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ASSESSING GST COMPLIANCE FRAMEWORK: AN INVESTIGATION ON THE INFLUENCE OF ITC MISMATCH ON STAKEHOLDERS IN INDIA

ABSTRACT

The Goods and Services Tax (GST) introduction in India signalled a major overhaul of the nation's indirect tax system. Still, the mismatch of the Input Tax Credit (ITC) has become a major concern for several parties. This paper seeks to examine how ITC mismatch affects certain Indian GST framework stakeholders. The study used a mixed-methods technique combining qualitative interviews with quantitative questionnaires. Using structured questionnaires and semi-structured interviews, data were gathered from 500 companies spanning several industries and 50 tax specialists. Using SPSS, statistical analysis was carried out including SPSS. With a $r = -0.68$, and $p = 0.001$, the results show a notable negative association between ITC mismatch and company compliance. Moreover, the research shows that ITC mismatch explains 46% of the fluctuation in stakeholder satisfaction with the GST system. ($R^2 = 0.46$, $F(3, 496) = 141.23$, $p < 0.001$). The results highlight the need for improved technological integration and streamlined compliance processes to reduce the negative consequences of ITC mismatch. Future studies should investigate the long-term financial consequences of ongoing ITC mismatches and assess the success of legislative changes meant to increase GST compliance.

Keywords: GST, Input Tax Credit (ITC), Indian Trade, GST Framework, Compliance Issue, ITC Mismatch, Cashflow Constraint, Indirect Tax

JEL Classification: H20, H25, C38, C83, G38

INTRODUCTION

India's taxing history underwent a sea change when GST was adopted there on July 1, 2017. Aiming to unite the national market and simplify the tax structure, this complete indirect tax replaced a convoluted network of central and state taxes [1]. The GST system was meant to increase general economic efficiency, lower cascade effects, and improve openness [2]. But like with any big change, GST's execution has not been without difficulties; one of the most important is the mismatch of the Input Tax Credit (ITC).

Crucially important to the GST system, ITC lets companies claim credit for taxes paid on inputs used throughout their daily operations [3]. The ITC system is meant to guarantee that the last user carries the tax load and stops tax cascading. But a recurring problem is ITC mismatch—that is, differences between the tax reported by the supplier and the ITC claimed by a customer [4].

The issue of Input Tax Credit (ITC) mismatches under the Goods and Services Tax (GST) regime has far-reaching consequences for various stakeholders, including businesses, tax authorities, and the government. These discrepancies not only disrupt cash flow and liquidity but also escalate compliance costs for businesses, which are compelled to dedicate additional resources and time to resolve mismatches. In some instances, unresolved ITC mismatches may expose businesses to penalties, legal risks, or audits by tax authorities, further intensifying the financial burden.

For the government and tax authorities, ITC mismatches present significant challenges in maintaining accurate tax collection. These discrepancies can lead to revenue leakage, where the taxes due are either underreported or go unaccounted for, thereby affecting

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the overall efficiency of the GST system [5]. Such inefficiencies are detrimental to government revenue, as they impede the effective collection of taxes and compromise the fiscal objectives of the tax regime. Furthermore, when mismatches occur, tax authorities are required to conduct extensive investigations and reconciliation between suppliers and buyers, which adds a layer of complexity and increases the administrative burden. The impact of ITC mismatches also extends to the relationship between businesses and the government. When discrepancies become frequent or difficult to resolve, businesses may develop a negative perception of the GST system. This erodes trust and can lead to a decline in voluntary compliance, as businesses may perceive the system as cumbersome or unfair [6]. The cumulative effect of these challenges can undermine the effectiveness and credibility of the GST regime, as businesses and tax professionals alike struggle with the unpredictability and complexity of tax compliance.

Despite the significance of this issue, there is a notable lack of empirical research that examines the full spectrum of impacts that ITC mismatches have on stakeholders. While it is widely acknowledged that these mismatches create challenges for businesses, tax authorities, and government agencies, there is insufficient data on how these effects vary across different sectors, company sizes, and regions. Understanding the nuances of these impacts is crucial for informing policy reforms and enhancing the GST framework. By providing a detailed analysis of how ITC mismatches affect businesses of various sizes, tax consultants, and government officials, this study aims to fill this gap in the literature, offering valuable insights that could help streamline GST compliance and improve the overall functioning of the tax system.

