

GST Reforms and Their Impact on Tax Revenue, Business Efficiency and Economic Growth in India: A Review and Meta-Analysis of Past Work

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Abstract:

The Goods and Services Tax (GST), introduced in India on 1 July 2017, subsumed seventeen indirect taxes and twenty-three cesses into a destination-based, credit-linked levy administered jointly by the Centre and the States, and was comprehensively restructured on 22 September 2025 through the two-slab 'GST 2.0' rationalisation. This review paper synthesises past work through a systematic, PRISMA-informed search of academic databases, working-paper repositories and official publications, followed by a meta-analytic, direction-of-effect synthesis of 133 studies published between 2004 and 2026. Each study was coded by domain, design, coverage, data source and direction of effect, and graded by identification quality. Three findings dominate the literature. First, the revenue effect is the most robust: gross collections rose from ₹7.41 lakh crore in the nine-month first year to ₹22.08 lakh crore in 2024–25, and the registered base exceeded 1.51 crore active taxpayers, although part of the increase is mechanical base-widening and later enforcement technology rather than higher tax efficiency alone. Second, business-efficiency gains from seamless input tax credit, inter-State creditability, check-post removal and digital compliance are real but uneven, with micro and small enterprises bearing disproportionate transitional, compliance and working-capital costs. Third, the claimed growth dividend of one to two per cent of GDP remains an ex-ante simulation result rather than an identified ex-post causal estimate. The paper critically appraises identification, measurement, periodisation and coverage weaknesses in past work, explains why conventional pooled effect sizes are not yet feasible for this literature, and proposes a panel-data, threshold-based and GST 2.0-focused research agenda.

Keywords: Goods and Services Tax (GST)¹; tax revenue buoyancy²; business efficiency³; input tax credit⁴; economic growth⁵; fiscal federalism⁶; systematic review and meta-analysis⁷

1. INTRODUCTION

1.1 Background and Rationale for the GST Reform

Before July 2017, India's indirect tax system taxed production, movement and consumption through a patchwork of Central excise duty, service tax, additional customs duties, State value added tax, Central Sales Tax, entry tax, octroi and several luxury, entertainment and purchase taxes. Because credits did not flow across levies, levels of government, or State borders, tax was repeatedly charged on tax. This cascading raised prices, rewarded tax-driven sourcing and warehousing, fragmented the national market behind check-posts, and forced firms to maintain multiple registrations and departmental interfaces. Successive committees, from the Kelkar Task Force through the Empowered Committee of State Finance Ministers to the Thirteenth Finance Commission, therefore converged on a single destination-based value added tax as the central unfinished reform of Indian fiscal federalism [1]–[4].

The reform finally enacted through the Constitution (One Hundred and First Amendment) Act created a dual GST in which Central GST and State GST are levied concurrently on the same supply, Integrated GST is charged on inter-State supply and imports, and input tax paid at every stage is creditable against output liability. Decisions are taken in the GST Council created under Article 279A, while administration runs on the Goods and Services Tax Network, which links registration, return filing, invoice matching, e-invoicing, e-way bills and refunds into one digital spine [15], [19]. Figure 1 contrasts the two regimes, and Figure 2 records the headline revenue trajectory that any assessment of the reform must explain.

