



International Journal of Multidisciplinary Research in Science, Engineering and Technology

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)



Impact Factor: 8.206

Volume 9, Issue 4, April 2026



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Empirical Study of GST Impact in India Before GST and After GST

Ashish Mahesh Dayma¹, Dr. Mahesh Singh Rajput²

Research Scholar, Department of Commerce, Shri JYT University, Jhunjhunu, Rajasthan, India¹

Associate Professor, Department of Commerce, Shri JYT University, Jhunjhunu, Rajasthan, India²

ABSTRACT: The implementation of the Goods and Services Tax (GST) on 1 July 2017 marked a significant reform in India's indirect taxation system. By replacing multiple central and state taxes with a unified tax framework, GST aimed to simplify taxation and create a common national market. The present study, examines the economic and structural changes brought about by GST. Data were collected from respondents, including consumers, traders, and business representatives, through a structured questionnaire, along with secondary information from government reports and academic sources. The findings indicate that GST has improved tax transparency, reduced cascading tax effects, expanded the tax base, and encouraged digital compliance. Although initial challenges such as technical issues and compliance costs for small businesses were observed, stakeholders gradually adapted to the new system. Overall, the study concludes that GST has strengthened fiscal efficiency, promoted business growth, and enhanced economic integration across India.

KEYWORDS: Goods and Services Tax (GST), Indirect Tax Reform, Economic Impact, Pre-GST and Post-GST Comparison.

I. INTRODUCTION

One of the most important sources of governmental income, indirect taxes has been a key component of India's fiscal structure for many years. Indirect taxes are charged on products and services and are collected from middlemen like manufacturers, wholesalers, retailers, or service providers, in contrast to direct taxes, which are imposed directly on income or wealth and are paid for by the same individual. In the end, the final consumer bears the cost of these taxes via pricing. Because of its unique quality, indirect taxes are a crucial tool for generating income as well as affecting production choices, consumption trends, and general economic activity.

The concept of a thorough reform of indirect taxes gained traction in response to these difficulties. The need of a single tax system that would combine many indirect taxes, do away with cascading effects, and establish a single national market was the subject of growing emphasis from policymakers, economists, and trade associations. The Goods and Services Tax, which was subsequently introduced as a result of these talks, completely changed the indirect taxation environment in India. Even with this transition, it is still necessary to comprehend the previous indirect tax system in order to assess the scope and character of the GST's modifications.

Pre-GST Tax Structure in India

Prior to the implementation of the Goods and Services Tax, India had an intricate, multi-tiered indirect tax structure that mirrored the nation's federal structure. According to the Indian Constitution, the federal government and the state governments shared the authority to impose indirect taxes. A fragmented tax system with many levies imposed at various phases of production, distribution, and consumption was the outcome of this divide, even though it guaranteed budgetary autonomy for both levels of government. This system became more complex over time, which resulted in economic distortions, increased compliance costs, and inefficiencies.

Excise duty was one of the most significant indirect taxes at the federal level. It was imposed on domestic manufacturing or output. Regardless of whether the products were sold or not, the tax went into effect as soon as they were produced. Although a number of exemptions were granted to small-scale companies and certain product categories, excise tax was imposed on a broad range of commodities. Reforms like MODVAT and subsequently CENVAT were implemented over time to provide credit for input excise tax paid, which somewhat lessened the



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

cascading impact. Excise duty, however, remained restricted to the production phase and did not completely merge with taxes imposed at later supply chain phases.

Concept of Goods and Services Tax (GST)

The products and Services Tax (GST) is a major change to the system of indirect taxation. Its goal is to make it easier and more up-to-date to tax products and services. The main idea of GST is to tax value added at every step of the supply chain, from the producer or service provider to the end user. GST is distinct from previous indirect tax systems that charged separate taxes at different times. Instead, it combines several indirect taxes into one system, making things simpler and more efficient.

