

FROM IDT TO GST: A MOVEMENT TO BRING SUCCESS FOR “MAKE IN INDIA”

Dr. Vijaybhai K. Patel*

Abstract

Currently in India, a complicated system of Indirect Taxes is followed. The Indirect Taxes are imposed and levied by both, the central government and state government. GST is likely to bring all the Indirect Taxes under one umbrella and will be helpful in creating a smooth national market facilitating the international trade. The proposed GST structure will change the structure of indirect taxes drastically, since it will be biggest tax reform since 1947. Adopting of GST will make a heavy impact on manufacturing sector of India. Under the dynamic leadership of our Prime Minister H.E. Mr. Narendra Modi, India is going to become the manufacturing hub of world. In order to make India, the manufacturing hub of the world, Mr. Narendra Modi has launched the “Make in India” Campaign. The transition from IDT to GST will be helpful to bring success for “Make in India” campaign.

Keywords: Indirect Taxes, Tax System, Tax Reforms, Manufacturing Sector, Make in India Campaign.

Introduction

Currently in India, a complicated system of Indirect Taxes is followed. The Indirect Taxes are imposed and levied by both, the central government and state government. GST is likely to bring all the Indirect Taxes under one umbrella and will be helpful in creating a smooth national market facilitating the international trade. The proposed GST structure will change the structure of indirect taxes drastically, since it will be biggest tax reform since 1947. Experts say that it will bring unification of tax and remove the barrier between state and central government, so that, the national trade becomes easy. The first country to introduce GST was France. France introduced GST in 1954. Currently more than 140 countries are following GST. Now, if India adopts GST, we will join this list and our trade with these countries will become smoother.

Adopting of GST will make a heavy impact on manufacturing sector of India. Under the dynamic leadership of our Prime Minister H.E. Mr. Narendra Modi, India is going to become the manufacturing hub of world. In order to make India, the manufacturing hub of the world, Mr. Narendra Modi has launched the “Make in India” Campaign. The transition from IDT to GST will be helpful to bring success for “Make in India” campaign.

The Hon’ble Prime Minister of India, H.E. Mr. Narendra Modi has launched the “Make in India” campaign on 25th September, 2014, at Vigyan Bhavan, New Delhi. The main focus of this campaign is to highlight the investment opportunities in India, particularly in the sectors such as Infrastructure Development, Energy Sufficiency, Manufacturing and Skill Development. The “Make in India” Campaign will present new opportunities for Indian entrepreneurs. Commenting on the launch of “Make in India” Campaign, Siddharth Birla, President, FICCI said “We have embarked on the path for India to become global manufacturing power. Never before have we seen so much focus and attention on the vital manufacturing sector. This mission is a tribute to millions of entrepreneurs who effortlessly work over years to show that India is reliable source of high quality state of the art products that serve the demand not only at home but all over the world”.

* Principal, Smt. M. T. Dhamsaniya Commerce College, Rajkot, Gujarat & Member of Academic Council, Syndicate & Senate, Member of Executive Committee IAA.