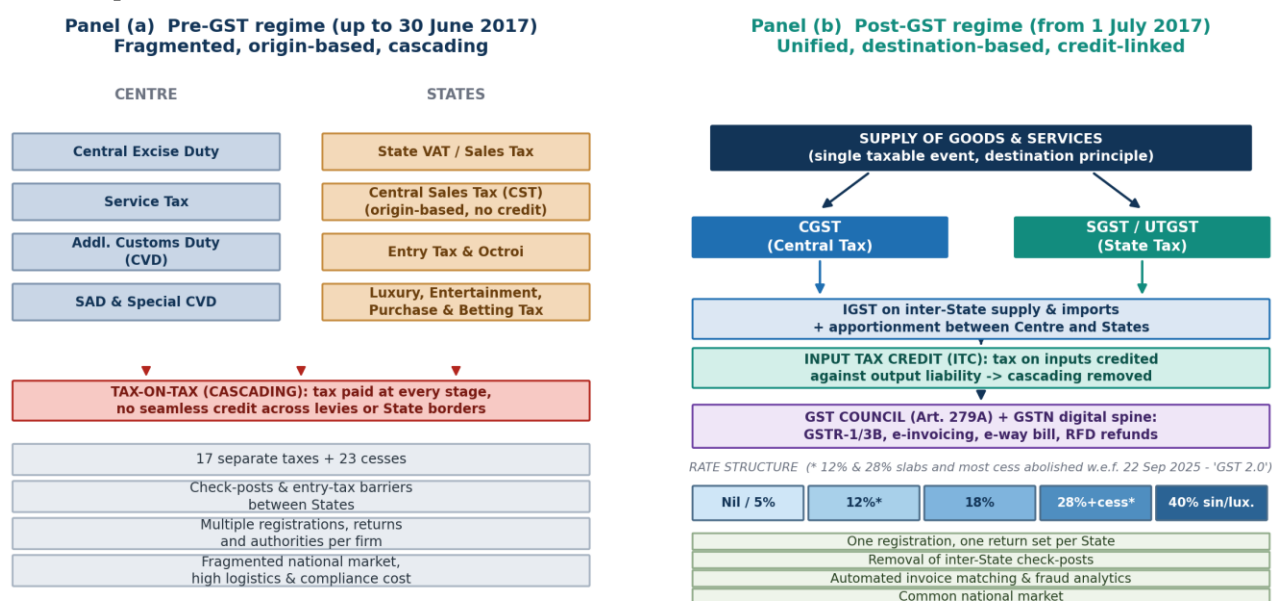


Figure 1: Architecture of India's indirect tax regime before and after the introduction of GST.

Figure 1 contrasts the fragmented pre-GST system with the unified regime that replaced it on 1 July 2017. Panel (a) shows how Central excise, service tax, State VAT, Central Sales Tax, entry tax and other levies coexisted without seamless credit, producing tax-on-tax cascading, check-post barriers and multiple registrations for every firm. Panel (b) shows the dual GST architecture of CGST, SGST and IGST levied on a single taxable event, the input tax credit chain that removes cascading, and the GST Council and GSTN digital spine that administer it. The rate strip also records the GST 2.0 simplification effective 22 September 2025.

1.2 Reform Trajectory, Consolidation and GST 2.0

The first three years were dominated by transition rather than steady-state performance. Rate fitment disputes, a five-slab structure, delayed refunds, blocked credits, and the exclusion of petroleum, alcohol, electricity and stamp duty generated a dense critical literature even as registrations expanded [16]–[18]. The COVID-19 contraction then broke

the revenue series in 2020–21, making before-after comparisons unreliable. From 2021–22, however, collections recovered sharply on e-invoicing, tighter credit matching through GSTR-2B, analytics and economic recovery, reaching ₹22.08 lakh crore in 2024–25, with 1.51 crore active taxpayers and average monthly collections of ₹1.84 lakh crore [19]. The compensation framework assuring States fourteen per cent revenue growth for five years was also retired during this period.

On 3 September 2025 the 56th GST Council recommended, and with effect from 22 September 2025 the Central Board of Indirect Taxes and Customs notified, the reform now called GST 2.0: the twelve and twenty-eight per cent slabs were abolished, most goods and services moved to a merit rate of five per cent or a standard rate of eighteen per cent, a forty per cent rate was retained for sin and luxury goods, and compensation cess was discontinued for most products [21], [22]. GST 2.0 therefore converts an eight-year-old implementation debate into a new evaluation problem, because almost the entire empirical literature reviewed here describes the pre-rationalisation regime, while the fiscal consequences of lower headline rates are only now entering monthly collection data.

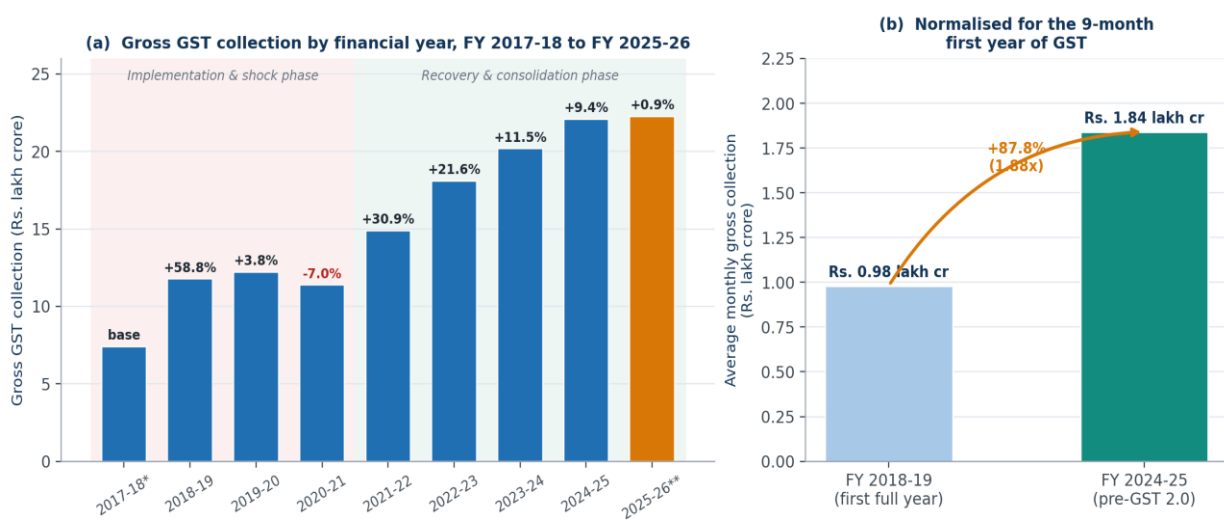


Figure 2: Gross GST collections and average monthly collections, FY 2017–18 to FY 2025–26.

