

**Two-Day National Conference on
"GST Reforms: Challenges, Opportunities, and Socio-Economic Effects in Telangana State"
on 09th & 10th June 2026**



CMR TECHNICAL CAMPUS

Department of MBA

UGC Autonomous, Approved by AICTE, New Delhi & JNTU Hyderabad

Kandlakoya (V), Medchal, Hyderabad – 501401



GST and Its Impact on the Indian Economy: Recent Amendments and Emerging Perspectives

J Raja Mohan, Research Scholar, Department of Law, Telangana University

Email id: 1989rajamohan@gmail.com

Abstract:

The Goods and Services Tax (GST), introduced in India on 1 July 2017 through the Constitution (One Hundred and First Amendment) Act, 2016, represents one of the most comprehensive indirect tax reforms undertaken since Independence. GST replaced a fragmented system of central and state indirect taxes with a unified destination-based tax structure aimed at creating a common national market. The reform sought to eliminate the cascading effect of taxation, improve tax compliance, enhance transparency, simplify business operations, and strengthen fiscal federalism. Since its implementation, the GST framework has undergone continuous refinement through recommendations of the GST Council to address operational challenges, promote digital governance, and improve revenue administration.

This article examines the structure and evolution of GST and evaluates its impact on the Indian economy with particular emphasis on recent amendments and emerging policy developments. Using a descriptive research design based on secondary data from government reports, GST Council recommendations, Reserve Bank of India publications, the Economic Survey, and scholarly literature, the study analyses GST's influence on tax revenue, ease of doing business, formalization of the economy, digitalization of tax administration, and sectoral performance. The article also discusses major amendments relating to e-invoicing, input tax credit, compliance measures, GST Appellate Tribunals, and anti-tax evasion initiatives.

The study concludes that GST has significantly modernized India's indirect tax system by improving transparency, expanding the tax base, and promoting digital compliance. However, challenges such as multiple tax slabs, compliance burdens on MSMEs, classification disputes, and frequent policy revisions continue to require attention. Further rationalization and simplification of GST will strengthen its contribution toward sustainable economic growth and India's vision of becoming a developed economy by 2047.

Keywords

Goods and Services Tax (GST), Indirect Taxation, Indian Economy, GST Amendments, Tax Reforms, Digital Tax Administration, Economic Growth.

Introduction

Taxation is one of the most important instruments of public finance and plays a vital role in mobilizing government revenue for economic development. A well-designed tax system promotes efficiency, equity, transparency, and sustainable economic growth while ensuring adequate resources for public expenditure. Before the implementation of

the Goods and Services Tax (GST), India's indirect tax system was characterized by multiple taxes imposed separately by the Central and State Governments. These included Central Excise Duty, Service Tax, Value Added Tax (VAT), Central Sales Tax (CST), Entry Tax, Octroi, Luxury Tax, Entertainment Tax, Purchase Tax, and several other local levies. The existence of multiple taxes resulted in tax cascading, increased compliance costs, fragmented markets, and inefficiencies in interstate trade.

Recognizing these challenges, the Government of India introduced the Goods and Services Tax (GST) as a destination-based comprehensive indirect tax through the Constitution (One Hundred and First Amendment) Act, 2016. GST came into effect on 1 July 2017 with the objective of integrating the country's indirect tax structure under the principle of "One Nation, One Tax, One Market." The reform replaced most indirect taxes levied by the Centre and the States with a unified tax system while preserving India's federal structure through a dual GST model comprising Central GST (CGST), State GST (SGST), Integrated GST (IGST), and Union Territory GST (UTGST).

The introduction of GST marked a significant milestone in India's economic reform agenda. By allowing seamless input tax credit throughout the supply chain, GST reduced the cascading effect of taxes, improved the competitiveness of domestic industries, and facilitated the free movement of goods across state borders. The reform also accelerated digital transformation through online registration, return filing, electronic invoicing, e-way bills, and technology-driven compliance mechanisms administered by the Goods and Services Tax Network (GSTN). These initiatives have enhanced transparency, reduced tax evasion, and expanded the formal economy.

