the Goods and Services Tax (GST) on July 1, 2017. GST aimed to establish a common national market, improve economic efficiency, and streamline tax administration by substituting a single tax system for several central and state indirect taxes. As India moves into the next stage of tax reform, known as GST 2.0, the focus has turned from implementation to assessing its impact on inclusive development, sectoral transformation, sustainable economic growth, and fiscal stability. The main objective of the present study is to examine how GST has improved Ease of Doing Business (EoDB) and Ease of Living (EoL) while contributing to India's shifting economic environment under this dynamic regulatory framework. In addition to analysing its effects on consumers and businesses, the study aims to assess how the Goods and Services Tax (GST) has streamlined the tax structure, improved tax compliance, enabled interstate trade, promoted digital governance, and increased transparency.

The study employs a descriptive and analytical methodology that is solely based on authentic secondary data obtained from government publications, reports from the Reserve Bank of India , the GST Council, the Ministry of Finance, the Central Board of Indirect Taxes and Customs (CBIC), World Bank reports, NITI Aayog publications, research articles, and peer-reviewed journals. In order to understand the successes and difficulties related to GST implementation, the collected data has been qualitatively analysed.

The findings reveal that GST has significantly improved India's business environment by lowering cascading effect of "tax on tax," establishing a single national market, facilitating smooth goods movement by doing away with interstate checkpoints, promoting digital tax administration, and boosting tax compliance transparency. E-way bills, e-invoicing, and online return filing have decreased transaction costs and increased organisations'operational efficiency. From the standpoint of ease of living, GST has improved government income mobilisation for public welfare programs by encouraging uniform taxation, raising consumer awareness through transparent pricing, and growing the formal sector. By moving common consumer goods, everyday necessities, and essential healthcare items into lower tax levels (such the 5% slab) or making them tax-free, GST has simultaneously improved EoL. By reducing pricing distortion, the shift to a more straightforward two-slab framework (5% and 18%) directly improves consumer welfare and purchasing power. However, the study also points out challenges such regular tax rate adjustments, small business compliance burdens, technical difficulties during the early stages of implementation, and complexity brought on by several tax slabs.

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The study concludes that GST has emerged as a revolutionary fiscal reform that has improved the tax system and contributed greatly to both ease of doing business and ease of living. Continuous policy revisions, simplification of compliance procedures, rationalisation of tax rates, and strengthening digital infrastructure are required to maximise the long-term benefits of GST. The findings give useful insights for policymakers, scholars, and practitioners interested in India's tax reforms and economic progress.

Keywords: *Goods and Services Tax (GST), Ease of Doing Business, Ease of Living, Tax Reform, Digital Governance*

Reform or Festive Season? Disentangling GST 2.0's Short-Run Revenue Impact from Seasonal Effects Using State-Level Panel Data

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ABSTRACT

In September 2025, India's GST Council approved a significant rate rationalization — consolidating the existing four-slab structure into a simplified two-rate system (5% and 18%), effective 22 September 2025, alongside procedural reforms effective 1 October 2025 (collectively referred to here as "GST 2.0"). Evaluating the short-run revenue impact of this reform is complicated by its timing: the reform took effect immediately before India's peak festive consumption season (October–December), making it difficult to attribute observed changes in GST collections to the policy rather than to predictable seasonal demand.

This paper attempts to separate these two effects using a state-month panel dataset of monthly GST collections drawn from publicly available GST portal data and PIB press releases, covering January 2020 through December 2025 across 36 states and union territories. We estimate an OLS regression with state and month fixed effects, where state fixed effects absorb time-invariant differences across states and month fixed effects capture shared seasonal patterns, allowing us to characterize post-reform collection trends against historical baselines. Standard errors are clustered at the state level to account for within-state serial correlation.

Preliminary findings suggest [to be updated], though we caution that only four post-reform months are currently available, which substantially limits causal inference. We discuss the identification challenges inherent in evaluating a single nationwide policy shock that coincides with a known seasonal spike, and present our results as a descriptive baseline for future evaluation as additional data accumulates.

Keywords: *GST 2.0, tax reform, panel data, fixed effects, seasonality, GST collections, India, state-level analysis*

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Substance over Form? Classifying Digital Logistics under GST 2.0

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ABSTRACT

The accelerated expansion of India's digital economy has fundamentally altered e-commerce logistics, establishing an indispensable necessity for an efficient and transparent tax framework. Consequently, the introduction of GST 2.0 represents a significant reform in accommodating crucial modifications such as rate rationalization, comprehensive digitization, automated tax administration via Artificial Intelligence (AI), and heightened operational transparency. Despite all these innovations, there are still legal and compliance challenges in classifying logistics services, namely Good Transport Agencies (GTA), local deliveries, and courier services. As per Section 65B(26) of the Finance Act, 1994, "Goods Transport Agency means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called" (Government of India, 1994). According to Notification No. 32/2017-Central Tax (Rate), GTA services to unregistered customers are exempt from GST (Central Board of Indirect Taxes and Customs [CBIC], 2017). However, local delivery services through an e-commerce operator are taxed at 18% under Notification No. 17/2025-Central Tax (Rate), effective 22 September 2025 (CBIC, 2025). Consequently, the exact same delivery can be either tax-exempt or taxed at 18%, depending entirely on its classification. This sharp contrast is precisely why the jurisdictional boundary between these two categories remains a major point of dispute. Despite this differentiation, no clear definition was established for the term "local delivery, " though the 2025 notification did not legally establish a definition, leading companies to adopt inconsistent interpretations. This issue was further exacerbated by a leading e-commerce marketplace, Flipkart India Private Limited, which sought to have its delivery model classified as GTA rather than local delivery supporting its retail operations.

This paper adopts a doctrinal approach and analyzes secondary data including legislative frameworks, judicial and quasi-judicial rulings, and legal commentaries, focusing particularly on ongoing litigation against Flipkart India Private Limited's classification of the nature of delivery.

Correspondingly, the jurisdictional enforcement has been inconsistent. The West Bengal Authority for Advance Ruling (WBAAR) initially determined that Flipkart's proposed model qualified as GTA, basing its judgment primarily on the provision of a single consignment note exempting unregistered customers. However, this ruling was overturned on appeal. The Appellate Authority for Advance Ruling concluded that the establishment's operations aligned with courier or delivery services rather than GTA (West Bengal Appellate Authority for Advance Ruling, 2025). Flipkart has since challenged this decision before the Kolkata High Court, where litigation remains pending. Thus, "local delivery" is interpreted on a

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residuary basis, linking it to provisions of GTA rather than an independently defined category. Furthermore, the ruling highlights the limitations of jurisdiction-specific advance rulings, as Flipkart has received differing decisions across states, raising concerns over regional fragmentation of the "One Nation, One Tax" model.

In conclusion, the ambiguity has been structural rather than inadvertent, undermining the "One Nation, One Tax" philosophy of the GST framework. When identical e-commerce delivery models face vastly divergent tax treatments based solely on state boundaries, the national market becomes fragmented. Thus, a centrally issued statutory clarification is essential to ensure uniform GST interpretation and reduce reliance on jurisdiction-specific advance rulings.

Keywords: *GST 2.0; Goods Transport Agency; Local Delivery; Logistics.*

GST and Its Impact on MSME Competitiveness: Pathways for Startup Growth in India

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ABSTRACT

India's Goods and Services Tax (GST) reshaped the country's tax landscape by unifying markets and improving transparency. This article looks at how GST has affected MSME competitiveness and startup growth, comparing performance before and after its rollout. Findings show GST has eased interstate trade, improved access to input tax credits, and pushed more businesses into the formal economy. Case studies from manufacturing, logistics, and services reveal a mixed picture: mid-sized firms and tech startups have used GST to scale and attract investment, while micro-enterprises still struggle with compliance costs and limited digital access. The article closes with policy suggestions to support MSMEs and startups going forward.

Key Words: *Goods and Services Tax (GST), MSME competitiveness, Startup growth, Tax compliance, Input tax credit, Entrepreneurial ecosystem, Policy reforms. India*

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Has GST 2.0 Actually Helped MSMEs? A Study of Compliance, Cash Flow and Formalization in India

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Has GST 2.0 Actually Helped MSMEs? A Study of Compliance, Cash Flow and Formalization in India
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ABSTRACT

In 2025-26, India rolled out GST 2.0 which brings a simple two-slab rate structure, automated return filing and new compliance thresholds. Small and medium businesses make a large share of jobs and exports in the country, but they have also complained that GST compliance costs them far more than it costs larger firms. This study looks at whether GST 2.0 has actually eased that burden, whether it has freed up cash flow for these businesses, whether more small firms are now willing to register formally or stay hiding.

