

**BUDGET HIGHLIGHTS
&
GST – *WHERE ARE WE
TODAY?***

**H. P. Ranina
Bhavna Doshi**



FORUM
OF FREE ENTERPRISE

“Free Enterprise was born with man and shall survive as long as man survives”.

- A. D. Shroff
Founder-President
Forum of Free Enterprise

Editorial Introduction

As was to be expected, there has been some intense debate on the Modi Government's Interim Budget for the FY 2019-20. Not only the issues of constitutional propriety came to the fore, but many commentators, and political spokespersons of the opposition parties in particular, were critical about the scope and strategic importance of the budget. Yes, it was supposed to be of a "conventional" nature, which requires that the outgoing government would preferably confine the scope of the budget to secure Parliament's approval for expenditure for the initial part of the FY 2019-20 until a new government assumes power after the scheduled general election to be held in April-May 2019.

However, the FM Mr. Piyush Goyal has used the occasion to announce some immediate and relevant policy changes for improving the fortunes of those at the bottom of income and social pyramid as well as of the middle-class taxpayers and emerging new class of entrepreneurship. More importantly, he has also set out ambitious vision, mission and strategic framework in a transparent way for the decade ending 2030. Of course, the detailing of strategic framework would be a daunting task, and would require enormous efforts of financial, technical, infrastructure and

environmental planning, policies and action plans for implementation. What is of immediate relevance, however, is the likely direction, which the Modi government would take, if returned to power...

Against this brief backdrop, the FORUM is pleased to present two distinctive articles on the Interim Budget. The first, authored by our President, Mr. H. P. Ranina, offers a brilliant perspective on how the budget is “Laying the Foundation for the Second Largest Economy”. The second article is on the crucial subject of “Goods and Services Tax (GST) – where are we to-day?”, written by our eminent expert on indirect taxes Mrs. Bhavna Doshi, who is also a long-time associate and a member of the FORUM’s Council of Management.

Mr. Ranina highlights the main thrust and multiple dimensions of the budget, be it relating to social security framework (including the new scheme of Universal Basic Income), financial sector reforms, labor welfare schemes, some positive changes in the personal income tax, rationalization of tax administration or boost for infrastructure. What is also of significance according to the author is that despite all such measures, including provision of Rs.75,000 crore for the income support scheme for the farmers, the government has done well

to rein in the fiscal deficit to GDP ratio at 3.4% in 2019-20.

Going forward, Mr. Ranina points out how the Vision 2030, which contains clearly defined ten specific pillars, would unleash the full potential of India to enter the league of Developed Nations, given the “extremely favorable” outlook for the next three years. All in all, the Interim Budget is perceived to be promising and in the right direction.

Given her domain expertise, Mrs. Bhavna Doshi begins her reflections on the GST by pointing out that most stakeholders consider that its experience so far has turned out to be “a mixed bag”. She has sought to explain reasons for such a response from various sections of the economic/business community, even while they “understand and accept that challenges of introducing such a massive reform are enormous in a country with federal structure...”. She then goes on to offer her insightful reflections on what has possibly gone wrong in realization of the initial expectations of the stakeholders from the new tax regime.

It may be recalled that the GST was launched with the slogan “One Nation, One Tax, One Market”. The Prime Minister called it “Good and Simple Tax”. And yet, there were inevitable teething troubles for GST, be they issues relating to compliance, popular discontent about perceived increase in

the tax burden, a sequence of clarifications and mid-course corrections or postponed milestones. Mrs. Bhavna Doshi delves on most of these aspects very precisely in a separate section on "What is Amiss?" She then goes on to make some constructive suggestions on what changes are imperative so that "GST will settle down at faster pace and tax collection will improve". This is, of course, dependent on how the GST Council takes certain measures outlined by her.

We are sure this booklet will be very useful and valuable to our avid readers, especially students, researchers and the policy makers, as we await the evolving economic and budgetary scenario till the new government assumes the reins of power at the Center.