Since its implementation, GST has evolved through numerous amendments recommended by the GST Council to address emerging challenges and improve administrative efficiency. Reforms relating to mandatory e-invoicing, Aadhaar-based registration, strengthened input tax credit provisions, anti-fake invoice mechanisms, digital audits, and operationalization of GST Appellate Tribunals reflect the government's commitment to building a transparent, technology-driven, and taxpayer-friendly tax ecosystem. At the same time, issues such as multiple tax slabs, compliance costs for Micro, Small and Medium Enterprises (MSMEs), refund delays, and classification disputes continue to influence the effectiveness of the GST regime.

Against this background, the present article examines the evolution of GST, evaluates its economic impact, analyses recent amendments and emerging policy developments, and discusses the opportunities and challenges associated with India's indirect tax reforms. The study also provides policy recommendations for strengthening the GST framework to support sustainable economic growth, improve ease of doing business, and contribute to the national vision of *Viksit Bharat @ 2047*.

Objectives of the Study

1. To examine the concept, objectives, and structural framework of the Goods and Services Tax in India.
2. To analyse the impact of GST on the Indian economy and major economic sectors.
3. To evaluate the recent amendments and emerging developments in the GST regime.
4. To identify the major challenges in GST implementation and suggest policy measures for improving its effectiveness.

Research Methodology

The present study adopts a descriptive and analytical research design based exclusively on secondary data. Information has been collected from reliable sources including publications of the Ministry of Finance, Government of India; Central Board of Indirect Taxes and Customs (CBIC); GST Council reports; Reserve Bank of India (RBI) publications; Economic Survey of India; Union Budget documents; reports of the National Council of Applied Economic Research (NCAER); World Bank publications; and peer-reviewed journals related to taxation, public finance, and economic policy. Relevant books, research articles, government notifications, and official statistical reports have also been reviewed.

The collected information has been analysed using qualitative and descriptive techniques to understand the evolution of GST, its impact on various sectors of the Indian economy, and the implications of recent amendments. The study synthesizes findings from existing literature and official policy documents to present a comprehensive assessment of GST as a major fiscal reform. Since the article relies on secondary data, no primary survey or statistical hypothesis testing has been undertaken.

Literature Review

The implementation of the Goods and Services Tax (GST) has attracted considerable scholarly attention due to its transformative role in India's indirect taxation system. Researchers have examined its implications for economic growth, tax compliance, revenue mobilisation, business competitiveness, and public finance. Although the literature generally recognizes GST as a landmark fiscal reform, studies also identify several implementation challenges that require continuous policy interventions.

Kelkar (2009), in the recommendations of the Thirteenth Finance Commission, advocated the adoption of a comprehensive Goods and Services Tax to replace India's fragmented indirect tax system. The report argued that a unified tax regime would reduce cascading taxation, improve allocative efficiency, increase revenue productivity, and strengthen the competitiveness of Indian industries. These recommendations laid the foundation for the eventual implementation of GST.

Rao (2019) examined the early performance of GST and observed that the reform significantly enhanced tax transparency and promoted fiscal integration between the Centre and the States. The study emphasized that GST established a common national market by eliminating interstate tax barriers and reducing transaction costs. However, it also highlighted transitional challenges such as technological constraints, classification disputes, and frequent policy changes during the initial years of implementation.

Kumar (2018) analysed the impact of GST on India's business environment and found that the introduction of Input Tax Credit (ITC) considerably reduced the cascading effect of taxes, thereby lowering production costs and improving supply chain efficiency. The study concluded that GST has enhanced the ease of doing business by simplifying indirect taxation, although compliance requirements remain relatively demanding for small enterprises.

The National Council of Applied Economic Research (NCAER, 2023) reported that GST has contributed to increased tax compliance and improved revenue buoyancy through technology-driven administration. Digital initiatives such as electronic invoicing, e-way bills, online return filing, and automated reconciliation have reduced tax leakages and broadened the tax base. The report further observed that the formalization of business activities has accelerated due to the incentive of claiming input tax credits.

The Reserve Bank of India (RBI, 2025) highlighted that GST has strengthened fiscal performance by generating stable indirect tax revenues while improving transparency in tax administration. The RBI noted that sustained growth in monthly GST collections reflects both economic recovery and improvements in compliance mechanisms. Nevertheless, the report emphasized the need for rationalizing tax rates and simplifying compliance procedures to maximize the long-term benefits of GST.

According to the Economic Survey (2024–25), GST has significantly reduced logistics costs by eliminating interstate checkpoints and facilitating faster movement of goods across the country. The Survey also acknowledged that digital integration through the Goods and Services Tax Network (GSTN) has modernized tax administration and promoted efficient revenue collection.