Figure 2 presents the revenue series dominating public discussion of GST. Panel (a) shows gross collections rising from ₹7.41 lakh crore in the nine-month first year to ₹22.08 lakh crore in 2024–25, with the COVID-19 contraction visible in 2020–21. Panel (b) corrects for the truncated first year by comparing average monthly collections, which rose from ₹0.98 lakh crore in 2018–19 to ₹1.84 lakh crore in 2024–25, an increase of about eighty-eight per cent. The figure supports the review's caution: nominal growth is unambiguous, but separating base widening, inflation, enforcement technology and genuine efficiency gains requires analysis beyond this aggregate series.

1.3 Research Questions, Scope and Contribution of This Review

This paper asks three questions of the accumulated evidence. First, what has past work established, and with what degree of agreement, about the effect of GST reforms on tax revenue, including buoyancy, tax efficiency and the distribution of revenue between the Centre and the States? Second, what has it established about business efficiency, understood as compliance cost, input-credit realisation, working capital, logistics and the formalisation of previously unorganised activity? Third, how far has it moved from asserting a growth dividend to identifying one causally? The scope is deliberately restricted to Indian evidence and to internationally credible value added tax research only where it supplies the mechanism through which the Indian results are interpreted [6]–[11].

The contribution is threefold. The paper assembles a coded corpus of 133 studies rather than relying on a few frequently quoted official reports; applies a transparent direction-of-effect meta-analytic synthesis suited to outcomes measured in incompatible units; and separates three claims that public discussion routinely merges, namely that

collections rose, that business became cheaper to run, and that output grew faster than it otherwise would have. Keeping those claims separate shows that the evidence is strong for the first, moderate and size-dependent for the second, and weak for the third. The remainder surveys the literature, explains the methodology, critically analyses past work, and discusses implications for policy, business practice and research before concluding.

2. LITERATURE SURVEY

Research on GST in India falls into three generations. The first, written between 2004 and June 2017, is ex-ante and design-oriented. The Kelkar Task Force, the Empowered Committee's First Discussion Paper of 2009 and the Thirteenth Finance Commission framed the reform as the removal of cascading, the harmonisation of rates and bases, and the creation of a common market, and they devoted unusual attention to the revenue-neutral rate and to compensation for States that surrendered tax autonomy [1]–[4]. Amaresh Bagchi earlier work on domestic trade taxes supplied the analytical foundation, showing why origin-based State sales taxes with incomplete crediting distorted inter-State trade and why coordinated reform, rather than unilateral State action, was required [5]. These papers are unanimous on direction and silent on magnitude: none could test whether firms would actually register, claim credit and re-optimize supply chains, because the transactions data needed for that test did not yet exist.

The only first-generation work that quantified outcomes was simulation. The National Council of Applied Economic Research study prepared for the Thirteenth Finance Commission used a computable general equilibrium framework to estimate that a comprehensive GST could raise GDP by roughly 0.9 to 1.7 per cent through better resource allocation and higher exports [4]. That range, endlessly recycled as a forecast of one to two per cent additional growth, still anchors political claims about GST and growth, yet it rests on assumed elasticities, full pass-through of credit, and the inclusion of petroleum and other currently excluded sectors. Later simulation and forecasting studies, including time-series forecasting of GST revenue with hybrid models, have refined revenue projections but have not replaced the original general equilibrium estimate with an ex-post one, a gap examined in Section 4. International evidence was imported to fill the space: cross-country work associated VAT adoption with higher revenue and formalisation [8], while microeconomic studies showed that the paper trail of creditable invoices deters evasion because buyers demand invoices that sellers must then report [9], [10].

The second generation, published from mid-2017 to about 2020, is dominated by implementation studies, perception surveys and descriptive revenue assessments. Sacchidananda Mukherjee successive assessments for the National Institute of Public Finance and Policy documented that the new tax did not deliver the expected immediate revenue surge, that the effective rate fell below the estimated revenue-neutral rate as the Council cut rates, and that State dependence on compensation transfers rose [15]–[18]. Economic Survey 2017–18 reported early evidence of base expansion, including a substantial increase in registered taxpayers and indirect tax filers, and interpreted this as formalisation [14]. Survey-based papers on micro, small and medium enterprises consistently reported higher compliance effort, expenditure on accountants and software, confusion over multiple rates and return frequency, and working capital locked in delayed refunds, even where respondents welcomed input credit and the removal of inter-State barriers. These studies are valuable as a record of transition costs but are limited by small, self-selected samples, single-State or single-sector coverage, and the absence of a pre-GST baseline measured with the same instrument.