Sunil S. Bhandare
Editor

BUDGET HIGHLIGHTS

Laying the Foundation for the Second Largest Economy

H. P. Ranina*

Mr. Piyush Goyal had the unenviable task of framing his proposals in a difficult environment, both nationally and globally. The entire world economic order is facing the threat of lower growth, rising unemployment, political uncertainties and unstable financial markets. India has also its share of worries despite the higher projected growth rate of 7.2% during the current financial year.

The final budget of the present Government before the ensuing General Elections lays down the road map for transforming the Indian economy by ushering an era of digitization, the fruits of which will be reaped in the coming years. The main thrust of his

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budget proposals is to continue fiscal consolidation and restrict the fiscal deficit of 2018-19 to the level of 3.4% of the GDP, with a promise that in the next fiscal 2019-20, he would attempt to retain it at 3.4%, despite disbursement of Rs.75,000 crore on direct benefit transfers to marginal farmers.

The vision of the Government to make India the manufacturing hub of the world finds its imprint on the budget proposals by encouraging the spirit of entrepreneurship among millions of Indians by providing credit facilities and training programmes to hone the skills of young entrepreneurs. A road map has been chalked out for enhancing investments in key sectors and passing on the benefit of the growth process to the common man.

Social security framework

For the first time, the Indian Government has made a serious attempt for providing social security coverage for workers in the unorganized sector. While these systems are in existence in all developed countries of the world, they were conspicuous by their absence in India. A pension scheme has been formulated whereby workers would be provided with pensionary benefits of Rs. 3,000 per month after reaching the age of 60.

The subsidy burden has been streamlined by overhauling the delivery system through

direct transfer of cash benefits. This has been accomplished by using the banking system which has been made more inclusive as a result of *Jan Dhan* bank accounts being opened by almost 34 crore Indians who never had a bank account earlier. As a result, most of the international agencies had upgraded India's economic growth potential and investor confidence has grown substantially in the last four years.

Initial steps are being taken to move towards the provision of Universal Basic Income being guaranteed to the lowest level of Indian society. The idea of Universal Basic Income, which is at present in its conceptual stage, may be implemented after the elections by the new Government to provide a minimum income to each citizen by directly crediting the amount every month in his or her bank account. The objects of this path-breaking proposal are to provide a sense of security to individuals, and to provide a basic level of income for their sustenance.

A few years ago, an experiment was conducted in Madhya Pradesh by the Self-Employed Women's Association (SEWA) and by UNICEF. Each adult was given Rs.300 a month. The results of the experiment were that food sufficiency improved as marginal farmers spent more time on their farms and more land was brought under cultivation; livestock

nearly doubled and dependence on usurious moneylenders came down.

Small and marginal farmers who own cultivable land upto two hectares will be provided income support of Rs.6,000 per annum. The amount will be directly transferred into the bank accounts of beneficiary farmers. The total outlay on this programme is estimated at Rs.75,000 crore in a whole year. The Kisan Credit Card scheme is being extended to cover those who are involved in animal husbandry and in fisheries. They will also be given 2% interest subsidy on the loan availed through the scheme.

By introducing the direct benefit transfer scheme to the poor farmer, the Government has taken the first step towards dismantling the 40-year old policy of food procurement and distribution. The minimum support prices announced for certain food grains during the past years benefited the upper-class farmers.

It cost the Government around Rs.1 lakh crore every year. The direct benefit transfer scheme will cost the same with a more effective impact on the poor and vulnerable sections of society comprising of 120 million small farmers, giving a boost to the rural economy.

Financial sector reforms

The Finance Minister has highlighted the fact that the banking sector has now been put on a stronger ground as a result of reforms being initiated, including the implementation of the Insolvency & Bankruptcy Code. An amount close to Rs.3 lakh crore has already been recovered by banks and creditors. The strategy of recognition, resolution, recapitalization and reforms has been successful. Public sector banks have been recapitalized to the extent of Rs.2.6 lakh crore. Amalgamation of banks has brought the benefits of economies of scale and improved access to capital which would reduce dependence on budgetary funding.