International organizations have also evaluated India's GST reform. The World Bank (2024) recognized GST as one of the largest tax reforms undertaken by any federal economy and noted its positive contribution toward creating a unified domestic market. Similarly, the Organisation for Economic Co-operation and Development (OECD, 2023) emphasized

that simplifying tax structures and reducing multiple tax slabs would further improve efficiency and support long-term economic growth.

Professional advisory firms such as Deloitte (2025), EY India (2025), KPMG India (2025), and PwC India (2025) have documented the continuous evolution of GST through regular amendments introduced by the GST Council. These reports highlight significant reforms, including the expansion of mandatory e-invoicing, strengthening of Input Tax Credit provisions, enhanced Aadhaar authentication, AI-based risk assessment, and stricter anti-tax evasion measures. Collectively, these initiatives have improved transparency and compliance while reducing opportunities for fraudulent transactions.

Despite the extensive literature on GST, limited studies comprehensively integrate the economic impact of GST with the most recent legislative and administrative amendments introduced after 2024. Much of the existing research focuses either on the initial implementation phase or on sector-specific outcomes. The rapidly evolving GST framework, driven by digitalization, artificial intelligence, and continuous policy refinements, necessitates updated scholarly analysis. Accordingly, the present study attempts to bridge this gap by examining both the macroeconomic implications of GST and the recent amendments that are shaping the future of India's indirect tax system.

GST Framework in India

The Goods and Services Tax (GST) is a destination-based, value-added indirect tax levied on the supply of goods and services at each stage of the production and distribution process. Unlike the earlier tax system, where multiple indirect taxes were imposed independently by the Central and State Governments, GST integrates these taxes into a unified framework while allowing seamless credit for taxes paid on inputs. Consequently, tax is ultimately borne by the final consumer, whereas businesses receive credit for taxes paid at previous stages through the Input Tax Credit (ITC) mechanism.

Salient Features of GST

GST possesses several distinguishing features that differentiate it from the previous indirect tax regime:

- It is a destination-based consumption tax.
- It follows the value-addition principle.
- It eliminates the cascading effect of taxation through Input Tax Credit.
- It is administered through an integrated digital platform (GSTN).
- It promotes transparency and accountability through technology-enabled compliance.
- It supports cooperative federalism through the GST Council.
- It facilitates seamless interstate trade by replacing multiple indirect taxes.

These features have significantly contributed to improving tax administration and creating a unified national market.

Components of GST

India has adopted a **dual GST model**, under which both the Central Government and the State Governments simultaneously levy GST on intra-state supplies.

The major components include:

Central Goods and Services Tax (CGST):

CGST is levied by the Central Government on intra-state supplies of goods and services. The revenue collected accrues to the Central Government.

State Goods and Services Tax (SGST):

SGST is imposed by the respective State Governments on the same intra-state transaction. The revenue belongs to the concerned State Government.

Integrated Goods and Services Tax (IGST):

IGST applies to interstate supplies, imports, and exports. It is collected by the Central Government and subsequently apportioned between the Centre and the destination State.

Union Territory Goods and Services Tax (UTGST):

UTGST is applicable in Union Territories without legislative assemblies and functions similarly to SGST.

GST Tax Slabs

India follows a multi-rate GST structure designed to balance revenue generation with social equity. The principal tax rates include:

GST Rate	Nature of Goods and Services
0%	Essential goods, exports, exempt supplies
5%	Mass consumption items and essential services
12%	Standard consumer goods
18%	Majority of goods and services
28%	Luxury goods and demerit products (with compensation cess where applicable)

Although the multiple tax slabs address varying socioeconomic considerations, they also contribute to classification disputes and increased compliance complexity. Consequently, tax experts have consistently recommended rationalization of GST rates.

Input Tax Credit (ITC)

Input Tax Credit is the cornerstone of the GST system. It enables registered taxpayers to deduct the tax paid on purchases (inputs) from the tax payable on sales (outputs). As a result, tax is imposed only on the value added at each stage of production or distribution.

The ITC mechanism offers several advantages:

- Elimination of cascading taxation.
- Reduction in production costs.
- Improved competitiveness of Indian industries.
- Enhanced transparency in business transactions.
- Encouragement of voluntary tax compliance.