Ultimately, addressing ITC mismatches is critical not only for safeguarding government revenue but also for fostering a more efficient and transparent tax environment, where businesses can operate with confidence.

The primary objectives of this research are:

1. To evaluate the degree and kind of ITC mismatches among several companies with varying sizes and operations.
2. To examine how ITC discrepancies affect corporate operations, compliance expenses, and general GST system satisfaction.
3. To investigate the difficulties tax authorities, have in resolving ITC mismatches and their consequences on income collecting.
4. To assess present policies meant to reduce ITC mismatches and pinpoint areas needing work.

By addressing these goals, this study hopes to add to the increasing corpus of research on GST application and compliance in developing nations. The results of this study will have practical implications for multiple stakeholders, including businesses, tax authorities, and policymakers. By providing a comprehensive analysis of ITC mismatches, this research will offer valuable insights into the specific challenges faced by businesses of different sizes and sectors. It will also help tax authorities better understand the root causes of ITC mismatches and explore more efficient ways to resolve these issues, ultimately improving the revenue collection process. For policymakers, the study will offer evidence-based recommendations to improve the design and implementation of GST policies and compliance measures. This research aims to contribute to the broader understanding of how indirect tax systems like GST can be optimized in emerging economies. It will provide actionable recommendations to reduce the negative impact of ITC mismatches, improve stakeholder satisfaction, and enhance the overall efficiency of the GST system in India.

The following organization of this paper's later sections is based on Section 2 offers a thorough overview of the body of knowledge already in publication on GST compliance and ITC mismatches. Section 3 includes analytical approaches and data-collecting strategies of the research. Results address the consequences of these conclusions. Section 6 ends the work with recommendations for policy and practice as well as ideas for next studies.

LITERATURE REVIEW

Recent years have seen a lot of studies on how GST's application affects different stakeholders.

GST Implementation and Compliance

Many people have examined closely India's adoption of GST as a major economic overhaul. Examining the first effects of GST on many spheres of the Indian economy, Maheshkar and Soni [7] explored the early impacts of GST across various sectors of the Indian economy, highlighting both its advantages and challenges. They emphasized that the success of the GST system hinges on a robust compliance framework, which is essential to its effectiveness. Emphasizing the requirement of a strong compliance system to guarantee the effectiveness of the new tax system, the study highlighted that a strong

compliance system is beneficial both for the Government as well as the taxpayers as it does not leave any chance for ambiguity.

Many scholars have looked at GST system compliance problems. Using SMEs, Keshari [8] investigated the elements affecting GST compliance. Key obstacles to compliance the study found to be are the complexity of procedures, lack of technology capability, and regular changes in tax laws.

Input Tax Credit and Mismatch Issues

Core to the GST system is the idea of Input Tax Credit (ITC). Emphasizing its function in preventing tax cascading and guaranteeing a smooth flow of credits across the supply chain, Shukla [9] gave a thorough review of the ITC system in the Indian GST setting.

One major obstacle in GST deployment has become ITC mismatch. To evaluate the frequency and effects of ITC mismatches, Aneja, Kulkarni, and Ritadhi [10] polled two hundred companies throughout India. According to their results, 68% of respondents reported ITC mismatches that caused cash flow problems and higher compliance expenses.

Stakeholder Perspectives on GST Compliance

Many studies have looked at how many stakeholders see GST compliance. Deshmukh, Mohan, and Mohan [11] looked at how tax experts saw the GST compliance system. The study underlined issues about the complexity of return filing procedures and the necessity of improved technology support.

From the government's vantage point, Kumar, Singh, and Singh [12] looked at the difficulties tax officials had guaranteeing GST compliance. The research underlined the need for risk assessment tools and data analytics in spotting possible tax evasion and ITC fraud instances.