The study uses GST Network collection data, Ministry of MSME reports and RBI credit figures by comparing two years before the reform with the period after to see what changed in registrations, refund processing time and working capital in Karnataka. Along with this the registered MSMEs' time on filing digitally is also observed and how the new digital process feels to use and whether it has reduced the burden in business is also monitored.

Many studies show that the filing times have come down noticeably since the GST portal started using automated processing and new registrations ticked up in the two quarters after the reform took effect. But refunds are still slow and that remains the biggest cash-flow menace for small firms, especially the very smallest ones sitting near the exemption limit. Manufacturers seem to have gained more from the new rate structure than service businesses, which are still running into confusion over which slab they fall under. Firms that were already comfortable with digital accounting adjusted to the new system much faster than those that weren't.

Taken together, this suggests GST 2.0 has made life somewhat easier for MSMEs, but not evenly so. The automation behind return filing seems to matter more than the rate changes themselves. What's holding the reform back from delivering on its bigger promise, getting more small businesses into the formal economy, are the slow refunds and the gap in digital readiness between firms. The paper concludes with a few practical suggestions, faster refunds tied to turnover size and cluster-level digital training and argues that simplifying tax rules is a good first step but not enough on its own to drive inclusive growth under Viksit Bharat.

Keywords: *GST 2.0, MSMEs, Compliance Burden, Formalization, Ease of doing business*

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Beyond Green Tax Cuts: Producer Incentives and the Structural Gaps of India's GST 2.0

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ABSTRACT

Can strategic tax design truly advance environmental sustainability? In September 2025, India undertook a significant rationalisation of its Goods and Services Tax rate structure, commonly known as GST 2.0, with several of the resulting rate changes positioned as measures to support this goal and India's Viksit Bharat 2047 agenda. This paper examines whether these sustainability-linked reforms, actually reshape the cost structures facing domestic producers of green and circular goods, or whether their effect stops at what consumers pay at the point of sale. Evidence is drawn from two areas where this question can be tested against primary fiscal and legal sources: the tax treatment of renewable energy equipment, and of recycled materials relative to virgin inputs.

The reduction of GST on renewable energy equipment from 12% to 5% reintroduces an inverted duty structure that the GST Council had itself corrected through a 2021 rate increase, a problem the government has acknowledged. The refund mechanism offered as a remedy falls short in two respects. Under Section 54(3) of the CGST Act, refunds cover input goods only, leaving out the input services and capital goods where most blocked working capital accumulates. In practice, a later measure meant to speed up these refunds addressed only their disbursement, not their scope. The plastics sector offers a second case. Virgin plastic polymers and recycled plastic scrap remain subject to an identical 18% rate, narrowing the cost advantage recycled alternatives would otherwise hold over virgin plastic, discouraging formalisation of the recycling value chain and sustaining informal scrap trade.

The paper outlines the observed linkages between GST 2.0 rate structures, inverted-duty jurisprudence, and circular economy cost frameworks, concluding with a discussion on structural interventions, such as evaluating the scope of refund eligibility and considering a differentiated virgin-recycled tax schedule, to better align fiscal policy with long-term circular economy objectives. The full study will examine these and related interventions in greater detail, assessing their likely impact on domestic manufacturing competitiveness and the formalisation of India's recycling sector.

Keywords: *GST 2.0, Inverted Duty Structure, Circular Economy, Renewable Energy Taxation, Green Tax*

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GST Compliance Burden and Working Capital Stress Among Micro and Small Enterprises in Tamil Nadu: An Econometric Investigation Using Binary Logistic Regression

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ABSTRACT

Tamil Nadu, home to over 47.37 lakh registered Micro, Small and Medium Enterprises (MSMEs) and one of India's most industrially diversified states, presents a compelling context for examining the compliance architecture of the Goods and Services Tax (GST). Despite the state's economic sophistication, micro and small enterprises — which constitute over94% of Tamil Nadu's MSME base — continue to report disproportionate compliance costs under GST, primarily manifesting as Input Tax Credit (ITC) blockage-induced working capital stress.

This paper investigates one precisely defined research problem: whether GST return filing frequency is a statistically significant predictor of working capital stress among micro and small enterprises in Tamil Nadu, and which enterprise-level characteristics moderate or amplify this relationship. Using secondary data exclusively from authoritative government sources — including the GST Council Annual Report (2022–23), Ministry of MSME Annual Report (2023), Reserve Bank of India State Finances Report (2023), Tamil Nadu Economic Appraisal (2023–24), and GSTN Compliance Statistics (2023) — and employing Binary Logistic Regression as the primary econometric tool, the study constructs a model in which working capital stress — operationalised as ITC blockage exceeding thirty days — serves as the binary dependent variable.

Findings reveal that filing frequency, enterprise size, digital literacy, and supplier compliance rate are all statistically significant predictors of working capital stress. Micro enterprises in Tamil Nadu face 2.6 times higher odds of ITC-induced working capital stress compared to small enterprises. The paper concludes with three targeted, evidence-based, and fiscally feasible policy recommendations for GST 2.0, directly aligned with Tamil Nadu's industrial profile and the national vision of Viksit Bharat 2047.

Keywords: *GST Compliance, Working Capital Stress, Input Tax Credit, Micro and Small Enterprises, Tamil Nadu, Binary Logistic Regression, Viksit Bharat.*

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One Nation, One Tax: Assessing the Role of GST in Promoting Social Integration and Economic Unity in India

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ABSTRACT

The introduction of the Goods and Services Tax (GST) in July 2017 marked a major restructuring of India's indirect tax regime, with the explicit ambition of creating a unified national market under the slogan "one nation, one tax." This paper examines the extent to which GST has contributed to economic unity and social integration in India, drawing exclusively on secondary data from official government sources and reputable research institutions. The analysis focuses on three interrelated dimensions: fiscal integration, market integration, and social–economic inclusion. Using annual macro-fiscal indicators and derived measures of interstate trade intensity, vertical fiscal imbalance, and formalisation of the economy, the study explores the evolving relationship between GST revenues, interstate trade, and labour-market outcomes, and sketches an extension to state-level panel analysis. It supplements this with a synthesis of sectoral evidence on small and medium enterprises (MSMEs), consumption patterns, and state-level experiences under the GST and recent GST 2.0 slab rationalisation.

The empirical strategy combines descriptive trends with reduced-form econometric models that link GST performance to macro aggregates and indicators of formalisation and interstate economic activity. The results suggest that GST has facilitated a gradual deepening of economic integration, reflected in rising interstate trade shares and a modest reduction in centre–state vertical imbalance, while also supporting a slow but persistent shift towards formalisation. At the same time, benefits appear uneven across regions and sectors, with compliance burdens and design features limiting progress on social inclusion and equity. The paper concludes that GST has advanced economic unity to some extent but remains a work in progress in terms of social integration, requiring careful calibration of rates, robust compensation and support mechanisms, and sustained institutional backing for states and vulnerable economic actors.

Keywords: *Goods and Services Tax (GST); economic unity; social integration; interstate trade; fiscal federalism; India*

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Assessing the Role of GST in Advancing Circularity and Sustainability Across India's Electric Vehicle Ecosystem

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ABSTRACT

Circular Economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible (The European Parliament, 2023). The transition to electric mobility has become a central component of India's strategy to achieve circularity, sustainable development, and foster green economic growth. To accelerate this transition, the Government has employed the Goods and Services Tax (GST) as a fiscal policy instrument by providing concessional tax rates on electric vehicles (EVs). However, while studies have largely evaluated the effectiveness of GST incentives in stimulating EV adoption, limited attention has been paid to the extent to which the current GST framework supports the broader principles of a circular economy across the entire EV value chain. The study addresses this research gap by assessing the role of GST in advancing circularity and lifecycle sustainability within India's electric vehicle ecosystem.

Adopting a descriptive and exploratory research design based on secondary data, the study undertakes a policy analysis of GST notifications and rate schedules, reports published by the GST Council, NITI Aayog, the Ministry of Finance, the Ministry of Environment, Forest and Climate Change, and the Ministry of Heavy Industries, along with regulatory frameworks governing battery waste management and e-waste. The analysis extends beyond vehicle purchase incentives to examine the taxation of battery repair, refurbishment, reuse, recycling, charging infrastructure, reverse logistics, and end-of-life waste management.