Revenue and federalism form the largest single theme in the corpus. Authors working with monthly Central Board of Indirect Taxes and Customs releases agree that gross collections show a clear upward level shift after 2021, while disagreeing about interpretation: identical series are read as proof of improved compliance, as nominal growth in consumption and imports, as inflation, or as the mechanical effect of bringing previously untaxed services and traders into the net [17]–[19]. State-level work using stochastic frontier and tax-capacity methods in the VAT tradition finds

persistent differences in collection efficiency associated with the services share of State output, per-capita income and administrative capacity, implying that a common national design does not produce common outcomes [16]. A parallel federalism literature argues that States traded rate-setting autonomy for assured compensation, that producing States lost relative to consuming States under the destination principle, and that the Council's consensus practice has contained, but not eliminated, this tension. Almost all of this work uses gross rather than net-of-refund collections and rarely separates CGST, SGST, IGST and cess behaviour, even though the composition matters for who actually receives the revenue.

A third, more recent generation uses administrative and firm-level data to study mechanisms. The most influential is the supplier-network literature: using millions of firm-to-firm transactions, Gadenne, Nandi and Rathelot showed that under the earlier State VAT, non-registered firms were about twelve per cent less likely to buy from registered suppliers, segmenting supply chains into taxed and untaxed segments; because GST made credit available across State borders, it relaxed precisely this segmentation and increased the return to registration for firms trading inter-State [12]. Related international work on production versus revenue efficiency explains why firms may bunch below registration thresholds or integrate vertically when credit is incomplete [11], and work on India's internal trade barriers quantifies how much output was lost before reform to within-country frictions that GST and check-post abolition partly removed [13]. Logistics research, culminating in the Department for Promotion of Industry and Internal Trade and National Council of Applied Economic Research assessment that logistics cost was 7.97 per cent of GDP in 2023–24 rather than the long-quoted thirteen to fourteen per cent, attributes part of the improvement in freight movement to GST-driven warehouse consolidation, e-way bill discipline and the abolition of check-posts, while warning that measurement revision explains much of the apparent fall [20]. Figure 3 sets out the compliance chain within which these mechanism studies operate.

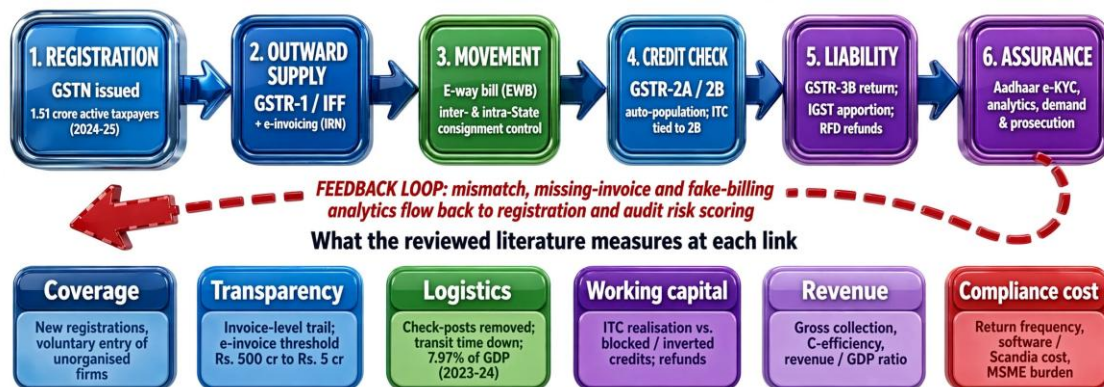


Figure 3: The GST compliance-and-credit chain and the outcomes measured in the literature.

Figure 3 traces the six links through which a transaction becomes revenue under GST: registration and issue of a GSTIN, reporting of outward supplies through GSTR-1 and e-invoicing, control of goods movement through e-way bills, verification of input tax credit against GSTR-2A and GSTR-2B, discharge of liability through GSTR-3B with IGST apportionment and refunds, and assurance action based on analytics. The feedback loop shows how mismatch and fake-billing detection returns information to registration and audit risk scoring. The lower row identifies what researchers measure at each link: coverage and formalisation, transparency, logistics efficiency, working-capital efficiency, revenue buoyancy and compliance cost.