GST is a consumption tax that is depending on where the goods are going. This implies that the government collects taxes on products and services where they are really used, not where they are produced. This method makes sure that tax money is fairly shared across states and that taxes are based on how much people spend. With GST, the ultimate consumer pays the tax, and companies are responsible for collecting it and sending it to the government.

II. OBJECTIVES

1. To analyze the impact of GST on economic efficiency in India by comparing pre-GST and post-GST data.
2. To assess the extent to which GST has contributed to the formalization of the Indian economy.

III. REVIEW OF LITERATURE

A. Agrawal (2025)

India's indirect tax system underwent a dramatic change with the introduction of the Goods and Services Tax (GST) on July 1, 2017. This study uses secondary data to critically assess how GST has improved tax income in India. It looks at the patterns in revenue before and after the GST, the effectiveness of tax collection, and systemic changes to the tax code. The revenue performance and economic effects of GST are evaluated using data from official sources, studies, and published literature.

C. Anand (2024)

An important turning point in India's economic history was the introduction of the Goods and Services Tax (GST) in July 2017. This study offers a thorough examination of how the GST has affected different economic sectors. Using a mixed-methods approach, the research evaluates how well GST accomplishes its goals by combining quantitative data analysis with a comprehensive examination of the literature.

Danish, M., Islam, M., and T. (2023)

Due to its extensive effects on both enterprises and end users, GST is a game changer. India's manufacturers, merchants, and service providers are all subject to the same taxes. They no longer have to deal with the onerous variety of different tax forms that they had to previously pay. Even if it has numerous benefits in the present situation, the end user needs to see an improvement in the cost of essential facilities.

Singh, P. (2022)

The effects, methods, and analysis of India's Goods and Services Tax (GST) on the economy, it is crucial that international investors and businesses regard India to be a location in order to establish India as a manufacturing powerhouse, which would provide jobs for the country's growing young.

Jaiswal, K., and Singh, A. (2021)

India announced the GST as its second planned effort. However, a few months ago, on July 1, 2017, India took a significant step toward a new tax system that is unquestionably one of the most significant and ground-breaking indirect fiscal changes in the country's history since independence. Additionally, the World Bank has referred to the GST as a highly complex tax system, and exporters have so far suffered many setbacks, mistakes, and incompatibilities in archived returns in the post-GST period.

M. M. (2020)

One of the biggest tax reforms India has seen since gaining independence in 1947 is the Goods and Services Tax



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

(GST), which went into effect on July 1, 2017. GST was supposed to go into effect in April 2010, but political problems and competing interests among stakeholders caused it to be delayed. It is a comprehensive tax system that would unify the economy into a smooth national market and absorb all indirect taxes levied by the federal and state governments.

R. Frank (2019)

Every country will tax its citizens in different ways to fund maintenance and development projects. The government of India recently implemented the Goods and Services Tax, or GST. The fundamental goal of the GST's creation was to retain India's single tax system by absorbing all indirect taxes, such as Central Excise Tax, VAT/Sales Tax, and others.

IV. METHODOLOGY

An empirical study of the effects of the Goods and Services Tax (GST) in India must have a defined, robust research approach, especially if comparing results before and after the GST's adoption is the goal. The approach must include a sound study design, trustworthy data sources, suitable sampling and measurement plans, and strong analytical methods to provide empirical results that are believable, repeatable, and relevant to policy. In addition to eliminating identification risks and guaranteeing scientific openness, this exposition outlines an integrated methodological framework appropriate for a PhD research that assesses the economic, fiscal, and distributional implications of GST across sectors, enterprises, people, and states. By integrating meticulously planned qualitative research with quantitative econometric analysis, the study takes a mixed-methods approach.