The study highlights that India's concessional GST regime has effectively supported the adoption of electric vehicles, but the existing tax structure remains predominantly oriented towards a linear model of production and consumption. The differential tax treatment accorded to downstream circular economy activities, including battery refurbishment, recycling, and resource recovery, creates policy inconsistencies that may inadvertently discourage lifecycle sustainability and resource efficiency. Consequently, the existing GST framework inadequately supports fiscal objectives related to lifecycle resource efficiency, refurbishment, recycling, resource recovery, battery circularity, waste minimisation, and secondary material recovery, thereby limiting the transition towards a circular and sustainable EV ecosystem.

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The paper contributes to the emerging discourse on sustainable taxation by repositioning GST from a conventional indirect tax mechanism to a strategic policy instrument capable of enabling circular economy transitions. It proposes a lifecycle-oriented GST framework that better aligns taxation with India's sustainability commitments, resource efficiency goals, and the vision of Viksit Bharat 2047. The study suggests policy recommendations for strengthening fiscal support across the entire EV lifecycle and provides a conceptual foundation for integrating taxation with circular economy governance in emerging green industries. As electric mobility increasingly reshapes urban transportation, concerns about EV battery longevity should be understood based on existing empirical evidence. Nearly all EVs remain operational on their original factory-installed batteries, with failure rates below 1% in newer vehicles, and only under 1% to 5% of EV batteries are currently recycled or remanufactured. Expanding battery repair and circular economy practices will be essential for reducing electronic waste, lowering ownership costs, and ensuring the long-term sustainability of the EV ecosystem.

Keywords: *Goods and Services Tax (GST), Electric Vehicles (EVs), Circular Economy, Sustainable Mobility, Green Economy, Battery Recycling, Lifecycle Sustainability, Fiscal Policy, Indirect Taxation.*

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A Comparative Analysis of the Goods and Services Tax (GST) of India and the Value Added Tax (VAT) of the United Arab Emirates and Saudi Arabia: Lessons to Learn from Each Other

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ABSTRACT

India implemented the Goods and Services Tax (GST) on 1st July, 2017 and clocks 9 years of GST implementation as on July 2026. Saudi Arabia and the UAE implemented Value Added Tax (VAT) in 2018 under a unified Gulf Cooperation Council (GCC) framework, replacing historic tax-free systems to diversify their national revenues and reduce heavy economic dependence on oil exports. All the three nations launched their new tax structures with the aim of generating reliable, sustainable income to fund public services, upgrading infrastructure, and supporting long-term economic competitiveness in their respective countries. At the outset, the broad differences between the tax regimes are that the UAE uses a streamlined 5% standard rate while Saudi Arabia hiked its rate to 15% in 2020 and India has a multi-layered GST model in place. This article focuses on the new tax journeys of the three nations across a period of 8-9 years since its implementation. The article makes a comparative analysis of the problems faced by the UAE and Saudi Arabia such as increase in the cost of living, wage stagnation, rising costs of business compliance, loss of regional advantage, besides others. India on the other hand has multiple tax slabs which causes confusion among tax payers, exclusion of key sectors, technology glitches, tax evasion and high compliance burden. The researcher observes both similarities and differences in the taxation systems of these three countries and opines that the countries can learn from each other's experiences to bring about improved outcomes for their respective citizens.

Keywords: *GST, VAT, Comparative Study, Bottlenecks in GST.*

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An Exploring Study on the Impact of GST on the Growth of Women Entrepreneurs

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ABSTRACT

In India, one of the largest indirect tax reforms is the introduction of Goods and Services Tax (GST). It aims at having a unified tax system and simplifying business transactions for the business community. Whether women entrepreneurs can contribute towards economic development through job creation, innovation, and inclusive growth will be explored through much analysis. The outcome of this study will also include a number ofdifficulties women entrepreneurs face i.e. those running micro and small businesses. Challenges such as the lack of awareness of GST laws, difficulties in filling in returns, dependence on digital technology, compliance cost, and lack of financial and technical assistance will be included in the list of challenges faced by women entrepreneurs . The findings reveal that GST has encouraged formalization of businesses, improved transparency in tax administration, enabled input tax credit benefits, and enhanced opportunities for women entrepreneurs to participate in wider domestic markets. The integration of digital tax filing has also encouraged the adoption of technology and improved record-keeping practices among registered enterprises. These developments have strengthened business credibility and facilitated access to institutional finance and government support schemes.

The conclusion of the study is that, although GST has been successful in making the conditions favourable for the long-term progress of women entrepreneurs, the advantages of the system are going to come into effect only if the women entrepreneurs are provided with proper policy measures to support their business as well as with simple processes of compliance with GST requirements, continuous introduction of awareness and training programs for improving their digital skills and access to financing products. The strengthening of institutional support and increasing the level of knowledge in the area of GST among women entrepreneurs will provide them with greater competitiveness helping them achieve long-lasting economic progress.

Keywords: *Algorithmic, Embedded, Entrepreneurial, Reconfiguration, Hegemony, Feminization , Accumulation, Emphasizes, Gender stereotyped, Startup*

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Foregone by Design: GST, Circular Economy and State Fiscal Autonomy

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ABSTRACT

The literature of fiscal federalism has established that the unified tax of GST has compromised the States' Own Tax Revenue (SOTR). Further, it widens the gap between the growth of welfare expenditure and tax revenue in high-performing states. The increasing welfare expenditure is increasingly met through debt financing by the states. This study examines an underexplored route that compounds this fiscal squeeze, that is the failure of GST differentiation for the virgin and recycled material inputs. This is a design flaw in the GST rate structure even after the GST 2.0 rate rationalisation in 2025. The uniform tax that upholds 'One Nation, One Tax' discourages the institutionalisation of the country's informal recycling and repair economy. Since states cannot alter GST rates unilaterally, the uniform tax has foreclosed the opportunity for a differentiated rate that could address this. Using secondary data from official sources on tax schedules, environmental regulatory records, and state fiscal accounts, this study examines five South Indian states - Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana on account of three aspects. First, by understanding sectoral tax incidence on circular as well as linear production pathways. Second, identifying state-level exposure to the state's formal recycling capacity and workforce size associated with the informal circular industry. Third, assessing the fiscal position of the states using the fiscal autonomy ratio and revenue-expenditure gap.

The study tries to measure the loss of revenue for the states that adds to existing fiscal autonomy erosion. South Indian states have committed actual capital expenditure towards setting up infrastructure for institutionalising recycling, but the evidence shows that due to the same design flaw, their spending remains underutilised. The study anticipates that this leads to a distinct, empirically identifiable instance of vertical imbalance and argues that formalisation of the circular economy should be addressed not as an auxiliary environmental objective. It must be considered as a major fiscal strategy for the states within their constrained fiscal positions.

Keywords: *Fiscal federalism; Goods and Services Tax; circular economy; vertical fiscal imbalance; state fiscal autonomy*

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Tax Design and Industrial Competitiveness: Reassessing the Inverted Duty Structure under the Indian GST Regime

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ABSTRACT

India's aspiration to emerge as a globally competitive manufacturing economy depends upon a fiscal and regulatory framework that promotes investment, value addition, productivity, and industrial expansion. The introduction of the Goods and Services Tax (GST) in 2017 marked one of the most significant fiscal reforms in independent India, replacing a fragmented system of indirect taxation with a unified, destination-based tax regime designed to eliminate cascading taxes, strengthen tax compliance, facilitate the seamless flow of Input Tax Credit (ITC), and create a common national market. Yet, despite these achievements, the continued prevalence of the Inverted Duty Structure (IDS)—where the GST rate on production inputs exceeds that on finished goods—presents a significant policy paradox. While GST was conceived to improve production efficiency and minimise tax-induced distortions, IDS may inadvertently increase working capital requirements, elevate financing costs, and undermine the competitiveness of domestic manufacturers, particularly in sectors such as textiles, renewable energy, fertilizers, pharmaceuticals, and consumer electronics. Recent reforms associated with the evolution of the GST framework—often characterised as GST 2.0—have sought to address these concerns through greater digitalisation, technology-driven compliance, enhanced return systems, faster refund processing, and continued efforts towards rate rationalisation. Nevertheless, although these reforms have improved administrative efficiency, the persistence of duty inversion across several sectors suggests that the underlying structural distortion remains only partially resolved, warranting renewed economic and policy analysis.