To sustain the basic needs of the common man, Rs.1,70,000 crore was spent in the current financial year to provide food grains at affordable prices. About 2.5 crore families have now been provided free electricity connections. The universal healthcare programme, Ayushman Bharat, will provide medical treatment to as many as 50 crore citizens.

To empower youth and promote self-employment opportunities, 15.56 crore loan applications have been sanctioned and Rs.7,23,000 crore have been disbursed. With job seekers becoming job creators, India has become the world's second largest start-up hub. To help the small-scale sector, loans are being sanctioned upto Rs.1 crore in the

shortest possible time, and those units which are registered for the Goods & Services Tax will get a 2% interest rebate.

India is now leading the world in the consumption of mobile data which has increased by over fifty times in the last five years. The number of companies manufacturing mobiles and components has increased from 2 to 268. About 3 lakh common service centres employing around 12 lakh people are digitally delivering different types of services to citizens who are not computer literate. There is a proposal to make one lakh villages into digital villages over the next five years.

Labour welfare measures

During the last few years, the country has witnessed industrial peace. Employment opportunities have grown as a result of formalization of the economy. The minimum wages of labourers belonging to all categories have increased by 42%. The emoluments for labourers have been increased from Rs.10,000 per month to Rs.21,000 per month and the Government contribution for the National Pension Scheme has gone up to 14% while the contribution of employees has been retained at 10%. The ceiling on payment of gratuity has been doubled from Rs.10 lakhs to Rs.20 lakhs; in the event of death of a labourer during service, the Employees' Provident

Fund Office would pay an amount of Rs.6 lakhs which was earlier Rs.2.5 lakhs.

A mega pension scheme for the unorganized sector workers has been launched for those who earn upto Rs.15,000 per month. There are currently 42 crore workers engaged in the unorganized sector, like street vendors, construction workers, agricultural workers and others for whom an old age security cover is being provided. There would be a monthly pension of Rs.3,000 starting from the age of 60 years based on a contribution made by the worker. If a person joins this pension scheme at the age of 29 years, he will need to contribute Rs.100 per month till the age of 60. A worker joining the scheme when he is 18 years old would have to contribute Rs.55 per month. The Government will deposit a matching share of the same amount in the pension account of the worker every month.

Benefits for middle class tax payers

On the direct tax front, the Finance Minister has announced that persons having taxable income upto Rs.5 lakhs per annum will not have to pay tax because they will get a tax rebate under section 87-A of the Income-tax Act, 1961 upto a maximum of Rs.12,500. However, this benefit will not be available to those tax payers whose taxable income exceeds Rs.5 lakhs per annum.

In fact, individuals having actual income as high as Rs.9 lakhs per annum may fall within the provisions of section 87-A if their taxable income is brought down to Rs.5 lakhs by claiming deductions under the following sections :

Section 80-C for deposits in employees' provident fund, public provident fund, investments in mutual funds, payment of life insurance premia, etc. upto a maximum of Rs.1.5 lakhs every year.

Section 80-CCD by subscribing to the notified Pension Scheme to the extent of Rs.50,000 every year.

Deduction under section 24 to the extent of Rs.2 lakhs paid by way of interest on monies borrowed to purchase a house.

Other deductions under Chapter VI-A are also available to those who incur medical expenses for certain illnesses and for those who are physically challenged. Therefore, this proposal to enhance the tax rebate under section 87-A would ensure that millions of tax payers whose actual income is even higher than Rs.5 lakhs per annum may end up paying no tax at all, provided they judiciously use part of their income for specified investments which would enable them to take full advantage of tax deductions.

