

GST lowered number of tax forms to 12 from 495: **Official**

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- GST has also helped reduce the logistics cost for businesses: Rajeev Ranjan, special secretary in the GST Council
- Successive rounds of rate cuts in the new indirect tax regime lowered prices and helped keep inflation under check

New Delhi: Goods and Services Tax (GST) rollout has cut down the number of forms to be filed by businesses to just 12 from 495 under as many as 17 central and state laws in the pre-GST era, said an official.

GST has also helped reduce the logistics cost for businesses, while successive rounds of rate cuts in the new indirect tax regime lowered prices and helped keep inflation under check, according to Rajeev Ranjan, special secretary in the GST Council.

GST has reduced the average tax incidence as well as prices, and was an important determinant in ensuring that inflation remained under control, he said at a seminar on GST organised by the IIT Delhi Alumni Association here.

Besides fewer forms, GST also reduced logistics cost for businesses, he said.

"Prior to GST, about 14% of the total cost of goods accounted for logistics (in India), a large cost and friction in doing business, while it was 10-11% for Brazil, Russia, India, China and South Africa (BRICS nations) and 9-10% for developed countries," Ranjan said, quoting a 2014 survey. Now, logistics cost in India is about 10-12% of the value of goods.

"In pre-GST era, trucks used to cover about 225 kilometers a day and now it is 300-325 kilometers," said Ranjan, adding that GST has ensured that there is no need to have a fragmented market.

"GST is a non-intrusive tax system that ensures free flow of goods. There are no physical barriers (at state borders). This ensured that there is one common market," said Ranjan. With GST roll out in 2017, India dismantled check posts at state borders to achieve a single market.

The indirect tax administration now shares data with the Income Tax Department, a move that has helped unearth instances of tax evasion, said Prakash Kumar, chief executive officer of GSTN or Goods and Services Tax Network, the company that processes tax returns.

Income Tax department confirms the range of turnover, not the exact data, of the tax payer, which has helped in detecting mismatches, said Kumar, who was also present on the occasion. At present, there are 12.3 million registered GST tax payers.

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