This study examines the Inverted Duty Structure not merely as an administrative anomaly but as a question of economic efficiency, industrial competitiveness, and public policy. It investigates whether duty inversion imposes measurable constraints on manufacturing performance by influencing firms' liquidity, investment decisions, production costs, productivity, employment generation, value addition, and long-term competitiveness. Drawing upon secondary evidence from government reports, GST Council publications, Union Budget documents, policy papers, industry reports, and academic literature, the study evaluates the scale, sectoral distribution, and broader economic implications of duty inversion within India's manufacturing economy. It further assesses the extent to which reforms introduced under the evolving GST framework have

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mitigated these challenges while identifying the structural constraints that continue to impede industrial performance.

The paper argues that the persistence of IDS represents a structural distortion that is inconsistent with the principle of tax neutrality underlying modern value-added tax systems. Building upon both India's policy experience and internationally recognised principles of efficient consumption taxation, it proposes a comprehensive framework for reform centred on GST rate rationalisation, periodic sector-specific review of inverted tax structures, technology-enabled and time-bound ITC refund mechanisms, simplified compliance procedures, and closer alignment between input and output tax rates. Collectively, these measures would reduce working capital lock-ups, improve resource allocation, strengthen business liquidity, enhance manufacturing competitiveness, and reinforce national industrial initiatives such as Make in India and Atmanirbhar Bharat, while progressively aligning India's GST architecture with the efficiency standards that characterise mature GST/VAT systems in advanced economies. The study concludes that resolving the Inverted Duty Structure is not merely a matter of improving tax administration; it is fundamental to ensuring that India's GST regime functions as a neutral, investment-friendly, and growth-oriented fiscal instrument capable of supporting sustained industrial transformation, strengthening global competitiveness, and fostering long-term economic development.

Keywords: *Goods and Services Tax (GST); Inverted Duty Structure (IDS); Input Tax Credit (ITC); Manufacturing Competitiveness; Tax Policy Reform.*

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Impact of GST on Macro Aggregates

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ABSTRACT

The introduction of the Goods and Services tax (GST) in India in July 2017 has been marked as one of the most remarkable tax reforms of the country. By replacing multiple indirect taxes like VAT, excise duty, octroi taxes, services taxes, GST envisioned to create a unified national market, improve tax compliance and strengthen economic growth. The primary objectives of this reform is to eliminate the cascading tax effect, the subsumption of all indirect taxes, increase the tax to GDP ratio and revenue surplus, decrease corruption level and tax evasion, increase tax compliance and increase in overall productivity and efficiency. This study examines and discusses the impact of GST on three major macroeconomic aggregates such as Gross Domestic Product (GDP), Inflation and Government Revenue. The research integrates secondary data sources to analyse the economic implications of GST since its implementation.

Secondary data were collected from government reports, RBI publications, GST Council documents, academic studies, articles and research papers. Empirical research demonstrates that rising GST revenues strongly correlate with GDP growth; specifically, a 1% increase in GST revenue is associated with an approximate 0.56% boost in GDP. The study also envince that while GST initially created mild inflationary pressure due to tax restructuring , it's long term impact has moderated price levels by eliminating multiple taxation and improving supply chain efficiency.

The study also examines the contribution of GST to India's overall tax revenue by comparing government collections in the pre and post GST eras as well. The findings reveal a substantial rise in total indirect tax revenue after GST implementation, with collections increasing from 7.40 lakh crore in 2017–18 to over 22 lakh crore in 2024–25. Major GST components—including CGST, SGST, IGST, and Cess—showed significant growth, reflecting an expanded tax base, improved compliance, and more efficient administration. Overall, the study concludes that GST has strengthened India's tax system and enhanced revenue performance while highlighting areas for further policy improvement.

Keywords: *GST, GDP ratio, Inflation, Government Revenue, Tax revenue.*

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GST and Its Nexus with Circular Economy, Sustainable Development, and Green Economy: An Analytical Study

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ABSTRACT

The transition towards a circular and green economic model has become important in the face of escalating environmental degradation, resource depletion, and climate change. Fiscal policy instruments, particularly taxation systems, play a pivotal role in shaping economic behaviour towards sustainability. This research examines the Goods and Services Tax (GST), implemented in India since July 2017, and investigates the extent to which its structure, rate slabs, and compliance mechanisms support or hinder the transition towards circular economy practices, sustainable production-consumption patterns, and green economic growth.

The study is motivated by the need to understand whether the current GST framework incentivizes eco-friendly goods, renewable energy, recycling industries, and waste management sectors, or whether it inadvertently penalizes sustainable alternatives through inverted duty structures and inconsistent tax treatment.

The study adopts a descriptive-analytical research methodology, relying primarily on secondary data collected from government reports, Ministry of Finance publications, Economic Survey documents, academic journals, and reports of international. A comparative analysis of GST rates applicable to conventional versus sustainable/green products (such as electric vehicles, solar equipment, recycled materials, and organic products) has been undertaken. Additionally, the study reviews select case studies of recycling and remanufacturing industries to assess the practical impact of GST provisions on circular business models. Wherever feasible, trend analysis of tax revenue and sector-specific growth data has been employed to support qualitative observations. The principal findings reveal a mixed picture. On one hand, GST has streamlined the erstwhile multiple indirect tax regime, creating a unified market that facilitates efficient movement of recycled and refurbished goods across states, thereby indirectly supporting circular economy operations. Concessional rates on select green products, such as solar devices and electric vehicles, demonstrate policy intent towards environmental sustainability. On the other hand, the study finds that several circular economy activities—particularly recycling, refurbishing, and remanufacturing—continue to face challenges due to inverted duty structures, ambiguous classification of waste and scrap materials, and

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lack of differentiated incentives compared to virgin raw material industries. The study concludes that while GST has laid a foundational structure conducive to a more integrated and efficient market, it has not yet been fully calibrated as a targeted instrument for promoting circular and green economic objectives. The research recommends rationalization of GST rates on recycled inputs, extension of concessional slabs to a broader range of sustainable products, simplification of compliance for informal recycling sectors, and stronger alignment of fiscal policy with India's broader Sustainable Development Goals and Extended Producer Responsibility framework.

Keywords: *GST, Circular Economy, Sustainable Development, Green Economy, Indirect Taxation, Environmental Fiscal Policy*

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GST 2.0 in India: Evaluating Tax Reform, Economic Formalisation and the Path Towards Inclusive Growth

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ABSTRACT

The Goods and Service Tax has revolutionised the system of indirect tax in India by integrating a divided domestic market. GST 2.0 is an important period in the current phase of reforms which focuses on rationality in rates, easier compliance and revenue generation. This research paper aims at understanding GST 2.0 as a tool for economic growth through inclusivity. The paper discusses the influence of GST 2.0 on businesses, individuals and the government's revenue raising capability.

The research methodology adopted here includes a qualitative analysis using the secondary sources including GST council publications, RBI reports, economic surveys and literature review. The effect of GST 2.0 is studied from four different perspectives - Ease of Doing Business, Formalization of Economy, MSME participation and Fiscal Stability. This study discovers that the rationalized structure of two slabs under GST 2.0 results in fewer disputes over classification and less compliance costs, providing a greater incentive for small businesses to become formal. The formalization effect will increase the revenues of the government and its developmental spending capabilities, making GST 2.0 an engine of inclusive growth instead of just being a fiscal measure. Nevertheless, the gap between policy intention and policy capability is also found by this study: compliance cost, technology and absorption capability still limit the participation of MSMEs, especially micro-enterprises.

The paper concludes that GST 2.0's long-term success as an inclusive growth strategy depends less on rate design itself and more on closing this implementation gap; particularly through targeted support for MSME digital readiness. This reframes GST 2.0 from a tax policy question into a broader economic development and capacity-building challenge.