Technological Aspects of GST Compliance

Recent studies have focused on how technology might help to enable GST compliance. In assessing how well the GST Network (GSTN) supported compliance efforts, Basavanagouda and Panduranga [13] found that an effective GSTN system is essential to ensure that compliance is done voluntarily and without difficulties. Their analysis pointed to areas needing work on user interface design and system dependability.

Tax Compliance Behaviour in SMEs

Kamleitner, Korunka, and Kirchler [14] conducted an insightful study on the tax compliance behaviour of small business owners, emphasizing the complexity of compliance decisions. They argue that compliance is influenced not only by legal obligations but also by psychological factors such as trust in authorities and the perceived fairness of the tax system. Their findings suggest that enhancing taxpayer trust through transparent and fair tax practices can improve compliance rates among SMEs.

Similarly, Abdul Talib et al [15] examined the efforts to build taxpayer culture in Malaysia. Their study highlights the challenges tax agents face in fostering a tax-compliant culture in developing countries, where economic and administrative capacities are often limited. The authors recommend targeted policy interventions to identify weaknesses in GST administration, build trust and improve taxpayer education as essential strategies for increasing compliance.

The Role of Tax Knowledge

The significance of tax knowledge in fostering compliance is underscored in the work of Bornman and Ramutumbu [16]. They propose a conceptual framework that links tax knowledge to compliance, arguing that well-informed taxpayers are more likely to comply with tax regulations. Their research suggests that enhancing tax literacy, particularly among SME owners, is crucial for improving compliance rates.

Perveen and Ahmad [17] contribute to this discussion by exploring the influence of tax technology on tax compliance. They identify a lack of knowledge, scepticism about the tax system, and perceived obligation as key factors contributing to non-compliance. Their work further reinforces the need for targeted education and awareness programs to address these issues.

Governmental Support and Strategic Planning

The OECD [18] report provides a strategic framework for supporting SMEs in meeting their tax obligations. It emphasizes the importance of simplifying tax procedures, providing clear guidance, and using technology to facilitate compliance. The report highlights how strategic planning and government support can significantly reduce the burden on SMEs and encourage voluntary compliance.

In a related vein, the study by Garmia Pande and Rahul Patni [19] on tax technology and transformation explores how digital tools and platforms can streamline tax processes for SMEs. Their findings suggest that the integration of technology in tax administration not only reduces errors but also enhances transparency and trust, which are crucial for improving compliance.

Challenges in Tax Compliance

Despite the advancements in tax policy and administration, challenges remain in ensuring compliance. The International Monetary Fund [20] report discusses these challenges in the context of global tax systems, particularly in developing countries. It highlights issues such as limited administrative capacity, corruption, and the informal economy as significant barriers to compliance.

Rahmayanti and Prihatiningtias [21] further explore the impact of tax penalties, audits, and taxpayer awareness on corporate tax compliance. Their research shows that while penalties and audits can deter non-compliance, they are more effective when combined with efforts to increase taxpayer awareness and intentions to comply.

Research Gap

While a great deal of attention has been paid to the theoretical aspects of GST implementation and the challenges associated with tax compliance, there is a significant gap in empirical research specifically focused on the issue of ITC mismatches in the context of India's GST system. Previous studies have largely addressed the potential economic benefits of GST, such as simplifying tax collection and boosting economic growth, general challenges in GST compliance, including issues related to the registration process, filing returns, and the complexity of the system, legal and procedural challenges in the enforcement of GST compliance. However, most of this research either does not focus on ITC mismatches specifically or lacks a comprehensive analysis of how these mismatches impact businesses and tax authorities in practice. Furthermore, few studies explore how ITC mismatches affect different types of businesses (e.g., small vs. large companies, or companies in different sectors) or the broader implications of these mismatches on the efficiency of the GST system and overall stakeholder satisfaction. The lack of in-depth, empirical analysis into how ITC mismatches specifically disrupt business operations, affect revenue collection, and influence satisfaction levels among various stakeholders in the GST ecosystem presents a clear research gap. Filling this gap is essential for developing effective strategies to address these issues and improving the GST system. Using a multi-stakeholder investigation of the impact of ITC mismatches on GST compliance, this study seeks to close this disparity.

