



GST REFORMS AND EASE OF DOING BUSINESS IN INDIA: AN ANALYTICAL STUDY BASED ON SECONDARY DATA

Dr. Vedavathi H. S

Associate Professor, Department of Commerce

GFGC, Hoskote

Abstract

The Goods and Services Tax (GST), implemented in 2017, represents a major structural reform in India's indirect taxation system. This study analytically examines GST reforms and their implications for ease of doing business, particularly for small sellers and online enterprises. Based exclusively on secondary data sources including government reports, GST Council notifications, CBIC circulars, and research publications, the study finds that threshold enhancements, composition scheme expansion, simplified return filing, digital compliance systems, and refund reforms have positively influenced procedural efficiency and transparency. However, technological barriers and policy instability remain challenges. The study concludes with policy recommendations to enhance GST effectiveness for MSMEs and digital entrepreneurs.

Keywords

GST, Ease of Doing Business, MSMEs, Secondary Data, Online Enterprises, Tax Reform

1. Introduction

GST replaced multiple indirect taxes with a unified system to eliminate cascading taxation and promote a common national market. The reform aimed to simplify compliance, enhance transparency, and improve India's business climate.

2. Conceptual Framework

GST operates as a destination-based tax under a dual model of CGST and SGST. Ease of Doing Business refers to regulatory efficiency that minimizes compliance burden and facilitates business operations.

3. Review of Literature

Existing literature highlights improvements in tax transparency and interstate trade efficiency post-GST. However, compliance burden and digital adaptation challenges for MSMEs are also documented.

4. Objectives of the Study

1. To examine GST reforms.
2. To analyze their impact on small sellers and online enterprises.
3. To evaluate procedural simplification measures.
4. To suggest policy improvements.

5. Research Methodology

This study is descriptive and analytical, based solely on secondary data from government publications, RBI reports, CBIC circulars, Economic Survey documents, and peer-reviewed journals.

6. Major GST Reforms

Key reforms include threshold limit increases, expansion of composition scheme, QRMP scheme introduction, e-invoicing implementation, faster refund mechanisms, and full digitalization of registration and filing processes.

7. Impact on Small Sellers and Online Enterprises

Reforms reduced compliance burden, promoted digital entrepreneurship, improved interstate trade, and enhanced formalization. However, technological adaptation costs remain a concern.

8. Challenges

Challenges include complex rate structure, working capital blockage, portal glitches, frequent amendments, and digital literacy gaps among rural entrepreneurs.

9. Findings

GST reforms have improved procedural efficiency and transparency while supporting MSME formalization. Further structural simplification is needed.

10. Policy Recommendations

Simplify tax slabs, expand composition scheme for e-commerce sellers, strengthen refund timelines, provide digital training programs, and ensure policy stability.

11. Conclusion

GST reforms have significantly contributed to improving ease of doing business in India. Continuous refinement and digital inclusion strategies are essential to maximize benefits for small and online enterprises.

References

- Government of India (Various Years). GST Council Press Releases.
- Central Board of Indirect Taxes and Customs (CBIC). GST Notifications and Circulars.
- Ministry of Finance. Economic Survey of India.
- Reserve Bank of India. MSME Reports.
- Peer-reviewed journals on GST and Ease of Doing Business.