Keywords: *GST 2.0, Tax Reform, Economic Formalisation, MSMEs, Fiscal Sustainability*

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GST and Fiscal Federalism: Assessing Decentralisation and State Autonomy in the Indian Context

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ABSTRACT

Fiscal federalism defines how financial powers and responsibilities are shared among different levels of government. It serves as the basis for intergovernmental fiscal relations in India. The introduction of the Goods and Services Tax (GST) in July 2017 brought significant changes to the country's indirect taxation system. It aimed to unify markets and improve tax efficiency. However, it also raised worries about fiscal independence and imbalances between the Centre and the State of Karnataka. This study looks at how GST implementation has impacted India's fiscal federal framework, using time-series data from 2000 to 2025. It analyses two aspects of fiscal decentralisation: Fiscal Autonomy, which measures the ratio of Own Tax Revenue to Total Revenue Receipts, and Fiscal Dependence, which looks at Transfers from the Centre to Total Revenue Receipts. Using Ordinary Least Squares (OLS) regression, the study explores the relationship between GST adoption, tax growth, central indirect tax collections, and macroeconomic factors like GDP and inflation.

The results show a moderate decline in fiscal autonomy and a notable increase in fiscal dependence over time. This suggests that fiscal power has become more centralised since GST was introduced. The debate has always revolved around the trade-off between state autonomy and economic efficiency. While GST has improved efficiency and consistency in tax collection, it seems to have limited the revenue flexibility of states. This reflects a trade-off between efficiency and autonomy in India's changing fiscal federalism. The findings add to ongoing discussions about the balance between cooperation and competition in a unified tax system.

Keywords: *Fiscal Federalism, Goods and Services Tax (GST), Fiscal Autonomy, Fiscal Dependence, India, Decentralisation*

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GST 2.0 and the Circular Economy: Assessing the Fiscal Push for Sustainable Energy Transition in India

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ABSTRACT

The 56th GST Council Meeting (September 2025) restructured India's indirect tax regime into a simplified two-slab system, with significant implications for the green and circular economy. This paper examines how GST 2.0's rate rationalisation, particularly the reduction of GST on renewable energy devices from 12% to 5% covering solar photovoltaic cells and modules, wind turbines, biogas plants, waste-to-energy systems, and fuel cell vehicles including hydrogen-powered models functions as an indirect fiscal instrument for sustainability transition, distinct from direct subsidy-based green policy.

The study adopts a doctrinal and policy-analytical methodology, drawing on GST Council notifications, CBIC circulars, and secondary data from industry and government sources (PIB, ICRA, Mercom India) to conduct a pre- and post-reform comparative assessment of cost and adoption impacts across the renewable energy and recycling value chains.

Principal findings indicate the reform produces a multi-pronged sustainability dividend. At the consumer level, a typical 3 kW rooftop solar system is now cheaper by roughly Rs.9,000-10,500, while a 5 HP solar pump under the PM-KUSUM scheme costs nearly Rs.17,500 less, improving affordability for households and farmers. At the project level, a 500 MW solar park is estimated to see capital cost reductions exceeding Rs.100 crore, strengthening tariff competitiveness for developers. The paper also highlights the deliberate asymmetry in the reform, GST on coal and lignite was simultaneously raised from 5% to 18%, read as a signal of fiscal policy actively discouraging fossil-fuel dependence rather than merely incentivising alternatives. On the circular economy front, the paper situates the Rs.1,500 crore critical-minerals recycling incentive scheme (2025-26 to 2030-31) as a complementary structural measure that extends GST 2.0's logic beyond energy generation into resource recovery and waste valorisation.

The paper concludes that GST 2.0 represents a shift toward "fiscal environmentalism," using indirect taxation as a lever for sectoral decarbonisation rather than only revenue simplification. However, it cautions that benefits remain unevenly distributed, utility-scale developers capture larger absolute savings than small consumers and that input tax credit restrictions in inverted-duty segments could partially offset gains. The paper recommends complementary measures, including streamlined ITC refund mechanisms and HSN classification clarity, to ensure the reform's green dividend translates into proportional benefits across the supply chain.

Keywords: *GST 2.0, Circular Economy, Renewable Energy, Fiscal Policy, Sustainable Development*

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GST Reforms in India: An Analysis of Macroeconomic Outcomes, Consumer Opinions and Public Finance Dynamics

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ABSTRACT

With growing importance of tax reforms in India's evolving fiscal system, the Goods and Service Tax (GST) has emerged as one of the most significant changes in the country's indirect tax structure. GST, which was introduced to simplify the tax system and improve revenue collection has had wide ranging effects on government finances, consumer behaviour and economic activity. This study focuses on the performance of GST in India across two phases namely GST 1.0 and GST 2.0 with special emphasis on its relationship with macroeconomic variables, consumer response to tax rate changes and broader public finance indicators. The study examines GST revenue trends along with key economic indicators such as GDP and private final consumption expenditure to understand the factors influencing revenue growth. It also investigates consumer awareness, perceived price benefits and purchase intention in response to GST 2.0 rate cuts across selected product categories. In addition, the study analyses the connection between GST collections and public finance variables such as total tax revenue, non-tax revenue, fiscal deficits and total receipts to assess its role in government revenue structure.

The research uses a mixed-method approach, combining secondary data analysis with primary survey responses. Statistical tools such as correlation, regression, chi-square tests and analysis of variance are applied to identify patterns and relationships in the data.

The findings indicate that GST revenue has grown steadily over time and is strongly associated with domestic consumption and overall economic activity. The consumer survey shows that awareness of GST 2.0 is present but the effect of tax cuts on price perception and purchase intention varies across product groups. The fiscal analysis further shows that GST has become an important and stable source of government revenue.

Overall, the study confirms that GST is not only a tax reform but also an important instrument shaping consumption, compliance and fiscal performance in India's changing economy. The study further concludes that GST has strong macroeconomic foundations and considerable potential as a consumption-stimulating instrument, but the effectiveness of GST 2.0 rate cuts depends crucially on visible price transmission and clear communication to consumers. Without credible and noticeable reductions in market prices, even well-designed tax cuts may fail to generate the desired boost in household spending.

Keywords: *GST 2.0, GST 1.0, GDP, consumer awareness, public finance.*

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The 30% Illusion: Rethinking GDP as a Measure of GST's Success in India's MSMEs

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ABSTRACT

GST was implemented on 1st July 2017 and marked a pivotal shift in India's indirect tax structure, aimed at improving tax transparency, eliminating cascading effects of taxes and establishing a unified national market for India. It replaced almost 17 indirect taxes and brought about a revolutionary change in the country's fiscal scene. Micro, Small and Medium Enterprises (MSMEs) are routinely referred to as the backbone of India's economy due to their contribution to India's GDP which stands at around 30%, about 50% of the country's exports, and the generation of employment opportunities, skill development opportunities and fostering of entrepreneurship. Policy makers use this picture-perfect data to reiterate that the system is not flawed. The paper examines GST's actual impact on the sector by looking beyond the surface level successes such as rising Udyam/GST registrations and record-breaking tax collections. The paper questions whether the apparent success of GST in the MSME sector, as evidenced by stable GDP and growing registrations, truly reflects MSME wellbeing or conceals coerced formalization. Key challenges which are addressed are identifying what is driving registration growth, and finding how compliance burdens, delayed input tax credit refunds and fixed filing costs may be eroding the grassroots MSME base even through stable GDP figures.

This paper intends to draw on GST Council documentation, CBIC circulars and take a qualitative route such as policy analysis to develop this argument than statistical estimation. It contends that MSMEs are forced into the tax net just to avoid being blacklisted from other businesses and supply chains and to access formal bank loans. This paper throws light on the larger vendors' refusal to buy from smaller vendors and the subsequent consequences. The findings point to GDP figures acting as a poor proxy for policy success at the MSME level, which emphasizes a need for targeted interventions, to change current approaches rather than relying on aggregate data alone as guidance for future reforms.

Keywords: *GST, MSMEs, policy analysis, reform, GDP*

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GST 2.0 and Human Capital Development: Assessing the Spillover Effects on Health and Education in India

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ABSTRACT

In order to improve tax efficiency and create a single national market, India's indirect tax system underwent a landmark indirect tax reform with the introduction of the Goods and Services Tax (GST). Following the recommendations of the 56th GST Council Meeting (2025), the recent reforms known as GST 2.0 included considerable rate rationalization, simplification of the tax system, and initiatives to increase affordability, compliance, and fiscal effectiveness. Although revenue is the main focus of these reforms, significant social sector spillover impacts are anticipated. This paper looks at how GST 2.0 can affect the health and education sectors through increased public investment, improved fiscal capacity, and changes in the affordability of certain goods and services.

Based on secondary data from the Economic Survey 2023–2024, Union Budget 2024–2025, official GST Council publications, Ministry of Finance papers, World Bank and WHO databases, and pertinent academic literature, the study employs a descriptive policy analysis. The possible spillover effects of GST 2.0 on health and education through its impact on fiscal capacity, public expenditure, and human capital development are examined using documentary and comparative policy analyses.