Recent amendments have further strengthened ITC provisions by introducing invoice matching, supplier compliance verification, and automated reconciliation through the GST portal.

GST Registration

GST registration is mandatory for businesses exceeding the prescribed turnover threshold or engaged in specified taxable activities. Registration provides a unique Goods and Services Tax Identification Number (GSTIN), enabling businesses to collect GST, claim Input Tax Credit, and file statutory returns.

The registration process has become increasingly technology-driven through:

- Aadhaar authentication.
- Online verification.
- PAN integration.
- Risk-based scrutiny.
- Electronic document submission.

These measures have significantly reduced processing time while strengthening the integrity of taxpayer registration.

GST Council

The GST Council is the apex constitutional body responsible for making recommendations regarding GST policies, tax rates, exemptions, administrative procedures, and legislative amendments. Constituted under Article 279A of the Constitution, the Council comprises the Union Finance Minister as Chairperson, the Union Minister of State for Finance, and Finance Ministers of all States and Union Territories with legislatures.

The Council plays a pivotal role in ensuring cooperative federalism by facilitating consensus-based decision-making between the Centre and the States. Since the introduction of GST, the Council has recommended numerous reforms relating to tax rate rationalization, compliance simplification, e-invoicing, return filing procedures, anti-tax evasion measures, and digital governance. Its continuous policy interventions have enabled the GST system to evolve in response to changing economic conditions and stakeholder requirements.

Impact of GST on the Indian Economy and Recent Amendments (2024–2026)

Impact of GST on the Indian Economy

The introduction of the Goods and Services Tax (GST) marked a structural transformation in India's indirect taxation system. By integrating multiple central and state taxes into a unified destination-based tax regime, GST has significantly influenced production, consumption, investment, logistics, tax administration, and overall economic efficiency. Although the transition posed several challenges during the initial years, the GST framework has progressively matured through continuous policy reforms and technological advancements. Its impact can be examined from both positive and negative perspectives.

Positive Impact of GST

Creation of a Unified National Market

One of the most significant achievements of GST has been the creation of a common national market. Prior to GST, interstate trade was hindered by multiple taxes, entry barriers, and varying state-level tax regulations. The introduction of IGST streamlined interstate transactions, facilitating the seamless movement of goods and services across state boundaries. This has reduced market fragmentation and strengthened economic integration.

Elimination of Cascading Taxation

The Input Tax Credit (ITC) mechanism has effectively eliminated the cascading or "tax-on-tax" effect that existed under the previous indirect tax regime. Businesses can now claim credit for taxes paid on inputs throughout the supply chain, reducing production costs and improving price competitiveness. This has enhanced efficiency in manufacturing and service sectors while promoting investment and productivity.

Increase in Government Revenue

GST has substantially improved indirect tax collections by widening the tax base and enhancing compliance through digital monitoring. Monthly GST collections have shown sustained growth, reflecting improved taxpayer compliance,

economic recovery, and better enforcement mechanisms. Stable revenue generation has strengthened the fiscal capacity of both the Central and State Governments.

Digital Transformation of Tax Administration

GST has accelerated India's digital governance initiatives by introducing online registration, return filing, e-way bills, electronic invoicing, and automated reconciliation. The Goods and Services Tax Network (GSTN) has enabled real-time monitoring of transactions, minimized manual intervention, and improved transparency. Digital compliance has also reduced opportunities for tax evasion and enhanced administrative efficiency.

Improvement in Ease of Doing Business

GST has simplified indirect taxation by replacing multiple taxes with a unified framework. Businesses operating in multiple states now comply with a standardized tax structure, reducing administrative complexity and compliance costs. Simplified logistics and standardized documentation have improved the business environment, contributing to India's performance in global ease-of-doing-business indicators.

Formalization of the Economy

The availability of Input Tax Credit has encouraged businesses to register under GST, thereby expanding the formal sector. Increased registration has improved transparency in commercial transactions, enhanced tax compliance, and enabled greater access to institutional finance for small enterprises.

Impact on Manufacturing and Supply Chains

The manufacturing sector has benefited from lower logistics costs, reduced inventory requirements, and uninterrupted movement of goods across states. Supply chain optimization has become easier as firms are no longer compelled to establish warehouses solely for tax considerations. This has improved operational efficiency and reduced overall production costs.

