

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

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**LOK SABHA
STARRED QUESTION No. 301
TO BE ANSWERED ON FRIDAY, THE 16TH MARCH, 2018 / PHALGUNA 25,
1939 (SAKA)**

QUESTION

IMPACT OF GST ON CORRUPTION AND INFLATION

†*301. SHRI TARIQ ANWAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether corruption is declining in the system with the introduction of the new tax regime the Goods and Services Tax (GST) and if so, the details thereof;
- (b) whether inflation has gone up with the implementation of GST; and
- (c) if so, the details of percentage increase in the inflation so far, State-wise?

**ANSWER
FINANCE MINISTER
(SHRI ARUN JAITLEY)**

(a) to (c) A Statement is laid on the table of the House.

STATEMENT AS REFERRED TO IN REPLY TO PARA A TO C OF LOK SABHA STARRED QUESTION NO 301 FOR ANSWER ON 16TH MARCH 2018/ PHALGUNA 25, 1939 (SAKA) REGARDING IMPACT OF GST ON CORRUPTION AND INFLATION

- (a) Yes Sir. GST, a destination-based consumption tax with a unified input tax credit chain and an inbuilt self-policing mechanism, has been so designed that all the business processes like registration, return filing, tax payment, refunds and intimations are automated with minimal interaction with the tax authorities. However, no formal study has been conducted in this regard till now since its introduction on 01st July, 2018.
- (b) & (c) No Sir. The average inflation has declined after the implementation of GST. The average inflation for eight months since July, 2017 is lower than the corresponding eight months prior to its implementation. Moreover, it has been observed there was no huge increase in the prices of essential commodities from 01.07.2017 to 13.03.2018. However, the details of the percentage increase in the inflation so far, State-wise are not maintained centrally.