Table 1: Companies selected for Questionnaire Survey

S.N.	Company Name	Industry / Category
1	Godrej Industries Limited	Chemical manufacturer
2	ASB International Pvt Ltd	Machining / Manufacturing
3	Anant Pharmaceuticals Pvt. Ltd.	Pharmaceutical company
4	Rubicon Research Pvt. Ltd.	Pharmaceuticals
5	PRASHANT PLASTIC INDUSTRIES LLP	Plastic / Manufacturing
6	Huhtamaki India Limited	Manufacturing (packaging)
7	Fineotex Chemical Limited Ambernath	Chemical manufacturer
8	Brilliant Polymers Pvt. Ltd.	Chemical / Polymer
9	Omprakash packaging Pvt Ltd	Packaging solutions
10	Bunty Foods (India) Pvt. Ltd	Food manufacturer

It is possible to analyse the effects of the GST holistically by combining topic and content analysis. In addition to explaining the "what" found in quantitative data, qualitative discoveries can provide light on the "why" and "how" of such findings. Perception differences between the pre-GST and post-GST eras highlight how important institutional support, stakeholder ability, and transition management are in influencing policy outcomes. Thus, the qualitative study shows that the effects of the GST must be evaluated via the experiences, adjustments, and expectations of individuals who are directly impacted by the reform in addition to revenue data or economic indicators.

V. RESULT AND DISCUSSIONS

According to a comparison of the pre- and post-GST eras, the GST has significantly changed the indirect taxes environment in India. Transparency, compliance, and efficiency have all increased since the system's transition from fragmentation to a single tax framework. The reform has facilitated interstate commerce, formalized the economy, and facilitated digitization. The larger goals of simplicity and integration have mostly been accomplished, notwithstanding obstacles relating to price perceptions and transitional complications.

The study's empirical results show that the GST marks a critical turning point in India's economic reform journey. Even though there were adjustment challenges during the early stages of adoption, better governance, a compliance culture, and more budgetary transparency show the long-term structural advantages.



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Table 2: Company-wise Distribution of Respondents by Gender

S. No.	Company Name	Male	Female	Total
1	Godrej Industries Limited	23	17	40
2	ASB International Pvt Ltd	21	19	40
3	Anant Pharmaceuticals Pvt. Ltd.	18	22	40
4	Rubicon Research Pvt. Ltd.	24	16	40
5	Prashant Plastic Industries LLP	26	14	40
6	Huhtamaki India Limited	19	21	40
7	Fineotex Chemical Limited Ambernath	27	13	40
8	Brilliant Polymers Pvt. Ltd.	22	18	40
9	Omprakash Packaging Pvt Ltd	25	15	40
10	Bunty Foods (India) Pvt. Ltd.	17	23	40
Total		222	178	400

Pie Chart Showing Gender Distribution of Respondents (N=400)

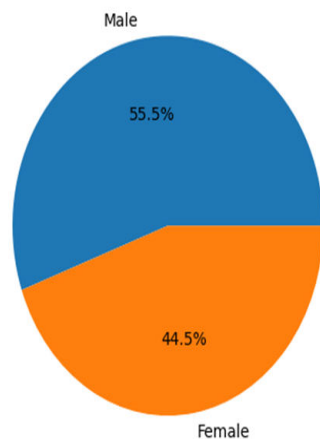


Figure 1: Pie Chart Gender Distribution

Bar Graph Showing Gender Distribution of Respondents (N=400)

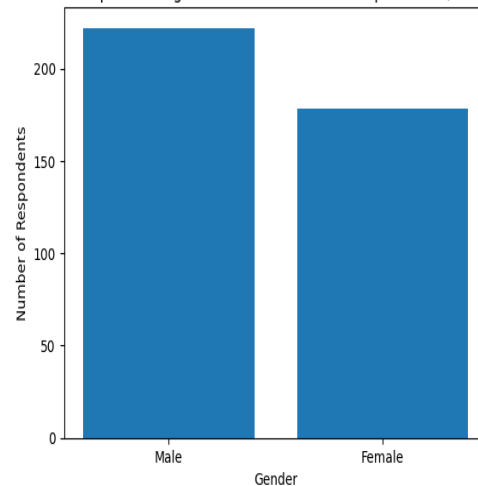


Figure 2: Bar Graph Gender Distribution

Out of the 400 workers in the sample, who were evenly distributed across 10 industrial units in Ambernath, 222 are men and 178 are women, according to the gender-wise analysis of the respondents. This translates to 44.5 percent of women and 55.5 percent of men taking part in the current survey. Across the chosen sectors, the distribution shows a modest preponderance of male responses.