Impact on the Services Sector

The services sector has experienced greater uniformity in taxation due to the replacement of multiple service taxes with GST. Sectors such as banking, telecommunications, logistics, hospitality, information technology, and professional services have benefited from standardized tax procedures, although compliance requirements initially increased because of state-wise registrations and return filing obligations.

Impact on MSMEs

Micro, Small and Medium Enterprises (MSMEs) have benefited from the Composition Scheme, simplified registration procedures, and enhanced access to formal credit due to improved financial documentation. However, many small businesses continue to face challenges in maintaining digital compliance and adapting to frequent regulatory changes.

Promotion of Investment and Economic Growth

GST has enhanced India's attractiveness as an investment destination by establishing a transparent and predictable tax regime. Reduced tax distortions, improved supply chain efficiency, and greater transparency have positively influenced domestic and foreign investment decisions, thereby supporting long-term economic growth.

Challenges and Negative Impacts

Despite its achievements, GST continues to face several implementation challenges.

The existence of multiple tax slabs creates classification disputes and increases compliance complexity. Frequent amendments require businesses to continuously update accounting systems and compliance procedures. MSMEs often experience higher compliance costs due to digital filing requirements and professional assistance. Delays in refund processing, particularly for exporters, affect working capital management. Technical issues associated with the GST portal, although significantly reduced over time, occasionally disrupt return filing and reconciliation processes.

Furthermore, interpretational disputes relating to tax rates, exemptions, and Input Tax Credit continue to contribute to litigation.

Overall, while GST has substantially modernized India's indirect taxation system, continuous reforms remain essential to improve simplicity, certainty, and taxpayer convenience.

Recent GST Amendments and Emerging Perspectives (2024–2026)

Since its implementation in 2017, the Goods and Services Tax framework has undergone continuous refinement through recommendations of the GST Council. The recent amendments introduced during 2024–2026 primarily focus on strengthening digital governance, enhancing compliance, preventing tax evasion, simplifying procedures, and improving revenue administration.

Expansion of Mandatory E-Invoicing

The Government has progressively reduced the turnover threshold for mandatory electronic invoicing, thereby bringing a larger number of businesses within the digital reporting framework. E-invoicing enables real-time reporting of invoices to the GST portal, facilitates automated return preparation, minimizes invoice fraud, and improves the accuracy of Input Tax Credit claims.

Strengthening Input Tax Credit (ITC) Provisions

Recent amendments have introduced stricter conditions for claiming Input Tax Credit. Invoice matching, supplier compliance verification, and automated reconciliation have been strengthened to prevent fraudulent ITC claims. These measures have significantly reduced fake invoicing and improved transparency within the GST ecosystem.

Aadhaar-Based Authentication

The GST registration process has been strengthened through mandatory Aadhaar authentication and risk-based verification. This reform has curtailed the creation of fake registrations and enhanced the credibility of the taxpayer database.

Artificial Intelligence and Data Analytics

The tax administration has increasingly adopted Artificial Intelligence (AI), machine learning, and advanced data analytics to identify suspicious transactions, detect tax evasion, assess compliance risks, and facilitate targeted audits. These technologies improve administrative efficiency while minimizing unnecessary scrutiny of compliant taxpayers.

Simplification of Return Filing

Several procedural reforms have simplified GST compliance through auto-populated returns, enhanced reconciliation tools, and improvements to the Quarterly Return Monthly Payment (QRMP) Scheme. These measures have reduced compliance costs, particularly for small and medium enterprises.

Improvements in E-Way Bill System

The e-way bill mechanism has been further integrated with digital transport systems to improve monitoring of goods movement and reduce tax evasion. Enhanced validation procedures have strengthened supply chain transparency while facilitating faster movement of goods.

GST Appellate Tribunal

The operationalization of the GST Appellate Tribunal represents a significant institutional reform aimed at expediting dispute resolution. The Tribunal is expected to reduce litigation, ensure consistency in tax interpretation, and provide quicker relief to taxpayers.

Amnesty and Compliance Facilitation Schemes

The Government has periodically introduced amnesty schemes to encourage voluntary compliance by waiving or reducing penalties and late fees for specified categories of taxpayers. Such measures have enabled businesses to regularize pending returns and improve overall compliance levels.