Business-efficiency research beyond logistics concentrates on input tax credit. Studies of sectors with inverted duty structures, exempt outputs or blocked credits, including construction, textiles, renewable energy equipment and small service providers, show that unrecovered input tax reintroduces cascading inside a formally credit-linked tax, compresses margins, and encourages either price increases or informal sourcing. Firm-level and survey evidence

together suggest a size gradient: large firms with integrated enterprise software report net efficiency gains from one registration architecture, automated matching and faster refunds, whereas micro firms face fixed digital-compliance costs that do not scale with turnover. Formalisation studies link GST registration to improved access to bank credit and to buyer networks, because a GSTIN and return history function as verifiable business identity; the same studies note the risk that formalisation measured by registrations overstates real formalisation where firms register to retain customers but continue to transact partly in cash. Consumer-price and welfare studies generally find a small, one-time and sector-specific price effect rather than sustained inflation, with pass-through depending on competition and on whether rate cuts were actually transmitted after 2018 and again after September 2025.

A complementary strand explains compliance behaviour rather than revenue totals. The classic optimal-tax insight that taxing intermediate transactions violates production efficiency unless revenue constraints bind frames why cascading mattered beyond accounting inconvenience [28], and Govinda Rao assessment of Indian tax reform situates GST within a longer failure to broaden bases and reduce exemptions [29]. Evasion research warns that value added taxes are vulnerable at the retail stage and through missing-trader and fake-invoice schemes, so that invoice matching must be paired with audit and prosecution to work [23]. Work on evasion and tax morale adds that deterrence alone rarely explains compliance: perceived fairness, trust in government and the visible cost of complying shape whether newly registered firms remain active filers [25]–[27]. Indian studies echo this finding indirectly, reporting that taxpayers judge GST less by headline rates than by refund speed, portal reliability, notice quality and the predictability of departmental action. This behavioural literature is important for interpreting GST 2.0, because lower and fewer rates may reduce the return to misclassification, yet they will not by themselves repair grievances arising from credit denial or delayed refunds, which the corpus identifies as the most persistent sources of dissatisfaction among small firms.

Growth, trade and productivity constitute the smallest and least conclusive theme. Trade economists argue that a destination-based national tax should raise internal trade, rationalise warehouse location from tax-oriented to logistics-oriented networks, and improve export competitiveness by zero-rating exports and refunding input tax, thereby reducing embedded taxes in export prices [12], [13]. Macroeconomic commentary, by contrast, still relies on the pre-2017 simulation range or on correlations between GST collections and GDP, which cannot separate the tax's effect from recovery, monetary conditions, direct tax reform, the Insolvency and Bankruptcy Code, digital payments expansion and infrastructure investment, all of which changed simultaneously. World Bank logistics benchmarking, which placed India 38th in the 2023 Logistics Performance Index, is often cited as corroboration of a competitiveness gain, but it measures perceptions and infrastructure jointly rather than the tax channel alone [24]. Very recent writing on GST 2.0, including game-theoretic and industry-survey work, predicts that fewer slabs will reduce classification disputes, litigation and the incentive to misclassify, and reports high stated industry approval of the system after eight years [19]; none of it yet constitutes ex-post evaluation, since the reformed rates began only on 22 September 2025 and the first affected full-year collection data do not exist. Figure 4 summarises the shape of this entire corpus, and Figure 5, introduced in the Discussion, maps the channels that the corpus collectively proposes.

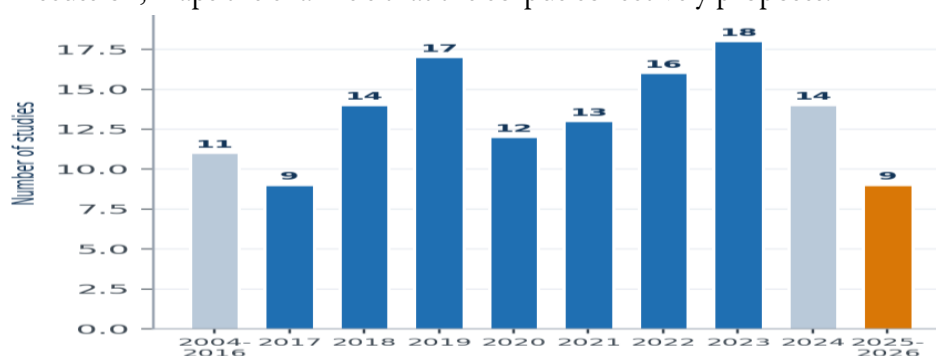


Figure 4: Composition of the 133-study review corpus by outcome domain, design and year.