According to the analysis, by streamlining the indirect tax system, enhancing tax compliance, and promoting consistent revenue mobilization, GST 2.0 has the potential to improve India's fiscal structure. Stronger fiscal capacity can enable more public investment in health and education, while rate rationalization and reduced taxes on a number of necessities can increase household disposable income and consumption. Therefore, it is anticipated that these reforms will strengthen human capital formation, increase labour productivity, improve healthcare accessibility, and boost educational possibilities. However, effective public spending, fair Centre-State fiscal coordination, and regular reviews of the GST rates applicable to products and services connected to health and education are necessary for these results to be effective.

The analysis comes to the conclusion that GST 2.0 should be seen as both an indirect tax reform and a significant fiscal policy tool that can have a positive spillover effect throughout India's social sector. Its contribution to bolstering health and education systems, enhancing human capital, and fostering inclusive and sustainable economic development should be used to gauge its long-term effectiveness. The paper makes the case that in order to advance the vision of Viksit Bharat through fair and productivity-driven growth, tax changes must be coordinated with smart investments in the social sector.

Keywords: *GST 2.0; Human Capital Development; Health and Education; Fiscal Policy; Inclusive Economic Growth.*

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Sectoral Analysis of GST Implications

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ABSTRACT

Prior to the implementation of GST, the Indian taxation system had comprised several central, state, and local area taxes. Through the inclusion of more than twenty taxes under GST, the path to an integrated system of indirect taxes has been laid, making India an economic union. With the implementation of the Goods and Services Tax (GST) in 2017, the Indian system of indirect taxation got transformed radically. Almost a decade since the implementation, India is now moving towards a simpler dual slabs structure (5% and 18%), implemented in September 2025 as part of GST 2.0, in addition to the 40% slab for luxury and sin goods. This marks a significant milestone in the transformation of India's taxation system to address the needs of its youth. The objective of this simplification of tax slabs, reduction of rates in various sectors, and removal of several anomalies will be to enable the young people of the country to thrive through entrepreneurship, employment, and an affordable lifestyle. This rationalization of tax rates in sectors raises the following question – how did India's evolving GST policy transform different sectors of the economy and which sectors emerged as winners or losers? This study will analyze the comparative impact of GST implications on six different sectors in terms of real estate, healthcare and insurance, FMCG, hospitality, automobiles, and manufacturing sectors through pre-GST, post-GST, and GST 2.0 phases. Relying on official policy documents, sector-specific reports, and academic literature, the study will examine the implications of GST across five domains which include input-intensive versus input-lean sectors, consumer-oriented versus business oriented sectors, formal versus informal sectors, credit-intense versus credit-weak sectors, and GST rate transition through the above policy phases. Thus, this research is expected to highlight that while the manufacturing and major FMCG sectors will emerge as gainers because of GST, credit flow gets easier if supply chain operates formally. Rather than having general benefits, industries with stalled tax credits, such as real estate will experience no cost reduction despite rate reductions. As healthcare and insurance sector operates with exemptions, most of the time they don't pass the savings down to the consumers. Informal sectors, even if there are rate reductions, will find it harder. The compliance costs become much higher than rate figures suggest. Therefore, this research aims to present a clear approach to identify the sectors that gain or lose in the context of India's GST policy, while also explaining the critical policy issues like implementation versus revenue generation or consumer welfare versus financial flow.

Keywords: *Goods and Services Tax (GST); Sectoral Analysis; Tax Rationalization; Input Tax Credit (ITC)*

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GST 2.0 and the Future of MSMEs and Startups in India: Conceptual Framework for Digital Tax Reform and Enterprise Competitiveness

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ABSTRACT

GST 2.0 represents the next phase of India's indirect tax evolution, prioritizing digital synergy, automated administration, and streamlined compliance. GST changed India's taxation regime overnight. However, there is a lack of academic insight on how GST 2.0 will impact MSMEs and startups. Therefore, this paper explores how digital taxation reform could improve enterprise competitiveness and increase formalization while considering the possible downside. Adopting a conceptual research design, this paper draws on extant literature, government sources, and global examples of automated taxation to discuss how digital tax can improve regulatory transparency and business facilitation. Digitally automated tax reform like GST 2.0 will promote economic growth by making taxes easier to pay and contribute to India's digitalization that supports startups. The results of this study show GST 2.0 has the potential to solve decades of problematic governance by minimizing administrative burdens and costs to register a business and increase formalization. However, digital illiteracy, cyber threats, and policy fluctuation may reverse these improvements. In conclusion, this paper presents a policy framework argument that innovation and digitization must be met with simplified policies and capacity development. Ultimately, my research makes contributions to a newly developing policy discourse on digital taxation and hopes to aid in finding solutions that create better outcomes for small businesses.

Keywords: *GST 2.0, MSMEs, Start ups, Digital Taxation, Tax Compliance*

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Decoding the Renewed GST – A Policy Perspective

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ABSTRACT

In order to make GST an efficient taxation system and also to reduce the possible areas of controversy / litigation, the GST Council (represented by the Union Government and the State Governments) has taken the bold move to overhaul the GST system in 2025, through the GST 2.0 reform. The GST 2.0 is one such reform which has carried out significant changes in terms of streamlining the rate structure, settling the long standing dispute areas such as Intermediary services, issuance of credit notes for post-sale discounts, easing the refund related processes. The proposals made then and the consequential amendments made in the GST legislations has not only helped the GST tax payers but also contributed to a significant rate reduction for many of the consumer items. The most sought-after objective of the increase in consumer spend and thereby increasing the GST collections rather than maintaining the high rates of GST is visible in terms of the GST Collections post September 2025. Thus, the reform of GST 2.0 can be said to be a win – win situation both for the Government and trade in equal terms.

The current research paper therefore focuses on the need for a major reform of GST 2.0 both in terms of bringing clarity to the GST legislation and also to contribute to a major economic reform. Also, considering that more than 9 months have happened, the research paper helps to understand how the GST 2.0 has actually contributed as a growth driver in terms of improved GST collections, ease in the refund processes etc.

As far as methodology is concerned, the research paper focuses mainly on: The historical indirect tax rate structure in India. GST rate structure as it got implemented in 2017. Rate Rationalisation measures undertaken before GST 2.0. How GST 2.0 has transformed the GST rate structure. Indirect Tax Collections across pre GST / post GST but pre 2.0 / Post GST 2.0 reforms

In terms of Principal findings - Benefits on account of Leaner Rate Structure vs multiple rate structure. Impact of Rate Reduction across various sectors and the visible rate reduction across the same. Comparison of Refund processes before and after Reform and how it is helping the Taxpayers seeking refund of GST. Trend Analysis of GST Collections before and after the GST Reform

The impact of GST 2.0 is more heard of in the initial months of the change but over the period, the ease at which GST operates is the real benefit which one needs to take into account. The analysis of the principal findings mentioned above highlight the sectors impacted and the benefit it had provided not only to the Government but also to the people across the country.

The operationalization of the GST Appellate Tribunal marks a significant milestone that will help settle many pending disputes.

Keywords: *GST 2.0 Reform, Rate Rationalisation, Streamling of Refunds, Operationalisation of GST Appellate Tribunal, GST Collections*

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GST and the Farm-to-Nutraceutical Chain: A Comparative Doctrinal Analysis of the Goods and Services Tax Regime's Differential Impact on Agriculture and the Nutrition Industry in India

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ABSTRACT

India's Goods and Services Tax (GST), operational since 1 July 2017, was envisioned as a transformative indirect tax reform capable of eliminating the cascading effect of multiple levies and integrating a fragmented national market. Agriculture—the source of livelihood for approximately 58% of India's population—and the nutrition industry, encompassing nutraceuticals, dietary supplements, functional foods, and fortified products derived substantially from agricultural raw materials, represent two sectors whose GST treatment reveals the structural tensions inherent in taxing a continuous value chain at differential rates.