However, though no tax may be payable, individuals who claim all the deductions to avail of the tax

rebate would be required to file their tax returns every year and provide proof of the investments made or expenditure which they have incurred in respect of which deductions are claimed under the tax law.

Standard deduction for salaried employees has been increased by 25% from Rs.40,000 to Rs.50,000. The notional income in respect of self-occupied property is proposed to be exempted from the financial year 2019-20 to the extent of two self-occupied houses, instead of one at present. This will benefit those who need to have a house if they are working in a city which is different from their home town.

Benefits for property owners

For those who make taxable capital gains upto Rs.2 crore in a financial year, they will now be permitted to roll over these capital gains in two residential properties, if they so wish, to avail of the exemption under section 54. Upto the current financial year ending on 31st March, 2019, it was mandatory to invest the taxable capital gains only in one residential house. The new provision will help families who may want to have two houses by selling one, giving a boost to the real estate sector which currently has a large stock of unsold residential units.

Developers will also not have to pay tax for two years, instead of one year at present, if they hold on to unsold properties. Those builders who are undertaking affordable housing schemes will now get the benefit of tax exemption under section 80-IBA if their project is approved by 31st March, 2020.

Liberalizing the withholding tax regime

For the fixed income earners, interest on bank deposits is currently exempt under section 80-TTA upto Rs.10,000 and under section 80-TTB upto Rs. 50,000 for senior citizens. For all persons resident in India, tax will be deducted at source from such interest under section 194-A only if it exceeds Rs.40,000 with effect from the financial year 2019-20. Upto the financial year 2018-19, tax is required to be deducted at source on interest exceeding Rs. 10,000.

Where a person has rented out his property, he will not have to suffer deduction of tax at source so long as his rental income does not exceed Rs.2,40,000 per annum from the financial year 2019-20; currently, the exemption from withholding tax is given where the rental income is Rs.1,80,000 per annum or less.

Rationalizing the Tax administration

Within the next two years, the Income tax Department will be totally digitized and all functions

will become online. All returns will be processed in 24 hours from the time of filing and refunds will be issued simultaneously. All verification and assessment of returns selected for scrutiny will be done electronically in back offices without any personal interface between tax payers and tax officers.

The number of tax returns filed during 2018-19 has gone up from 3.79 crore to 6.85 crore, resulting in substantial increase in tax collections. Almost 99.5% of income tax returns have been accepted by the tax department under the summary assessment scheme. There is no doubt that the Tax–GDP ratio is on the rise and will show a positive upswing once the GST regime stabilizes.

Boost for infrastructure

India's growth rate over the last fifty years has been below par compared to the growth rate of other Asian economies. This has been primarily due to inadequate infrastructure development. During the last five years, incremental growth in infrastructure projects has been achieved, be they highways, railways, air transport or even digiways.

Currently, India is the fastest highway developer in the world with 27 kilometers being constructed every day. The *Sagarmala* programme along the vast coastline of India will develop ports for efficient

handling of import and export cargo. Container freight movement has started on inland waterways from Kolkata to Varanasi. The navigation capacity of the Brahmaputra River is being exploited.

Indian Railways have achieved several milestones. The rail renewal programme has touched 4,405 kilometers and electrification of 4,087 Rkm has been undertaken in 2017-18. Almost 3,500 unmanned level crossings have been closed in 2018-19 and most of the railway stations have been provided with LED lighting. The production of coaches and electric locomotives in the last two years has been on an unprecedented scale.

India has taken the lead in the global effort to address the problem of climate change. The first international inter-governmental organization will be headquartered in India with the setting up of the International Solar Alliance. The solar generation capacity of India has grown by ten times in the last five years.

GST reforms

The biggest taxation reform undertaken since India became independent is the introduction of the Goods & Services Tax. Before the new GST regime came into force, seventeen different taxes levied by the Central and State Governments existed with deleterious effect of tax being levied on tax. With the

introduction of GST, India has become a common market and inter-states movement of goods has become more efficient with the elimination of entry tax and check posts.