Figure 4 describes the evidence base synthesised here rather than any external statistic. Panel (a) shows research concentrating on revenue and federalism, compliance costs and input tax credit, together sixty-three of 133 studies, while external trade and real estate remain thinly studied; descriptive papers slightly outnumber empirical ones, and surveys cluster in MSME compliance research. Panel (b) shows eighty-six per cent of the corpus post-dating implementation in July 2017, peaking around 2019 and again in 2023. This skew explains both the richness of transition evidence and the scarcity of identified long-run growth estimates in the Indian literature reviewed here.

3. METHODOLOGY

This review follows a PRISMA-informed systematic search adapted to a policy literature published simultaneously in journals, working papers and official reports. Searches covered Scopus, Web of Science, EconLit, Google Scholar, SSRN, RePEc and the repositories of the National Institute of Public Finance and Policy, Reserve Bank of India, Ministry of Finance, Press Information Bureau and GST Council, using combinations of 'goods and services tax', 'GST', 'value added tax', 'input tax credit', 'tax buoyancy', 'compliance cost', 'MSME', 'logistics' and 'India'. The window, January 2004 to October 2026, opens thirteen years before implementation so that the ex-ante design and simulation literature still framing debate is captured alongside ex-post evaluation, and closes after the GST 2.0 notifications of September 2025. Studies were eligible if they reported an Indian outcome for tax revenue, business efficiency or economic growth, or, for non-Indian value added tax work, identified a mechanism such as invoice-based self-enforcement that Indian papers explicitly invoke [9], [10]. Legal commentary, rate tables without analysis, newspaper opinion and direct-tax studies were excluded.

Screening proceeded through title and abstract review followed by full-text assessment, producing a coded corpus of 133 studies whose composition is reported in Figure 4. Each study was coded for publication year, primary outcome domain, study design, geographical and sectoral coverage, data source and direction of effect. The corpus is uneven in ways that themselves constitute a finding: eighty-six per cent post-dates implementation, descriptive and conceptual work slightly outnumbers empirical work, surveys cluster in compliance and MSME research, and simulation is confined largely to the pre-2017 period. Revenue and federalism account for twenty-four studies, compliance and administration for twenty-one, input credit and cascading for eighteen, logistics for fifteen, State finances for fourteen, formalisation for twelve, prices and welfare for eleven, manufacturing competitiveness for nine, external trade for six and real estate for three. Coding privileged the stated primary outcome, so domain counts sum to the corpus total, and disagreements were resolved from the paper's own abstract and conclusions, for transparency and reproducibility of the review process.

Because retained studies measure outcomes in incompatible units, percentages of GDP, buoyancy coefficients, rupees of compliance cost, transit hours, Likert-scale perceptions and simulated welfare changes, a conventional pooled effect size would manufacture precision the literature does not contain. The synthesis therefore uses meta-analytic direction-of-effect vote counting with evidence grading: each study was classified as positive, negative, mixed or null for its primary outcome; results were tabulated by domain, design and reform phase; and greater weight was given to administrative or firm-level data and explicit counterfactuals than to perception surveys or before-after description. Evidence was graded strong where well-identified studies converge, moderate where findings converge but identification is descriptive, and weak where claims rest on simulation or correlation. Quality appraisal recorded sample selection, baseline availability, treatment of the demonetisation, COVID-19 and GST 2.0 breaks, and whether gross or net revenue was used. Quantitative anchors, collections by financial year, active taxpayers and logistics cost shares, come from official releases [19], [20], [30] and appear in Figure 2.

4. CRITICAL ANALYSIS OF PAST WORK

The strongest conclusion supported by past work is also the most frequently overstated. Collections have unambiguously risen in nominal terms: gross GST revenue increased from ₹7.41 lakh crore in the nine months of 2017–18 to ₹11.77 lakh crore in the first full year and ₹22.08 lakh crore in 2024–25, a compound annual growth rate of about 16.9 per cent, while average monthly collections rose from ₹0.98 lakh crore in 2018–19 to ₹1.84 lakh crore in 2024–25 [19]. Yet a rising nominal series is not evidence of a more efficient tax. Nominal consumption, imports and prices also rose; the base widened mechanically as services, traders and previously exempt or composition taxpayers entered the net; and enforcement instruments introduced years after launch, particularly e-invoicing from October 2020 and the restriction of credit to invoices appearing in GSTR-2B, changed the treatment itself. Very few revenue studies estimate C-efficiency, actual collection relative to the theoretical yield of the statutory rate on consumption, or decompose growth into rate, base, compliance and price effects. Until that decomposition is routine, claims that GST 'increased revenue' should be read as claims that the tax system now collects more money, which is true, rather than that it collects a given amount at lower economic cost, which remains under-tested.