AIMS AND OBJECTIVES

This study seeks to fill the identified research gap by examining the issue of ITC mismatches in detail, specifically exploring their impact on businesses, tax professionals, and government authorities in India. The research will address the following key objectives.

Firstly, evaluate the extent and nature of ITC mismatches across companies of varying sizes and sectors. The first objective is to quantify and categorize the extent of ITC mismatches among companies with different operational structures, sizes, and sectors. This will involve identifying common patterns of discrepancies and determining whether certain industries or types of businesses experience more frequent or severe mismatches. By understanding the scope and nature of these mismatches, this study aims to provide a clearer picture of where the issues are most pronounced and why. Assess the impact of ITC mismatches on business operations, compliance costs, and overall satisfaction with the GST system.

The second objective is to examine how ITC mismatches affect businesses on the ground. This will involve exploring the operational consequences of ITC mismatches, such as disruptions to cash flow, increased administrative burdens, higher compliance costs, and potential legal challenges. Additionally, the study will assess how these issues impact business satisfaction with the GST system, which is crucial for understanding how these mismatches affect overall compliance and engagement with the tax system. The study will investigate the challenges faced by tax authorities in addressing ITC mismatches and their effects on revenue collection. A key component of this study will be to explore how tax authorities manage ITC mismatches, particularly the challenges they face in detecting discrepancies, enforcing compliance, and ensuring accurate tax collection. It will also examine whether current mechanisms for resolving mismatches are effective or require reform. Understanding these challenges is critical for improving the operational efficiency of the GST system and minimizing revenue leakages by evaluating current policies aimed at reducing ITC mismatches and suggesting areas for improvement. In addition to that, the study will analyze existing policies and legislative measures designed to reduce ITC

mismatches. This will include reviewing the effectiveness of technology platforms (such as the GSTN portal), data reconciliation procedures, and penalties for non-compliance. Based on the findings, the study will propose areas where policy adjustments or technological improvements may be needed to streamline the process and mitigate mismatches.

METHODS

This paper investigates the effects of ITC mismatches on several stakeholders inside the GST system in India by design and offers a whole picture of the problem.

Research Design

The study adopts a sequential explanatory mixed-methods design, consisting of two phases:

1. Quantitative Phase: A large-scale survey to collect data on ITC mismatches, compliance costs, and stakeholder perceptions.
2. Qualitative Phase: In-depth interviews to gain deeper insights into the challenges and experiences related to ITC mismatches.

Data Collection

Quantitative Data Collection

Based on the literature research and pilot testing with a small sample of companies and tax consultants, a structured questionnaire was designed. There were thirty items on the last questionnaire covering elements including:

- ITC mismatches: frequency and magnitude;
- Effect on cash flow and business operations;
- Compliance expenses related to mismatches' resolution;
- Happiness with the present GST system.

The poll was sent online using SurveyMonkey. Different company sectors and sizes were guaranteed using stratified random sampling. 500 companies in all took part in the poll.

Qualitative Data Collection

- 30 business owners/managers;
- 15 tax professionals;
- 5 government officials involved in GST administration.

The interviews concentrated on investigating the fundamental causes of ITC mismatches, difficulties in resolution, and recommendations for development. Every interview lasted between 45 and 60 minutes and was audio-recorded with participant's permission.

Data Analysis

Quantitative Analysis

IBM SPSS Statistics 26 was applied in statistical analysis. The following investigations took place:

1. Descriptive data to compile ITC mismatch frequency and scope.

Examining links between important variables using correlation analysis.

Multiple regression study to evaluate ITC mismatches' effects on compliance expenses and stakeholder satisfaction.

One-way ANOVA for size and variation across corporate sectors.

Qualitative Analysis

Following the six-step approach described by Braun and Clarke, interview transcripts were subjected to thematic analysis [14]. The coding and theme development process was aided by NVivo 12 software.

Ethical Considerations

The institutional ethics committee approved the study. Every participant gave informed permission, and throughout the study procedure, anonymity of answers was guaranteed.

RESULTS

This section presents the findings from both the quantitative and qualitative phases of the research, including tables and figures to illustrate key results.