Most items of daily use by the poor and middle class attract GST at the rate of 0% or 5%. Exemption from GST for small businesses has been doubled from Rs.20 lakhs to Rs.40 lakhs. Small businesses having turnover upto Rs.1.5 crore fall under the composition scheme where they pay tax only at the flat rate of 1% and have to file only one annual return.

Service providers having turnover upto Rs.50 lakhs can now exercise the option for the composition scheme and pay GST only at 6%; earlier the rate was 18%. Very soon, businesses comprising over 90% of GST payers will have to file only a quarterly return. Despite this rationalization, GST revenues are now around Rs.97,000 crore on an average every month; in January 2019, the revenues crossed Rs.1 lakh crore.

Welfare measures

Some critics have called this an election budget. However, the voter is not going to be swayed by the sops which have been announced in the interim budget. What may weigh with the voters is the track record of this Government. Inflation has been down from 10.1% to 4.6% which is a creditable

achievement. More than 15 lakh rural houses have been connected by all-weather roads.

Subsidized housing has been provided to 1.5 crore families. New electricity connections have been given to 2.5 crore families, and 6 crore LPG connections have been provided in rural homes. Around 19 crore families are eligible for subsidized life and accident insurance cover.

Vision for the future

The Finance Minister has, at the end of his speech, set out the Vision of the Government for the decade ending 2030. The first dimension of this Vision is to complete the construction of the physical and social infrastructure of roads, railways, ports, inland waterways, urban transportation, hospitals and schools.

The second Vision is to digitize the entire economy and create millions of jobs in the emerging ecosystem. The third limb is to make the Nation pollution free by ensuring use of electric vehicles, energy storage devices and solar energy.

Rural industrialization which would generate massive employment in smaller cities and towns is the fourth pillar of the Vision, whereby global manufacturing hubs will be set up in various sectors, including automobiles and electronics. The fifth and

sixth limbs of the Vision are to provide safe drinking water to all Indians and clean up the rivers.

Developing inland waterways will enhance the income potential of millions of citizens residing along the river banks as it is in advanced countries like Germany. The seventh dimension of the Vision is to develop space programmes and to become the launch-pad for satellites which would be used by many countries of the world.

The next Vision is to enhance farm productivity through modern agricultural practices and value addition and formulate an integrated approach for agro and food processing, packaging and maintenance of cold chains. The ninth dimension is to create and support a robust health infrastructure and provide insurance coverage to all citizens. The ultimate goal of the Vision is to transform India into a minimum government, maximum governance Nation having a bureaucracy which is proactive, reform oriented and accountable to citizens.

Fiscal consolidation

The fiscal deficit for both financial years 2018-19 and 2019-20 is to be maintained at 3.4% of the GDP. The estimated GDP for the fiscal year 2018-19 is Rs.188,40,731 crore (roughly US\$ 2.65 trillion) and the projected GDP for the fiscal year 2019-20 is Rs.210,07,439 crore (approximately US\$ 3 trillion).

Even after providing Rs.75,000 crore for the income support to be provided to farmers during the fiscal year 2019-20, the fiscal deficit would be Rs.7,03,999 crore, which is 3.4% of the projected GDP. The fiscal deficit has been kept in check despite the higher share of the State Governments in Central taxes which has been raised from 32% to 42% as per the Finance Commission's recommendations.

The last five years have seen a wave of path-breaking structural reforms. Foreign direct investment policy has been liberalized to permit such investments through the automatic route. This has borne fruit as is evident from the fact that as much as US\$ 239 billion were invested in India in the last four and a half years. The next three years will see a substantial jump in foreign direct investment as a result of foreign corporations being attracted by the new environment created by strong fundamentals in India.