Emerging Policy Perspectives

The future evolution of GST is expected to focus on tax rate rationalization, expansion of digital compliance, integration of advanced analytics, strengthening cybersecurity within GSTN, and broader inclusion of sectors currently outside the GST framework. Policymakers are also considering further simplification of return filing procedures and greater harmonization of tax administration across states.

These reforms demonstrate that GST has evolved from a tax reform into a comprehensive digital governance platform that supports transparency, efficiency, and cooperative federalism. Continuous policy adaptation will be crucial in ensuring that GST remains responsive to changing economic conditions and contributes effectively to India's long-term development objectives.

Table 1: Major Recent GST Amendments (2024–2026)

Amendment	Objective	Expected Economic Impact
Expansion of E-Invoicing	Improve invoice reporting	Reduce tax evasion and improve ITC accuracy
Aadhaar-Based Registration	Prevent fake GST registrations	Strengthen taxpayer verification
AI-Based Risk Assessment	Detect fraudulent transactions	Increase compliance and revenue
Strengthened ITC Rules	Prevent fake input tax credit	Improve transparency
QRMP Scheme Improvements	Reduce burden on small taxpayers	Better MSME compliance
GST Appellate Tribunal	Faster dispute resolution	Reduce litigation
Enhanced E-Way Bill System	Monitor movement of goods	Improve logistics efficiency
Amnesty Schemes	Encourage voluntary compliance	Increase return filing and revenue

Challenges in GST Implementation

Although the Goods and Services Tax (GST) has substantially transformed India's indirect taxation system, several structural, administrative, and operational challenges continue to affect its effectiveness. Addressing these issues is essential to maximize the benefits of GST and ensure its long-term sustainability.

One of the most significant challenges is the existence of multiple GST tax slabs (0%, 5%, 12%, 18%, and 28%). While the multi-rate structure was designed to balance revenue generation with social welfare considerations, it has increased complexity in tax classification and compliance. Businesses often encounter disputes regarding the appropriate tax rate applicable to specific goods and services, resulting in litigation and compliance uncertainty.

Another major challenge is the compliance burden on Micro, Small, and Medium Enterprises (MSMEs). Although the Composition Scheme and the Quarterly Return Monthly Payment (QRMP) Scheme have reduced compliance requirements for eligible taxpayers, many MSMEs still face difficulties in maintaining digital records, filing returns,

reconciling Input Tax Credit (ITC), and adapting to frequent regulatory changes. Limited digital literacy and dependence on tax professionals further increase compliance costs for smaller businesses.

Input Tax Credit remains another area of concern. Amendments intended to prevent fraudulent claims have introduced stricter documentation and invoice-matching requirements. While these measures improve transparency, they may also delay legitimate ITC claims when suppliers fail to comply with filing obligations. Consequently, compliant businesses may experience working capital constraints despite fulfilling their tax responsibilities.

Despite significant improvements in the Goods and Services Tax Network (GSTN), occasional technical issues continue to affect return filing, invoice uploads, and reconciliation processes, particularly during peak compliance periods. Businesses have also expressed concerns regarding the frequency of amendments, notifications, and circulars, which require continuous updates to accounting systems and compliance practices.

Refund processing, especially for exporters, remains another challenge. Delays in receiving GST refunds adversely affect liquidity and working capital management, reducing the competitiveness of export-oriented industries. Furthermore, sectors such as petroleum products, electricity, and real estate remain partially outside the GST framework, limiting the full realization of seamless Input Tax Credit across the economy.

Finally, strengthening institutional capacity, enhancing taxpayer awareness, simplifying procedures, and ensuring greater policy stability will be essential for improving the effectiveness of GST in the coming years.

Policy Suggestions

To enhance the efficiency and effectiveness of the Goods and Services Tax system, several policy measures may be considered.

First, rationalization of GST tax slabs should be prioritized. Reducing the number of tax rates would simplify compliance, minimize classification disputes, and improve the overall efficiency of tax administration. A simplified rate structure would also reduce litigation and provide greater certainty to taxpayers.

Second, the government should continue simplifying compliance procedures for MSMEs by expanding user-friendly digital platforms, reducing procedural requirements, and providing regular capacity-building programmes. Taxpayer education initiatives should be strengthened to improve awareness regarding GST provisions, return filing, and Input Tax Credit eligibility.

Third, faster processing of GST refunds, particularly for exporters, should be ensured through greater automation and risk-based verification systems. Timely refunds will improve liquidity, enhance export competitiveness, and support economic growth.