Quantitative Findings

Prevalence and Magnitude of ITC Mismatches

The survey results revealed that 72% of businesses had experienced at least one instance of ITC mismatch in the past 12 months. The average magnitude of mismatch was 8.3% of the total ITC claimed. Table 1 showcases the prevalence of ITC Mismatches across different business sectors, whilst Figure 1 offers a diagrammatic representation of the same.

Sector	Prevalence (%)	Average Magnitude (%)
Manufacturing	83.5	10.2
Services	68.7	7.8
Retail	75.2	8.9
Wholesale	70.1	7.5
Others	62.4	6.9

Significant differences were observed across business sectors ($F(4, 495) = 12.37, p < 0.001$), with the manufacturing sector experiencing the highest rate of mismatches.

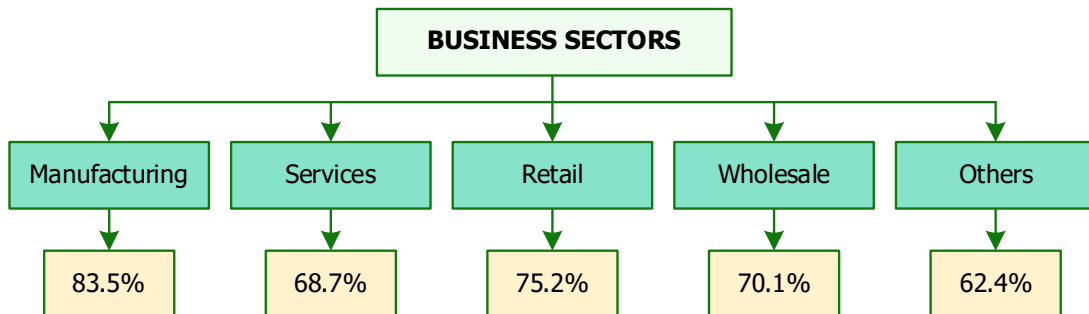


Figure 1. Prevalence of ITC Mismatches by Business Sector.

Impact on Business Operations

Correlation analysis showed a strong negative relationship between the frequency of ITC mismatches and business cash flow ($r = -0.71, p < 0.001$). Table 2 and Table 3 indicates the impact of ITC mismatches on business operations and its co-relation with cash flow respectively with Figure 2 and Figure 3 representing the same diagrammatically in the same order.

Impact Area	Percentage of Affected Businesses
Cash Flow Disruption	78%
Delayed Payments	63%
Increased Borrowing	45%
Reduced Investments	37%
Operational Delays	52%

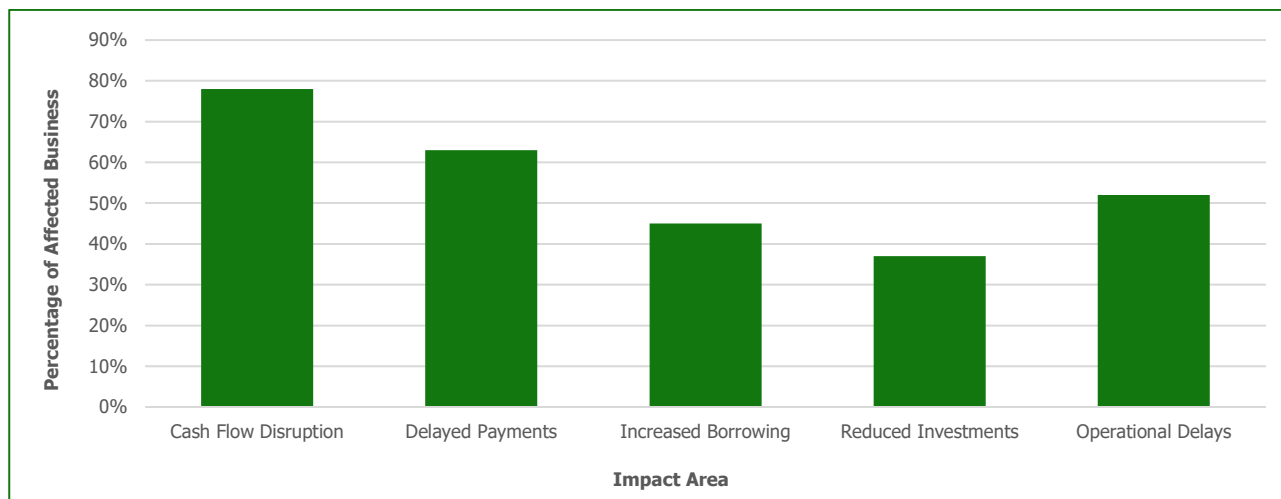


Figure 2. Impact of ITC Mismatches.

