

# GST - A boon for the Indian economy

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The common man has been waiting for 'Achhe Din' for a long time, not just in the reins of the current Government, but under every ruling 'raj'. But, 'rajneeti' isn't a fair and just game, it plays with a common man's emotions. Sometimes, good days are here, but they don't seem to stay long.

Nevertheless, the ruling Government showed promise of a change, and took some of the progressive reform decisions in quick time. Though they had both good and bad effects on the common man, but overall it was a pleasant change. In recent times, the common man has geared up or more such changes, whether good or bad, but they know that 'it' is coming.

The Budget 2017 announced the advent of GST (Goods and Service Tax), and since then there has been mixed feelings about it. However, people are somewhat ready to welcome it as a positive change. Let us first understand what is GST and things we need to know as a 'common man'.



## What is GST?

The Goods and Services tax is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments.

What it essentially does is that it alleviates the cost structure to streamline the taxation on various components from raw materials to finished products and apply one composite final tax. This not only adds transparency to the taxation process as seen by end users, i.e. - consumers, but also help break down a complex age-old financial tax system

into a rather simple one.

## How GST works?

The first and foremost beauty of GST is that it would completely do away with the cascading of multiple taxation at various stages of a product manufacturing cycle. This has been a prevalent ill of the taxation system historically and with the advent of GST we'll see it going away as the system gets more and more aligned with the value addition capabilities of a product. The decision to come up with the formula on what products need to be taxed at what bracket essentially needs to be made in a fashion to keep their impact on infla-

tion as well as revenues to the government near neutral.

Let's take an example where the GST is set at 20%. Imagine that the manufacturing cost of A is INR 100, the total amount after GST come to INR 120. Now, when a consumer buys this product, take that its cost INR 150 to him, then another 20% will be charged on just the difference of INR 150 and INR 120 i.e. only 20% on INR 30 which is equal to Rs. 6. So the final price of A becomes INR 150 + INR 6 that is INR 156. Like for petrol, there is no tax on a tax now. This takes away the cascading layers of taxation that a common man has been paying till now, and things have been made simpler - one TAX at SOURCE.

The application of GST at every step will prevent black money owners to participate anywhere in the value chain without accounting for all other transactions. If GST is implemented, it is expected to provide an immediate rise of around 0.9% - 1.4% of the GDP.

## How would GST strengthen the Make in India Initiative?

The 'Make in India' project is a dream initiative of our Prime Minister, which will strengthen India as a manufacturing

hub. GST, if implemented, will act as a positive catalyst. This in turn will help to create new job opportunities for the youth of the country. Overall, it will facilitate India's growth and prosperity, and take us towards being a superpower in the future.

In order to make India a manufacturing hub, it is imperative that the foreign investors/companies find it conducive to do business here. One of the major impediments to a smooth business, especially in the manufacturing sector, is the uncertain and unpredictable indirect tax regime.

## How it helps to usher in 'acche din'?

The proposed GST will be a destination-based indirect tax, which will encompass different that are levied currently, by both the Centre and at the State levels. For example, excise duty, service tax, value added tax (VAT), Central Sales Tax (CST), purchase tax, octroi, entry tax etc.

If nothing it would help get rid of the sluggishness in the economy and enable more small businesses cropping up in more sectors. This will without a doubt add the much needed boost to our economy and make it more robust.

## events

### TRENDS... SETTER



ARPITA BANSAL



SEITU KUMAR



AAMER ZAKIR & AJAY SHARMA

Celebrity entrepreneur and stylist Aamer Zakir and Owner of "Play Boy" café Mr. Ajay Sharma hosted an exclusive fashion event "TRENDS" by designers Sonia Jetleey and Manish Gupta along with Deepak Kaushik, Kishan Das at "Play Boy" café Connaught Place New Delhi. Show was powered by Play Boy "Café.

Who is who of Delhi along with people from fashion and Page 3 fraternity attended the event, like designers, Samant Chauhan, Gautam Gupta, Niharika Pandey, Niket Mishra, Rinku Sobti to name a few.



SHAGUFTA



NIHARIKA PANDEY & RINKU SOBTI



MANISH GUPTA & NUTAN



DEEPAK KAUSHIK & KISHAN DAS



GUNJAN GAUR & BHARTI TANEJA

## Nagaland Fashion Week 2017 International Initiative to Empower Youth and Women Towards Self-Employment



Delhi Fashion Club with the Support of Nagaland Government is proud to announce the Official First Edition of Nagaland Fashion Week In New Delhi which will be held somewhere in Aug/Sept 2017, This announcement has been done on Thursday at Press conference at Nagaland House in New Delhi in presence of Shri Jyoti Kalash, Principle Resident Commissioner Of Nagaland House in Delhi. The Governor and Chief Minister of Nagaland have appreciated and supported this event. The motive of this show is to Celebrate Culture, Textile and Tourism Internationally with Participation of not only Designers from Nagaland but whole nation and world. Giving the local talents like models, designers and waivers an international Exposure. It will be promoting Handlooms and Handicraft industry of Nagaland for which association is done with NHHDC (Nagaland Handloom and Handicraft Corporation Ltd).

The Founder of Nagaland Fashion week Mr. Harshit Dhingraun, Delhi based known personality among youth as Chairman of Delhi Fashion Club and Online Bollywood VJ.

Associate Creative Director, Delhi Fashion Club and Co-Founders are Ethiel Konyak, Ex- Super model is Regional Head in Nagaland and Esther Arenla Jamir, women Entrepreneur and social worker Will be taking care of Delhi operation as Delhi Regional Head.