Table 3: Monthly Household Income Distribution of Respondents

S. No.	Monthly Household Income	No. of Respondents	Total	% of Respondents
1	Below ₹25,000	61	400	15.25
2	₹25,001–₹50,000	105	400	26.25
3	₹50,001–₹1,00,000	140	400	35.00
4	Above ₹1,00,000	94	400	23.50
	Total	400	400	100.00



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Pie Chart Showing Monthly Household Income Distribution (N=400)

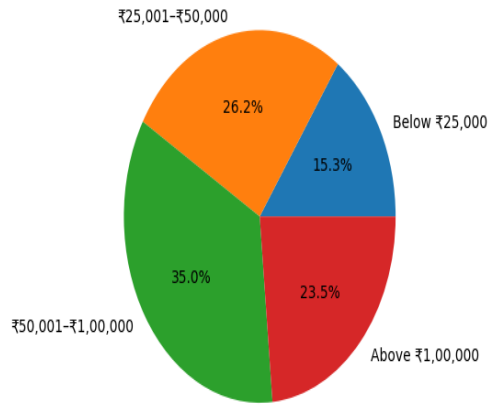


Figure 3: Pie Chart Household Income

Bar Graph Showing Monthly Household Income Distribution (N=400)

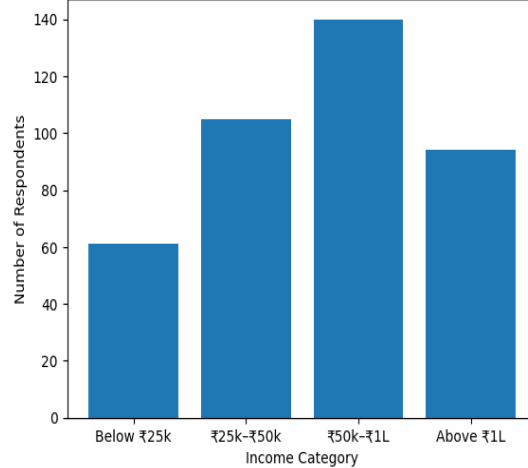


Figure 4: Bar Graph Household Income

The majority of responders—140 people, or 35.00 percent—are in the ₹50,001–₹1,00,000 income range. This suggests that a sizable portion of the labor population is middle-class, indicating steady earning potential and a reasonable level of financial stability.

Table 4: Opinion on Improvement in Availability of Goods and Services after GST

S. No.	Response Category	No. of Respondents	Total	% of Respondents
1	Strongly Disagree	46	400	11.5
2	Disagree	58	400	14.5
3	Neutral	72	400	18.0
4	Agree	128	400	32.0
5	Strongly Agree	96	400	24.0
Total	Total	400	400	100.0

Pie Chart Showing Opinion on Availability of Goods and Services after GST (N=400)

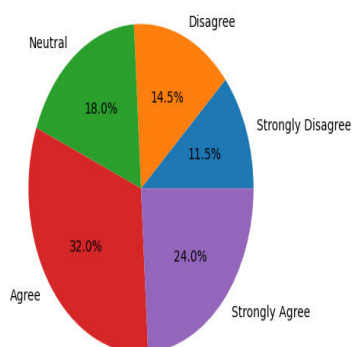


Figure 5: Pie Chart Services after GST

Bar Graph Showing Opinion on Availability of Goods and Services after GST (N=400)