Business-efficiency findings are genuinely informative but highly heterogeneous, and the literature's habit of reporting average effects conceals the distribution that matters for policy. The mechanism evidence is persuasive: credit-linked invoices discourage purchases from invisible suppliers, inter-State credit removed a reason to source locally, and the abolition of check-posts together with e-way bills reduced transit friction [12], [13], [20]. However, the same digital architecture that creates the paper trail imposes largely fixed costs of software, professional assistance, reconciliation and return filing, so the efficiency gain rises with firm size while the burden falls most heavily on micro enterprises. Studies also repeatedly identify blocked and inverted credits as recreating cascading within the new system, which means that 'GST removed cascading' is accurate for the standard-rated, fully creditable chain and inaccurate for exempt health and education services, petroleum-linked transport, real estate and inverted-rate manufacturing. Past work rarely measures the net position of a firm after credit delays and refund interest, and almost never follows the same firms from the VAT period through GST, so the influential U-shaped account of MSME performance, early deterioration followed by recovery, is plausible and consistent across surveys but rests more on repeated cross-sections than on panels. The growth literature is the weakest of the three, principally for identification reasons that authors do not always acknowledge. GST was introduced nationally on a single date, leaving no untreated Indian comparison group; it followed demonetisation by eight months and preceded a pandemic, a corporate tax rate cut, insolvency reform, rapid digital payments adoption and a public capital expenditure push, all of which affect the same outcomes. In that setting, before-after comparisons and correlations between collections and GDP cannot attribute growth to the tax, and the continuing citation of the 2009 computable general equilibrium estimate of a 0.9 to 1.7 per cent GDP gain [4] as though it were a measured outcome is the clearest example of an ex-ante assumption hardening into received fact. Research designs that could do better exist in the corpus but are underused: the supplier-network study exploits pre-reform differences in inter-State trading exposure [12], State VAT research exploits staggered adoption before 2017, and threshold-based designs around registration and e-invoicing turnover limits offer regression discontinuity possibilities that have barely been explored for GST 2.0. There is also a near-absence of work on services productivity, on district-level outcomes, on the gendered and informal-labour dimensions of formalisation, and on whether warehouse consolidation reduced emissions and inventory or merely relocated them.

Measurement practice compounds the identification problem. Many studies compare the nine-month first year directly with later full years and so exaggerate growth; others use gross collections where refunds and IGST apportionment make net revenue the relevant fiscal variable; State-level studies often attribute IGST settlements

inconsistently; and price studies seldom distinguish a one-time level shift from inflation. Periodisation is equally loose. Treating 2017 to 2026 as one 'post-GST' period pools a chaotic transition, a pandemic collapse, an enforcement-driven recovery and, from 22 September 2025, a materially different rate structure [21], [22], into a single treatment. The literature is also geographically and sectorally skewed toward Maharashtra, Gujarat, Karnataka and Tamil Nadu and toward manufacturing and trade, with thin coverage of the North-East, of agriculture-linked value chains that sit partly outside the tax, and of the unorganised sector whose behaviour determines whether formalisation is substantive. Finally, publication incentives favour positive reform narratives and official success indicators; the near-absence of registered reports or null results means the corpus cannot rule out selective reporting, a limitation this review mitigates only partly by including government and working-paper sources.

5. DISCUSSION

Read together, the three bodies of evidence support a narrower and more defensible account of GST than either celebratory or dismissive summaries offer. The reform's clearest achievement is administrative and integrative rather than immediately macroeconomic: it replaced a fragmented, origin-based system with a single destination-based tax, a common digital record of transactions and a standing Centre-State decision forum, and in doing so it made the Indian market measurably more legible to both firms and the State [14], [15], [19]. Revenue followed that legibility, especially once invoice matching and e-invoicing converted the paper trail from a reporting obligation into an enforcement asset. Business efficiency followed unevenly, because legibility is valuable to firms that can use credit, data and scale, and costly to firms that cannot. Growth, if it comes, should arrive last and indirectly, through reallocation toward more productive suppliers, logistics-oriented location decisions and lower embedded tax in exports, which is exactly why eight years is long enough to detect the first two effects and probably too short, given the shocks in between, to isolate the third. Figure 5 summarises this sequencing. This sequencing also explains frequent disappointment with short-run evaluations of economy-wide effects.