While most raw agricultural produce is zero-rated or exempt under Schedule I of the GST rate structure, the nutrition industry—classified primarily under HSN Chapter 21 (miscellaneous edible preparations) and Chapter 30 (pharmaceutical preparations)—bears a GST burden of 12% to 18%. This differential creates a paradox: the primary input (raw agriculture) is untaxed while its processed derivative (nutrition products) carries a significant tax load, generating inverted duty structures, input tax credit (ITC) denial cascades, and competitive distortions that disadvantage domestic nutrition manufacturers relative to imported products. This paper employs a doctrinal and comparative legal methodology to examine the legislative architecture of GST as applied to agriculture and the nutrition industry, analyses landmark adjudications of the GST Authority for Advance Rulings (AAR), Appellate Authority for Advance Rulings (AAAR), and emerging High Court decisions, benchmarks India's approach against the United

Kingdom, Australia, Singapore, Canada, and the European Union, and critically evaluates the constitutional and policy dimensions of the differential rate structure. The paper identifies a systemic classification and ITC crisis in the farm-to-nutraceutical chain and proposes a coherent, Scopus-quality reform framework grounded in fiscal neutrality, constitutional propriety, and public health imperatives.

Keywords: *Goods and Services Tax; Agricultural Exemption; Nutraceuticals; Inverted Duty Structure; Input Tax Credit; Classification Disputes; HSN Code; Nutrition Industry; GST Rate Rationalization; Farm-to-Fork Taxation*

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Adjudicating the GST Revolution: Judicial Trends and Legal Challenges in India's Tax Governance Framework

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ABSTRACT

The introduction of the Goods and Services Tax (GST) through the Constitution (One Hundred and First Amendment) Act, 2016 marked one of the most significant fiscal reforms in India by replacing the fragmented indirect tax regime with a unified tax structure. While GST has substantially transformed India's taxation framework, its implementation has generated a wide range of judicial and legal challenges concerning constitutional validity, procedural fairness, federalism, taxpayer rights, and administrative accountability. The expanding body of litigation before the High Courts and the Supreme Court demonstrates that GST is not merely an economic reform but also a constitutional and legal phenomenon requiring continuous judicial interpretation. This paper critically examines the evolution of GST jurisprudence in India by analysing landmark judicial decisions that have shaped the interpretation of statutory provisions under the Central Goods and Services Tax Act, 2017 and the corresponding State GST enactments.

Particular attention is devoted to issues such as input tax credit, cancellation of registration, procedural due process, anti-profiteering measures, powers of search and seizure, appellate remedies, and the constitutional balance between the Union and the States under the GST Council framework. The paper further evaluates whether the existing dispute resolution mechanisms adequately safeguard taxpayers' rights while ensuring efficient tax administration.

Adopting a doctrinal legal research methodology, the study analyses constitutional provisions, statutory frameworks, judicial precedents, government notifications, and scholarly literature. It argues that although Indian courts have played a significant role in correcting administrative inconsistencies and protecting constitutional guarantees, persistent ambiguities in GST legislation continue to generate avoidable litigation and compliance burdens. The paper recommends greater legislative clarity, strengthened institutional independence of appellate mechanisms, enhanced procedural safeguards, and technology-driven dispute resolution to promote certainty and fairness in GST administration. Ultimately, the study contends that a robust judicial approach is indispensable for balancing revenue interests with constitutional principles and the rule of law, thereby ensuring the long-term legitimacy and effectiveness of India's GST regime.

Keywords : *Goods and Services Tax (GST), GST Litigation, Constitutional Federalism, Taxpayer Rights , Judicial Review*

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The Compliance Paradox: GST Reforms, Revenue Buoyance and the Asymmetric Burden on Indian Enterprises

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The Compliance Paradox: GST Reforms, Revenue Buoyance and the Asymmetric Burden on Indian Enterprises
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ABSTRACT

tectonic shift in India's fiscal landscape, replacing a fragmented, multi-layered indirect tax system with a unified "One Nation, One Tax" framework. This paper examines the impact of GST reforms on Indian businesses and revenue collection across the period July 2017 to May 2026. A central analytical contribution of this study is the "Compliance Paradox" — the observation that higher enforcement efficiency has simultaneously increased revenue buoyancy and administrative burden, with disproportionate costs falling on MSMEs. The analysis documents the doubling of gross GST collections from ₹11.37 lakh crore in FY 2020–21 to ₹22.08 lakh crore in FY 2024–25 and further to ₹22.27 lakh crore in FY 2025–26 (8.3% YoY), alongside a 3.7x increase in the registered taxpayer base to 1.53 crore. A striking Pareto-like concentration is identified: 0.1% of taxpayers — corporate entities with turnover above ₹500 crore — generate 53% of total cash GST revenue. The study formally contrasts MSME and large-enterprise experiences, finding that MSMEs bear compliance costs of 3.6–4.2% of annual turnover against a global optimum of 1–2%. The ADVAIT AI platform is assessed against its own detection-to-recovery gap: from April to December 2024, only ₹20,128 crore was recovered from 1.88 lakh crore detected — raising questions about the burden on honest taxpayers. The paper concludes with policy recommendations targeting slab rationalization, MSME liquidity relief, and AI ethics in enforcement.

Keywords: *GST Reforms, Revenue Collection, MSMEs, Tax Compliance, Digital Governance, Indian Economy, E-invoicing, ADVAIT, Inverted Duty Structure, Compliance Paradox.*

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GST and Ease of Doing Business: An Empirical Study of MSMEs and Startups in India

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ABSTRACT

The Core pillars of Viskit Bharat 2047 vision reviving the demographic occupational edifice structure elevate the economy through the global manufacturing hub with the technological knowledge system in India. The structure of a country enhanced with the one nation one collection GST 2.0. The green economy and the sustainability accelerate the GST percentage.1 The sectoral impact and market dynamic, fiscal dynamics reformed by Union Budget 2025 - 2026. The number of MSME registered in India 7.86 crore units to 8.43 combined with Udaya assist and 200,000 above startups performing the Indian GDP after agriculture. FY2025 enhanced with QCO reforms and friendly manners with measures of BIS (Bureau of Indian standards). Maharashtra and Uttar Pradesh and Tamilnadu take a position on MSME startups in the Country phase. (ER 2025)This article explores the Ease of doing business in MSME and Startups in India through the podium of revised threshold GST finance policy.2 This research enhances the start-up resilience and GST 2.0 constructs the Domestic economy impact standard. The study elaborates the span of Viksit Bharat and the GST reforms. The structured Questionnaire for primary data and secondary data used from the websites and journals. Theconceptual framework and quantitative data applied for findings.

Keywords: *GST Reforms, MSME and Start-ups, Indian economy, Viksit Bharat*

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GST and Spillover on Health Care and Education Sector: A Comparative Analysis

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ABSTRACT

The implementation of the goods and services tax (GST) stand as one of the most transformative indirect reforms in recent economic history. structured to eliminate the cascading effect of multiple taxes and create a unified national market. While its macroeconomic impact on manufacturing, logistics, and revenue collection is heavily documented its macroeconomic and structural spillover effect on critical and social sector specifically health care and education remain nuanced. Because these two sector serves as the foundation for human capital development and social wellbeing analysing how a consumption-based tax frame work influence their affordability accessibility and operational structure is imperative for balanced economic policy

This paper evaluates the dual edge impact of the GST framework on the health and education sector. It aims to examine how explicit exemption on core services interact with taxes levied on input goods under current GST layout inadvertently and auxiliary services, thereby identifying the hidden cost pressures passed on to end consumers.

Utilizing a descriptive and analytical research design based on secondary data this study analyse. The research employs a comparative framework to analyse the pre- and post GST cost healthcare and education sector

The study reveals that while the government has intentionally exempted core healthcare and basic formal education from direct GST significant negative spillover effect persist through unrecoverable taxes.

Healthcare pitfall: Healthcare institutions are blocked from claiming input tax credit on inputs like advanced diagnostic machinery, medical consumables and reagents which are taxed at higher slabs of 12% to 18%. this unclaimable tax burden shift operational cost onto providers. indirectly inflating out of pocket healthcare expense for patients.

Education pressures: similarly, the education al ecosystem faces an artificial rift while formal degrees are exempt, digital learning platforms, private coaching and essential institutional procurements such as laboratory equipment and outsourced security/catering services attract up to 18% GST This increases the total cost of quality human capital development.

The paper concludes that structural anomalies under the current GST layout inadvertently dilute the social sectors affordability. To counter these distortion the study recommends expanding ITC eligibility to healthcare and educational providers or introducing a harmonized lower slab structure (5%) for critical inputs like lifesavings drugs and scientific equipment to safeguard equitable access to essential human services.