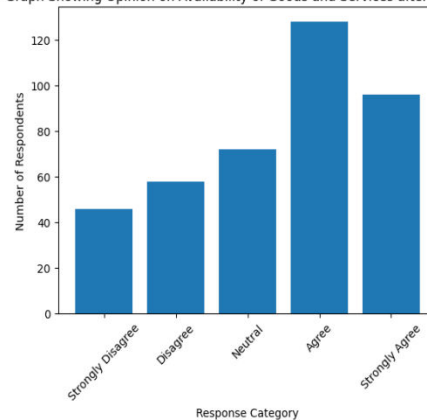


Figure 6: Bar Graph Services after GST

The majority of respondents had a favorable opinion of the increase in the availability of products and services after the introduction of the GST, according to the analysis of their comments. 128 respondents, or 32 percent of the 400 total, said they agreed with the statement, while 96 respondents, or 24 percent, said they strongly agreed. Overall, 56 percent



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

of respondents had a positive view of increased availability, suggesting that over half of industrial workers believe GST has enhanced supply chain efficiency and market accessibility.

Table 5: Compared to pre-GST, cash-based transactions have reduced

S. No.	Response Category	No. of Respondents	Total	% of Respondents
1	Strongly Disagree	33	400	8.25
2	Disagree	50	400	12.50
3	Neutral	72	400	18.00
4	Agree	132	400	33.00
5	Strongly Agree	113	400	28.25
	Total	400	400	100.00

Pie Chart Showing Opinion on Reduction of Cash Transactions Post-GST (N=400) Bar Graph Showing Opinion on Reduction of Cash Transactions Post-GST (N=400)

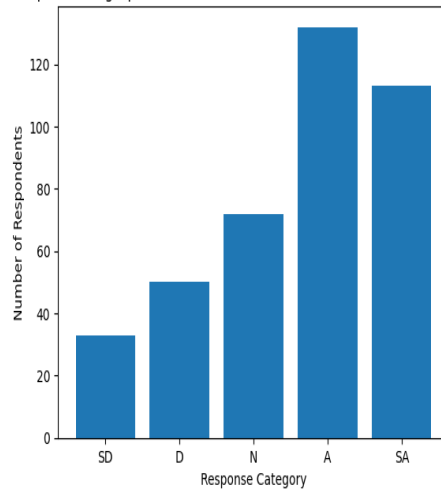
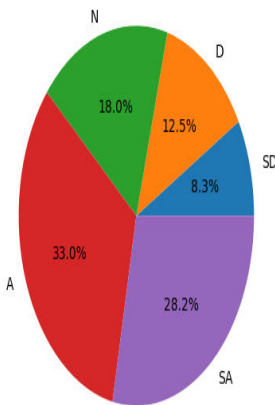


Figure 7: Pie Chart of Cash Transactions Figure 8: Bar Graph of Cash Transactions

132 respondents (33.00%) and 113 respondents (28.25%) chose "Agree" and "Strongly Agree," respectively, out of the 400 workers in the sample, who were evenly distributed across 10 industrial units. Overall, 61.25 percent of respondents agreed with the statement, suggesting that a sizable majority believe there has been a decline in cash-based transactions since the introduction of the GST.

Table 6: Frequency Distribution of Responses on overall cost of after GST implementation

S. No.	Response	No. of Respondents	Total	% of Respondents
1.	(Strongly Disagree)	36	400	9.00
2.	(Disagree)	58	400	14.50
3	(Neutral)	74	400	18.50
4	(Agree)	129	400	32.25
5	(Strongly Agree)	103	400	25.75
Total		400	400	100.00



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Pie Chart Showing Perception on Increase in Cost of Living After GST (N=400)

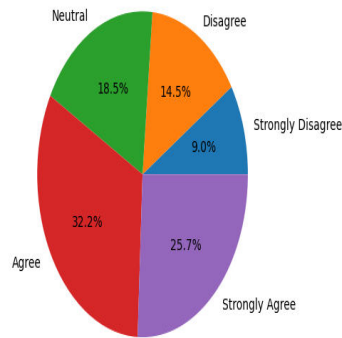


Figure 9: Pie Chart Cost of Living

Bar Graph Showing Perception on Increase in Cost of Living After GST (N=400)