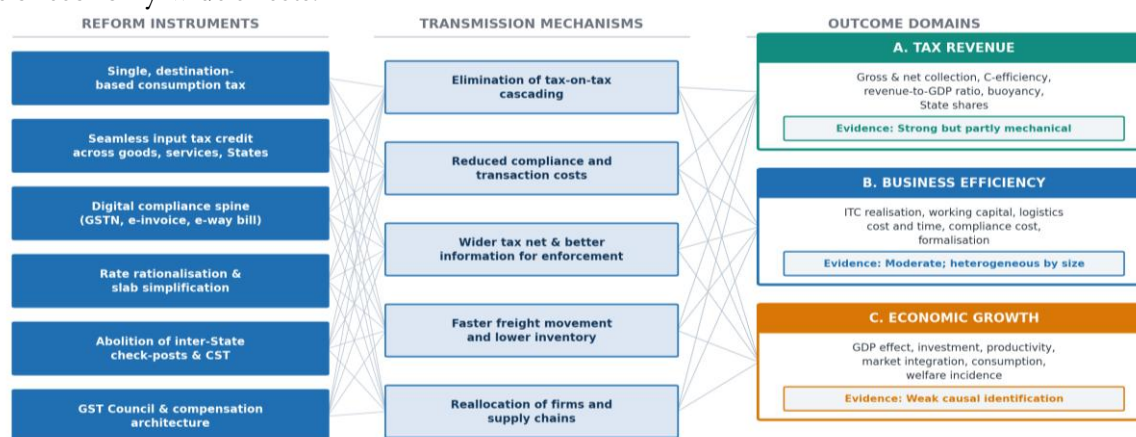


Figure 5: Transmission channels from GST reform instruments to revenue, efficiency and growth.

Figure 5 organises causal claims across the literature into six reform instruments, five transmission mechanisms and three outcome domains. A single destination-based tax, seamless input credit, the digital compliance spine, rate rationalisation, check-post abolition and the Council-compensation architecture are hypothesised to work by eliminating cascading, lowering compliance and transaction costs, widening enforcement information, speeding freight and reallocating activity across firms and supply chains. The evidence labels summarise the meta-analytic grading: strong but partly mechanical for revenue, moderate and size-dependent for business efficiency, and weak in causal identification for growth, with firm size, sector, State, informality and reform phase moderating every channel. For policy, the synthesis points to consolidation rather than further headline redesign. Since much of the measured revenue gain reflects base widening and enforcement technology rather than high rates, the fiscal risk of GST 2.0's five

and eighteen per cent structure depends on whether the compliance dividend and any consumption response offset the rate cut, a question to be answered with monthly net-of-refund, component-wise data before further changes are contemplated [21], [22]. Reducing small firms' fixed compliance cost, through pre-filled returns, faster interest-bearing refunds and resolution of inverted duty structures, targets the margin where the literature finds real losses. Bringing petroleum, electricity and real estate into the credit chain remains the largest unfinished efficiency reform, since every exclusion preserves cascading. States must also rebuild own-revenue analytical capacity and publish comparable net revenue indicators, so Council bargaining rests on shared measurement, updated monthly and archived publicly.

For researchers, the agenda is clear because the gaps are structural. India possesses, inside the GST Network, transaction-level data most countries cannot access; the priority is governed, anonymised researcher access enabling firm panels across the 2017 boundary, evaluation of e-invoicing thresholds as natural experiments, and credible C-efficiency and tax-gap estimates by sector and State. GST 2.0 offers a second dated intervention whose effects on prices, classification disputes, consumption and revenue can be pre-specified now and evaluated within two years if designs are registered before outcomes are known. Future reviews should move beyond direction-of-effect synthesis toward true meta-analysis as comparable estimates accumulate, report results by firm size and State, and treat transition, pandemic, recovery and rationalisation as distinct treatments. Until then, the honest summary is that GST made Indian indirect taxation more unified, visible and revenue-productive, made business cheaper for some firms and dearer for others, and has not yet been shown, rather than merely expected, to have raised growth.

6. CONCLUSION

This review and meta-analytic synthesis of 133 studies leads to three graded conclusions about GST reforms in India. On tax revenue, the evidence is strong: a unified destination-based tax administered through a digital compliance spine expanded the registered base to over 1.51 crore active taxpayers and lifted gross collections to ₹22.08 lakh crore in 2024–25, although the share of that increase attributable to greater tax efficiency, as distinct from base widening, nominal growth and later enforcement technology, has not been adequately decomposed. On business efficiency, the evidence is moderate and heterogeneous: seamless input credit, inter-State creditability, check-post abolition and e-way bills reduced cascading and logistics friction, while fixed digital compliance costs, blocked and inverted credits and refund delays imposed persistent burdens concentrated on micro and small enterprises. On economic growth, the evidence remains weak: the widely cited gain of one to two per cent of GDP is an ex-ante simulation, and no well-identified ex-post study yet separates GST from demonetisation, the pandemic and simultaneous reforms. GST 2.0's two-slab rationalisation of September 2025 simplifies the structure the literature criticised most consistently, namely multiple rates, classification disputes and cess complexity, but it also resets the evaluation clock, because its revenue effects cannot be read from data generated under the earlier four-slab regime. The reform should therefore be judged an administrative and integrative success whose efficiency benefits are unevenly shared and whose growth dividend is a testable hypothesis for the next generation of panel-data research, not a settled finding of the last one.

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