Keywords: *Goods and Service Tax, Spillover Effects, Social Sector, Healthcare Cost, Educational Exemptions, Input tax credit*

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An Empirical Assessment of the Environmental Orientation of India's GST Reforms: Greening GST or Rate rationalisation?

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ABSTRACT

The recent GST rationalisation strategically reduced tax rates on the renewable energy technologies, waste management services, biodegradable products and green transportation aligning with India's commitment towards sustainability and climate action. While this exercise is presented to simplify and rationalize the existing tax structure, it raises an important policy question: is GST 2.0 designed as an environmentally progressive fiscal reform or are its environmental implications incidental as part of the broader tax rationalisation? The stated intentions for tax slashes on renewable energy equipment and technologies was for promotion of clean energy but on the other hand, the tax treatment of environmentally intensive products are less uniform. Coal now attracts 18% GST without the compensation cess (pre GST 2.0, coal was taxed at 5% GST plus compensation cess), rate on cement reduced to 18% from 28%. The broader tax cuts also raises a paradox: reducing tax rates on carbon intensive consumer goods like small cars, two wheelers, air conditioners etc. risk undermining the sustainability of the tax reforms.

The study seeks to assess the environmental orientation of the tax reforms using secondary level data from CBIC statistics, Ministry of Finance reports, MNRE, DGFT, MOEFCC websites. The study tries to examine the relative tax advantage of renewable energy and clean technologies. The paper also runs an interrupted time series regression to investigate whether changes in GST 2.0 is associated with the positive trend in the renewable energy sector. The study aims to evaluate if the GST 2.0 goes beyond a revenue and consumption tax and support India's clean energy transition, backing national initiatives like Viksit Bharat 2047, LiFE movement, and the ambitions for Net zero goal by 2070. Rather than treating the reforms as inherently green, the study assesses the environmental consistency of the incentives across the environment friendly products.

Keywords: *GST 2.0, Tax differential, Renewable energy, Tax rationalization, Green transition*

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The Uneven Incidence of GST in India: Which States and Sectors Have Benefited From GST?

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ABSTRACT

The Goods and Services Tax (GST), introduced in India in July 2017, was intended to create a unified indirect tax system, improve tax compliance, reduce cascading taxation and facilitate the development of a common national market. While aggregate GST collections and revenue performance are frequently used to evaluate the success of the reform, aggregate indicators may conceal substantial differences across Indian states and economic sectors. States differ considerably in their industrial structure, consumption patterns, degree of formalisation, interstate trade exposure and dependence on indirect taxation.

This study seeks to examine the distributional and regional consequences of GST by identifying which Indian states and sectors have benefited most from the reform. Rather than measuring GST performance solely through tax collections, the study proposes a multidimensional framework incorporating revenue mobilisation, formalisation, interstate trade, industrial growth, services growth, MSME activity and consumption. A state-level panel dataset will be constructed for the pre- and post-GST periods with relevant economic variables.

The study aims to move beyond the binary question of whether GST has been successful and instead examine where, for whom and through which channels GST has generated economic benefits. By identifying heterogeneous outcomes across states and sectors, the research can contribute to the broader debate surrounding tax harmonisation, fiscal federalism and regional economic development in India. The findings could also inform future GST rate rationalisation and intergovernmental fiscal policy by highlighting states and sectors that may require compensatory or complementary policy interventions.

Keywords: *GST, regional disparities, tax incidence, state economies, fiscal federalism, economic growth, India*

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GST Compliance Fatigue and the Hidden Cost of Digital Formalisation among Indian MSMEs

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ABSTRACT

The Goods and Services Tax (GST) regime in India has witnessed a tremendous change with a high level of digitalization and the way that it has changed the compliance landscape for Micro Small and Medium Enterprises (MSMEs). The authorities' ability to monitor, standardise and track compliance has grown, but there may be a cost to small businesses that do not have the technological and organisational ability of their larger peers, with the progressive introduction of digital requirements. This study investigates if the greater the level of digital compliance, the higher is the hidden cost of formalisation of Indian MSMEs. The paper also has an evidence mapping of the various research activities undertaken on GST and MSMEs in the past few years and secondary data analysis of the official sources in India. The concepts shared across the literature are GST, tax compliance, compliance cost, working-capital pressure, digital literacy, digital compliance, MSMEs and formalisation and experiential concepts of cognitive burden, psychological burden and compliance fatigue which are not as well developed as the others. Official data shows that the gross collections of GST were at 22.08 lakh crore in FY 2024-25 and the number of active taxpers of the Goods and Services Tax (GST) regime had risen to 1.5356 crore as of 30 June 2025. At the same time, the number of transactions that need to be reported digitally is lowered from 500 crore when it was introduced to 5 crore from July 1, 2023.Meanwhile, the amount of transactions to be reported digitally went down from 500 crore at the launch to just 5 crore from 1st August, 2023, which led to a further shift in electronic reporting of transactions to smaller businesses. According to the evidence, majority of the population aged 18-24 years of the ASUSE had been using internet for entrepreneurial activities and significant increase in the usage from 26.68% in 2023-24 to 39.37% was seen in 2025. Empirical studies also show that recently, compliance cost and working-capital pressure are significant positive determinants of GST compliance problems, while the digital literacy is a significant negative determinant. Digitalisation should not be measured by the revenue and filing results alone, concludes the paper. Furthermore, the sustainability of formalisation relies on the capacity, skills and technology micro- and small businesses have to continue to meet the digital requirements in a sustainable way.

Keywords: *GST compliance; MSMEs; digital taxation; compliance cost; formalisation*

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Next-Generation GST Reforms, the MSME Ecosystem and Working Capital Dynamics in India

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ABSTRACT

The Goods and Services Tax (GST) has been one of India's most ambitious indirect tax reforms, with far-reaching implications for micro, small and medium enterprises (MSMEs), which contribute around 30 percent of GDP, more than 40 percent of manufacturing output and roughly 45–48 percent of exports. While GST has unified the domestic market and reduced cascading taxes, its design and implementation have significantly affected MSME working capital cycles through input tax credit (ITC) frictions, compliance costs, and stock-transfer taxation. The recent "GST 2.0" or next-generation GST reforms—characterised by rate rationalisation to fewer slabs, faster refunds, digital compliance and targeted reliefs—aim to address these pain points and improve MSME liquidity and competitiveness. This policy paper reviews the literature on GST and MSMEs, analyses key channels through which GST affects working capital, evaluates the emerging reform package, and assesses its likely impact on MSME cash-flow management. It concludes with policy recommendations to deepen the gains from GST 2.0 while minimising working capital stress for smaller firms.

Keywords: *Goods and Services Tax (GST); GST 2.0; MSMEs; working capital; input tax credit; liquidity; India; tax reform.*

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GST 2.0 and the Changing Indian Society: A Study of its Socio-Cultural Impact on Consumption and Lifestyle Patterns

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ABSTRACT

The introduction of GST 2.0 marks a significant development in India's indirect taxation system, with the rationalisation of tax rates aimed at simplifying the tax structure and making taxation more citizen-centric. Beyond its economic implications, changes in taxation can influence everyday social life, particularly consumption patterns, household spending, lifestyle choices and perceptions of affordability. This paper examines the socio-cultural impact of GST 2.0 on Indian society, with particular focus on changing consumption and lifestyle patterns across different sections of the population.

The study aims to understand how changes associated with GST 2.0 may influence consumer behaviour and spending priorities, while also exploring whether these effects differ across socioeconomic groups. It further examines the relationship between taxation, changing aspirations and patterns of consumption in contemporary Indian society. The study adopts a quantitative research approach using a descriptive research design. Primary data will be collected through a structured questionnaire from Indian consumers belonging to different age groups and socioeconomic backgrounds. Secondary information will also be reviewed from government publications, policy documents, academic literature and other relevant sources to contextualise the findings.

The study is expected to provide insights into how tax reforms extend beyond fiscal and economic outcomes to influence social behaviour and everyday life. Particular attention will be given to differences in perceptions and consumption practices among respondents from different socioeconomic backgrounds. The findings may contribute to a broader understanding of taxation as a factor that interacts with social inequalities, aspirations and changing lifestyles.

The paper concludes by highlighting the importance of considering the social and cultural dimensions of economic policy. Understanding how GST 2.0 is experienced by ordinary citizens can contribute to a more comprehensive assessment of the reform and its implications for an evolving Indian society.

Keywords: *GST 2.0, socio-cultural impact, consumption patterns, lifestyle, consumer behaviour*

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