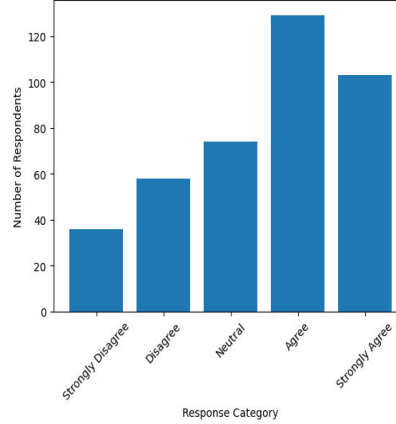


Figure 10: Bar Graph Cost of Living

A total of 400 respondents, evenly distributed across 10 industrial groups, agreed (129 respondents, or 32.25 percent), and strongly agreed (103 respondents, or 25.75 percent) that the cost of living has gone up since the introduction of the GST. Overall, 58 percent of the respondents said they agreed with the statement, showing that over half of the industrial workers believe GST raises living costs.

Table 7: Biggest Benefit of GST for Consumers

S. No.	Response Category	No. of Respondents	Total	% of Respondents
1	Price Transparency	86	400	21.50
2	Reduction in Tax Burden	74	400	18.50
3	Uniform Tax System	69	400	17.25
4	Elimination of Cascading Tax	58	400	14.50
5	Better Compliance & Digitalization	63	400	15.75
6	Increased Consumer Awareness	50	400	12.50
	Total	400	400	100.00

Pie Chart Showing Biggest Benefit of GST for Consumers (N=400)

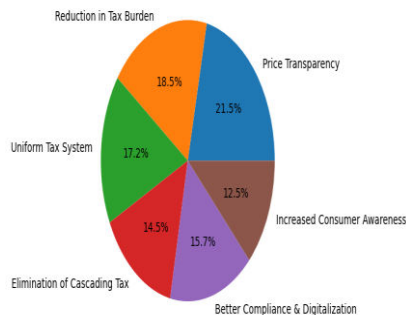


Figure 11: Pie Chart GST Biggest Benefit Figure

Bar Graph Showing Biggest Benefit of GST for Consumers (N=400)

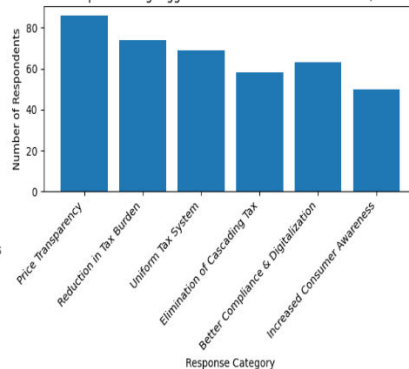


Figure 12: Bar Graph GST Biggest Benefit

Based on a thematic analysis of open-ended replies, 86 respondents, or 21.50 percent of the sample, said that pricing transparency is the advantage of GST that customers most commonly perceive. According to respondents, GST has simplified and standardized invoicing, enabling customers to comprehend tax elements on invoices. This impression is a result of better pricing structure clarity and indirect tax transparency.



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

VI. CONCLUSION

- Of the 400 people who answered, 222 (55.5%) were men and 178 (44.5%) were women. The findings show that a little greater percentage of male respondents took part, but there are also a lot of female respondents.
- The biggest group of those who made money was ₹50,001–₹1,00,000 (140; 35.00%), followed by ₹25,001–₹50,000 (105; 26.25%) and more than ₹1,00,000 (94; 23.50%). Only 61 people (15.25%) who answered the question earned less than ₹25,000.
- Agree (128; 32.0%) and strongly agree (96; 24.0%) make up 56% of the total. The impression shows that the supply chain is more efficient after the GST.
- Less use of cash for transactions: Agree (132; 33.00%) and strongly agree (113; 28.25%) make up 61.25%, showing that people are less dependent on cash.
- Agree (129; 32.25%) and strongly agree (103; 25.75%) make up 58% of the total. This shows that people are worried about inflation.
- The results indicate that rather than only seeing GST as a way to lower taxes, consumers primarily see it as a reform that improves transparency and structural efficiency.