Fourth, digital infrastructure should be continuously upgraded by integrating artificial intelligence, machine learning, blockchain-based verification, and advanced analytics into GST administration. These technologies can improve fraud detection while minimizing unnecessary compliance burdens on honest taxpayers.

Fifth, the scope of GST may be gradually expanded to include petroleum products, electricity, and other excluded sectors after achieving consensus among stakeholders. Such integration would enable seamless Input Tax Credit across industries and further strengthen the objective of creating a unified national market.

Finally, continued stakeholder consultation through the GST Council should remain central to future reforms. Policy stability, transparency, and cooperative federalism will strengthen taxpayer confidence and ensure that GST continues to support India's long-term development objectives.

Conclusion

The Goods and Services Tax represents one of the most transformative fiscal reforms in independent India's economic history. By replacing multiple indirect taxes with a unified destination-based taxation system, GST has significantly improved transparency, enhanced tax compliance, strengthened cooperative federalism, and promoted the integration of India's domestic market. The introduction of seamless Input Tax Credit, digital tax administration, electronic invoicing, and technology-driven compliance mechanisms has modernized the country's indirect tax ecosystem and contributed to greater administrative efficiency.

The findings of this study indicate that GST has positively influenced government revenue, logistics efficiency, manufacturing competitiveness, formalization of business activities, and the overall ease of doing business. Continuous improvements through the GST Council have enabled the tax system to adapt to changing economic conditions and emerging technological developments. Recent amendments relating to mandatory e-invoicing, Aadhaar-based authentication, strengthened Input Tax Credit provisions, AI-enabled risk assessment, and the operationalization of GST Appellate Tribunals demonstrate the government's commitment to creating a transparent, technology-driven, and taxpayer-centric tax administration.

However, challenges such as multiple tax slabs, compliance costs for MSMEs, delayed refunds, classification disputes, and frequent regulatory amendments continue to affect the effectiveness of the GST framework. Addressing these issues through tax rate rationalization, simplification of procedures, enhanced digital infrastructure, and broader stakeholder engagement will be crucial for maximizing the long-term benefits of GST.

As India progresses towards the vision of *Viksit Bharat @ 2047*, GST is expected to play a pivotal role in strengthening fiscal capacity, encouraging investment, promoting digital governance, and supporting sustainable economic development. A stable, transparent, and continuously evolving GST framework will remain fundamental to India's aspiration of becoming a globally competitive and resilient economy.

References (APA 7th Edition)

1. Ahuja, G., & Gupta, R. (2024). *Goods and Services Tax: Law and Practice*. Bharat Law House.
2. Central Board of Indirect Taxes and Customs. (2025). *GST Law and Rules*. Government of India.
3. Deloitte India. (2025). *GST Annual Review and Outlook 2025*. Deloitte.
4. *Economic Survey 2024–25*. Ministry of Finance, Government of India.
5. Ernst & Young India. (2025). *GST Developments and Indirect Tax Update*. EY India.
6. Government of India. (2016). *The Constitution (One Hundred and First Amendment) Act, 2016*.
7. GST Council Secretariat. (2025). *GST Council Recommendations and Notifications*. Government of India.
8. Kelkar, V. (2009). *Report of the Thirteenth Finance Commission*. Government of India.
9. KPMG India. (2025). *GST Insights: Recent Developments*. KPMG.
10. Kumar, N. (2018). Goods and Services Tax in India: A Review. *Journal of Commerce and Accounting Research*, 7(2), 1–10.
11. Ministry of Finance. (2025). *Union Budget 2025–26*. Government of India.
12. National Council of Applied Economic Research. (2023). *Impact Assessment of GST on the Indian Economy*. NCAER.
13. OECD. (2023). *Consumption Tax Trends*. OECD Publishing.
14. PwC India. (2025). *GST Perspectives 2025*. PwC India.
15. Rao, M. G. (2019). GST in India: Progress and Challenges. *Economic and Political Weekly*, 54(12), 18–25.
16. Reserve Bank of India. (2025). *Report on Currency and Finance*. RBI.
17. Shah, A. (2017). GST and Indian Fiscal Federalism. *Indian Economic Journal*, 65(3), 315–329.
18. World Bank. (2024). *India Development Update*. World Bank.
19. Ministry of Finance. (2025). *GST Revenue Collection Reports*. Government of India.