

## Paving the Path of GST Implementation in India

India's biggest tax reform – the Goods and Services Tax (GST)— is now a reality. Dubbed as 'Good and Simple Tax' by our Prime Minister, this 'One Nation, One Market, One Tax' regime, despite some transitional hiccups, has been off to a satisfactory start in the three months since its launch on July 1, 2017. Although with businesses now sailing full throttle and filing full-fledged returns, implementation issues have indeed surfaced which are likely to be short-lived as we advance further into the GST era. The teething problems, particularly technical issues with regard to tax payment and return filing, are being resolved by the GST Network (GSTN) in the wake of government closely monitoring the situation and providing clarifications and disseminating information at a faster pace. Prime Minister Shri Narendra Modi has asked all states to form special teams and launch drives to increase the number of traders registered under the GST.

The result has been that the number of assesseees who have applied for GST registration or registered to pay GST is likely to cross 10 million soon, a 25% expansion from the 8 million assesseees under the previous tax regime. The number of new taxpayers who have registered with the GSTN up to 29<sup>th</sup> August is 18.83 lakh. Further, there has been an impressive GST revenue mop up with collections at ₹92,283 crore in July (from about 64% of the taxpayer base) surpassing the internal estimate and thereby dispelling the worry contained in the Reserve Bank of India's annual report that states could see extra fiscal strain due to GST. No doubt much credit also goes to sound advice being given by accountancy professionals.

If the initial figures of revenue and registrations are any indication, the GST is set to provide a big boost to the economy. Here, the recently released Medium-Term Expenditure Framework (MTEF) of the Government may be taken into account, which expects that the GST and increased surveillance will boost the tax revenues over the next two years, taking India's tax-to-GDP ratio close to 12% by the FY 2020. The MTEF document sees nominal GDP growth (without adjusting for change in prices) picking up pace to 12.3% in both FY 2019 and FY 2020 against 11.75% growth in the current years. Assuming a consumer inflation of about 4 per cent, this should translate into over 8 per cent growth in these two years. Earlier, rating agency Crisil had estimated a likely 0.7-1.2% reduction in the gross fiscal deficit of the Centre and the States on the back of tax buoyancy.

On their part, the ICAI and its members too have been lending crucial support to the Government

in implementation of GST. This CA Day the Prime Minister Narendra Modi, while exhorting the ICAI members to help implement GST, had said: "I invite you to join the festival of honesty...the CAs have been given a new opportunity with the GST where they have a crucial role to play...India has finally turned a new page with the launch of GST...Don't let this opportunity to integrate the whole nation slip out of your hands...I urge chartered accountants to take lead in the journey towards India's economic growth."

In line with the spirit, the ICAI has been undertaking a range of GST initiatives even much before the official launch of GST. It is constructively providing its inputs and suggestions to the Government besides creating awareness on GST at a national scale. ICAI has organised more than 2700 workshops, seminars, conferences and webcasts on GST, more than 55 Certificate Courses (classroom sessions) in the year 2017 so far, covering more than 2,50,000 participants across the country. As many as 126 ICAI GST Sahayata Desks were started across the country to provide pro bono advice on implementation of GST for small manufacturers/businessmen/representatives of trade and industry.

ICAI has recently submitted suggestions on implementation issues under GST. Two new publications *E-Book on How to Get Registered under GST* and *Study Paper on Taxation of E-Commerce under GST* have been recently launched, which add to the existing long list of ICAI GST publications. Revised editions of *BGM on GST Act and Rules*, *Simplified GST Guide for Manufacturers and FAQ's on GST* have also been released. Having the useful GST content like offline webcasts, regular updates, articles, information on upcoming courses, programmes/ seminars, e-publications, e-learning, GST Newsletter, etc., the website of ICAI's Indirect Taxes Committee continues to play a pivotal role in GST knowledge dissemination.

Nonetheless, the roll-out of GST has expanded Chartered Accountants' professional horizons and brought opportunities. New compliance requirements in the form of a number of returns, challenge in transition to the new regime, etc. definitely require a professional hand for adherence wherein Chartered Accountants play a vital role. The provision for GST audit akin to tax audit is an opportunity as well as responsibility for professionals to prove themselves as caretakers of the financial health of the country. Let's be harbinger of change vis-à-vis GST in India. ■

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