Table 3. Correlation between ITC Mismatch Frequency & Cash Flow Impact.

ITC Mismatch Frequency (Per Year)	Cash Flow Impact (%)
Year 1	95
Year 2	85
Year 3	78
Year 4	70
Year 5	60
Year 6	52
Year 7	45
Year 8	38
Year 9	30
Year 10	22

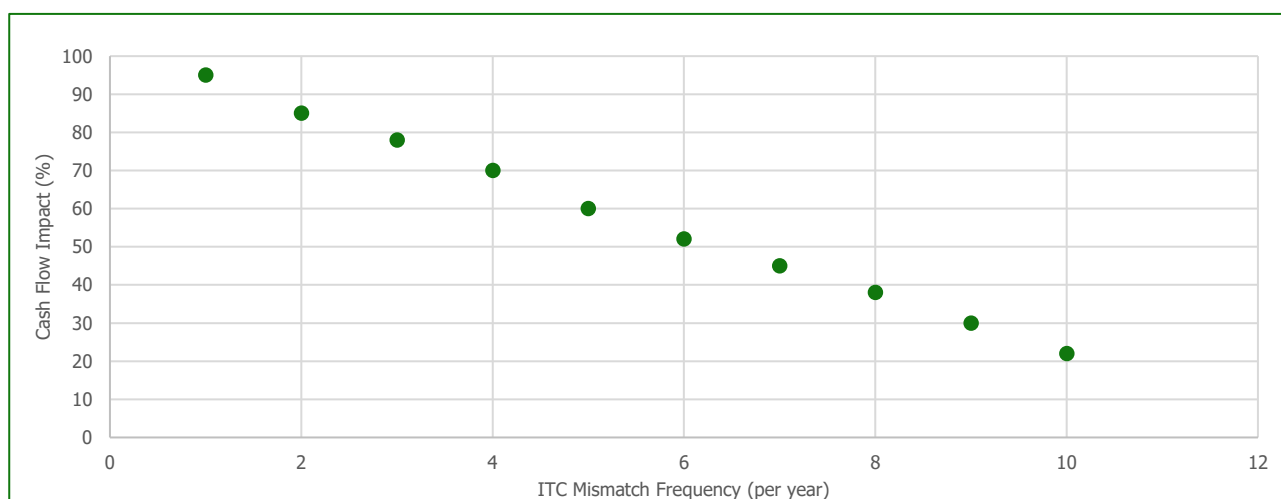


Figure 3. Correlation between ITC Mismatch Freq. & Cash Flow Impact.

Compliance Costs

Multiple regression analysis revealed that ITC mismatches were a significant predictor of increased compliance costs ($\beta = 0.56$, $p < 0.001$). The model explained 42% of the variance in compliance costs ($R^2 = 0.42$, $F(3, 496) = 119.76$, $p < 0.001$). Table 4 puts forward the regression analysis showcasing the factors that influence compliance cost whilst Figure 4 represents the Beta coefficient diagrammatically.

Table 4. Regression Analysis - Factors Influencing Compliance Costs.