The study shows that revenue performance has increased, more taxpayers are participating, and compliance has improved thanks to technology-driven procedures. There were clear problems throughout the transition and unequal adaptations in different sectors, but the overall economy shows signs of moving toward higher efficiency and formalization. People seem to be cautiously accepting the idea, weighing the benefits of openness against their sensitivity to price changes. The results show that long-term advantages can only be fully realized with consistent policies and streamlined administration.

REFERENCES

1. Agarwal, S. (2024). Analysis of Pre-GST and Post-GST Taxes on Works Contracts in the Construction Industry in India. SSRN Electronic Journal. <https://doi.org/10.2139/ssrn.4816364>.
2. Bansal, R., Shrivastava, P., & Kumar, A. (2024). Impact of goods and services tax (GST) on Indian economy. International Journal of Financial Engineering. <https://doi.org/10.1142/s2424786323500457>.
3. Chawla, I. (2020). One Nation, One Tax: How the Goods and Services Tax (GST) have Impacted the Indian Economy. International Journal of Research in Engineering, Science and Management. <https://doi.org/10.47607/ijresm.2020.391>.
4. Das, D. (2018). GST Pass-through Across Indian States: Evidence from Difference-in-Differences. The Indian Economic Journal, 66, 42 - 49. <https://doi.org/10.1177/0019466219838427>.
5. Garg, S., Mittal, S., & Garg, A. (2025). Goods and Services Tax: An Inflationary Reform or a Myth for the Indian Economy? Empirical Insights Using Intervention Modeling. Public Finance and Management, 24, 69 - 82. <https://doi.org/10.1177/15239721251330381>.
6. Kankipati, A. (2017). A Journey of Goods and Services Tax (GST) and Structural Impact of GST on the Growth of GDP in India. ERN: Value-Added Tax; Goods & Services Tax (Topic). <https://doi.org/10.11648/j.ash.20170305.12>.
7. M, K., & Selvaraju, S. (2024). Impact of GST on Small Scale Business with Special Reference to Chennai. International Journal of Advanced Research in Science, Communication and Technology. <https://doi.org/10.48175/ijarsct-19073>.
8. Nayyar, A., & Singh, I. (2018). A Comprehensive Analysis of Goods and Services Tax (GST) in India. Indian Journal of Finance, 12, 57-71. <https://doi.org/10.17010/ijf/2018/v12i2/121377>.
9. Rajkumar, V. (2024). Global Goods and Services Tax: A Macro-Economic Perspective. International Journal For Multidisciplinary Research. <https://doi.org/10.36948/ijfmr.2024.v06i02.18500>.
10. Saritha, K., & Venkatesh, R. (2023). A Study on the Impact of GST on Automobile Ancillary Sectors with Special Reference to Tamil Nadu. Orissa Journal of Commerce. <https://doi.org/10.54063/ojc.2023.v44i02.09>.
11. T., Islam, M., & Danish, M. (2023). Reviving India's economy through goods and services tax (GST): A conceptual study. International Journal of Financial Management and Economics. <https://doi.org/10.33545/26179210.2023.v6.i1.189>.
12. Usman, A., Ozturk, I., Hassan, A., Zafar, S., & Ullah, S. (2021). The effect of ICT on energy consumption and economic growth in South Asian economies: An empirical analysis. Telematics Informatics, 58, 101537. <https://doi.org/10.1016/j.tele.2020.101537>.



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

| Mobile No: +91-6381907438 | Whatsapp: +91-6381907438 | ijmrset@gmail.com |

www.ijmrset.com