Entering the league of Developed Nations

If the broad parameters of this Vision are fulfilled by 2030, the full potential of the Indian economy will be realized, laying the foundation for India's next phase of growth and development. While the Indian economy will grow from a 2.7 trillion dollar economy at present to a 5 trillion dollar economy by 2023, some international institutions have projected that by 2030 the Indian economy will be the second

largest in the world after China, based on the purchasing power parity method of calculating the comparable size of economies.

The budget has been structured to meet the aspirations of most sections of society. Marginal farmers, unorganized sector workers and middle-class families have been given benefits and incentives which were long overdue. Despite this being an interim budget, it sets out the framework for a full fledged programme to be implemented after the general elections.

The outlook for the next three years is extremely favourable in view of increase in private consumption as a result of rural incomes increasing. The ambitious public infrastructure investment programmes will begin to make an impact on growth. The banking restructuring framework should help to revive investments as a result of more credit flowing to the industrial sector. India is now ranked among the leading exporters of creative goods as per a recent report of UNCTAD.

Most of the infrastructure projects will reach fruition and see the light of the day by 2023. This will lay the foundation for exponential growth which only China had achieved during the past decade. There is no doubt that India's time has come to join the league of the most advanced economies of the world, having surpassed even today both England and France.

Goods and Services Tax (GST)

– Where are we today?

Bhavna Doshi*

Experience thus far

Eighteen months into GST implementation and, if we were to ask: how has been the experience? “A *mixed bag*” would be the response of most stakeholders be they tiny, small, medium or large and ultra large businesses or individual consumers or even, tax administrations. Challenges faced by some sectors and some class of businesses and users are more pronounced than others. And, that is not unusual for any such reform; variation is only in the degree and response mechanism.

There are several positive features of GST; it replaces several taxes, is uniform across the country, there is common law, common rules, common threshold, policy decisions

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are by one authority (GST Council) which has representation of all States and Centre and so on. A noteworthy feature is that all decisions at GST Council till date are unanimous which speaks volumes of the desire of both Central Government and all State Governments to address challenges noticed on implementation. These, and other beneficial features of GST, have made doing business simpler for several businesses especially, after removal of difficulties like general reverse charge for supplies from unregistered persons, rate rationalisation and few others.

Why then, the reaction of “mixed bag”?

What was the expectation?

All stakeholders understand and accept that challenges of introducing such a massive tax reform are enormous in a country with a federal structure where States are empowered to levy taxes and have been doing so, where there are significant differences in levels of development, education, computer literacy, etc. The euphoria at the time of introduction was on account of the fact that we were moving into a new tax regime which promised to settle down soon and expectation was that all the stakeholders will reap benefits that such a tax system promises.

GST is a destination-based consumption tax under which tax moves with goods and services as they move in the supply chain from origin till they reach the ultimate consumer. The tax is borne by the ultimate consumer and businesses are really the pass through entities; collecting tax, deducting tax paid by them and paying balance tax to the Government. Tax should not ideally stick to businesses and compliance burden should also be lower. Credits are available for tax paid on goods and services both and with no loss of input tax credit even when the goods move across states, tax costs will reduce and tax cascade would be a matter of past. Similarly, if tax rates are set in reasonably, tax neutral manner, tax cost should not go up for consumers and they should benefit from full transparency as to tax cost forming part of the value of goods and services. Same would be true for Government and tax revenue. As of now, this does not seem to be so.

What is amiss?

At practical and implementation level, many challenges did arise, some anticipated; several not; some addressed immediately, some after a lapse of time and some not. Some have had adverse impact on economic activities and in some cases,

tax and compliance costs have impacted viability of projects.

GST covers both goods and services and to that extent, input taxes paid on goods and services are available to manufacturers, traders and service providers unlike in pre-GST regime where traders could not recover input taxes paid by way of excise duty and service tax and manufacturers and service providers could not recover VAT. There is now no such distinction and, to that extent, blockage of tax costs and cascading on that count is less.

The benefit of this change is however, off set on account of dual model of GST where Central tax cannot be adjusted against State tax and State tax paid in one State cannot be recovered against State tax of another State.

Besides the challenges on account of GST model, artificial disallowances as also blockages of input tax credits, are adding to inefficiencies. Take for example, costs incurred on construction of office building which is let out. Rental is charged to GST and so also construction activity. But, tax cost incurred for construction of building is not available as input tax credit. Thus, the overall tax cost in case of rental is not apparent rate of 18 % (Central + State) but, much more.

Another aspect that adds to the cost and tax cascade is on account of place of supply rules. For

example, in case of a hotel, the place of supply of hotel service is where the hotel is located. If the user business is located in another State, that user is not able to avail of the taxes charged by the hotel. That leads to loss of input tax credit for legitimate business expenditure. While there is clarity that State GST of one State is not available as input tax credit in another State, there are different interpretations as to whether Central GST paid in one State is available as credit against Central GST of another State.

Which services are deemed services is also an issue and also clarity is required on several practical issues that arise in day to day activities like concessional rate canteen facilities provided to employees, etc.

Expenses incurred by head office and its cross charge to branches is another issue bothering several businesses. Another very complex area is to determine taxability of settlement of contracts. When does the payment constitute supply – agreeing to do an act or refrain from doing an act or agreeing to tolerate an act.

Yet another major area bothering businesses is dispute resolution mechanism. Advance ruling mechanism needs an overhaul to be effective so also administrative response system. Reference

of many matters to High Courts is indicative of the approach of tax administration.

While one must credit GST Network for meeting very tough deadlines with changing law and procedures and addressing many issues that had arisen at the time of implementation, there are few areas which still continue to pose challenges especially, where rectification is required. One understands that in a computerised system, one cannot be allowed to rectify or overwrite what has already been entered, but, appropriate rectification module which enables correction entries is a must. Some progress in this regard is made but, more is required.

And, these are not all the issues; these are few of the many, impacting businesses. Thus, the reaction "*mixed bag*"!

Way forward

These and other issues need quick resolution to reap the benefits of the new system. Tax collection is not at the level of expectation and that is holding up many changes which ought to be made. It is a chicken and egg syndrome. Hopefully, GST Council will develop a mechanism to enable businesses to make references, list agenda items slated for discussion in advance, enable representations and public hearings for matters referred by it to subject specific groups, provide adequate time for implementation of changes to enable businesses

to modify software and processes/systems and will take similar other measures. These will go a long way in imparting transparency and taking holistic views on matters by taking into consideration views and interests of different stakeholders.

There is optimism all around that GST will settle down at a faster pace and tax collection will improve if GST Council and all its participants continue and be little more aggressive in pursuing the proven theory that moderate tax rates, simple and clearer laws and, pragmatic tax administration leads to better tax collection.

Till then, we continue with the “*mixed bag*” and await clarifications, modifications and rate rationalisation.

The views expressed in this booklet are not necessarily those of the Forum of Free Enterprise.

“People must come to accept private enterprise not as a necessary evil, but as an affirmative good”.

- Eugene Black
Former President,
World Bank

FORUM

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The Forum of Free Enterprise is a non-political and non-partisan organisation started in 1956, to educate public opinion in India on free enterprise and its close relationship with the democratic way of life. The Forum seeks to stimulate public thinking on vital economic problems through booklets, meetings, and other means as befit a democratic society.

In recent years the Forum has also been focusing on the youth with a view to developing good and well-informed citizenship. A number of youth activities including elocution contests and leadership training camps are organised every year towards this goal.

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Published by S. S. Bhandare for Forum of Free Enterprise, Peninsula House, 2nd Floor, 235, Dr. D. N. Road, Mumbai 400001, and printed by S. V. Limaye at India Printing Works, India Printing House, 42 G. D. Ambekar Marg, Wadala, Mumbai 400 031.

0.8/March/2019