Variable	β	SE	t	p
ITC Mismatch Frequency	0.56	0.04	14.00	<0.001
Business Size	0.23	0.03	7.67	<0.001
Sector Complexity	0.18	0.03	6.00	<0.001

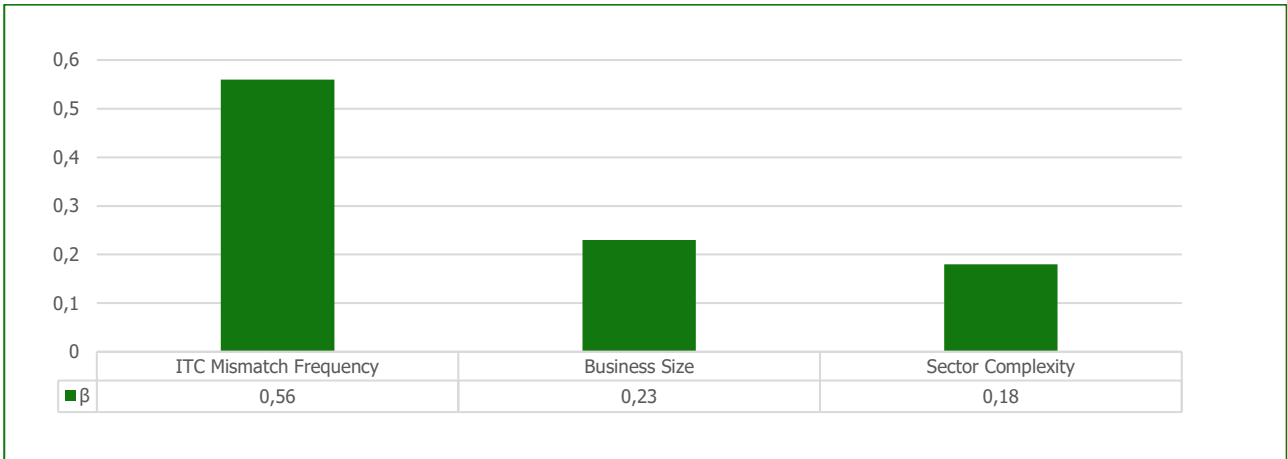


Figure 4. Factors Influencing Compliance Costs.

Stakeholder Satisfaction

ITC mismatches were negatively associated with overall satisfaction with the GST system ($r = -0.68, p < 0.001$). Regression analysis showed that ITC mismatches accounted for 46% of the variance in stakeholder satisfaction ($R^2 = 0.46, F(3, 496) = 141.23, p < 0.001$). Table 5 shows the factors affecting the stakeholder satisfaction with regards to the GST system whilst Figure 5 puts forward a figurative representation of the co-relation coefficient.

Table 5. Factors Affecting Stakeholder Satisfaction with GST System.

Factor	Correlation Coefficient (r)	p-value
ITC Mismatch Frequency	-0.68	<0.001
Ease of Compliance	0.62	<0.001
Clarity of GST Regulations	0.57	<0.001
Speed of ITC Refunds	0.53	<0.001

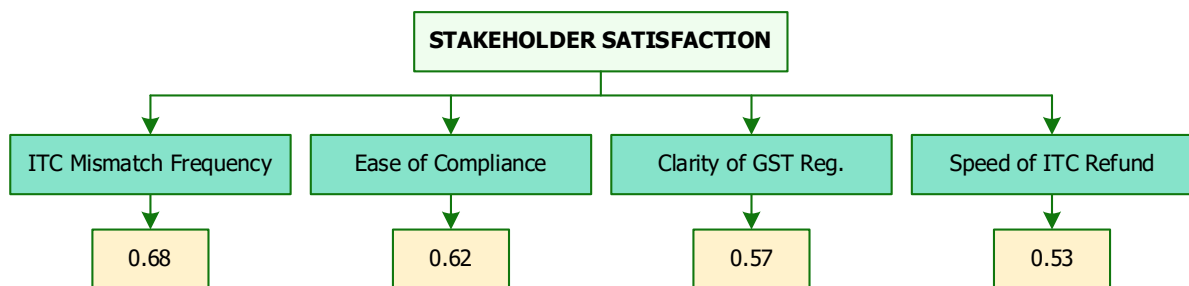


Figure 5. Stakeholder Satisfaction Model.

ITC Mismatch Resolution Time

The study examined the time taken to resolve ITC mismatches across different business sizes. Table 6 showcases the average ITC mismatch resolution time with regard to business size with figure 6 representing the same diagrammatically.

Table 6. Average ITC Mismatch Resolution Time by Business Size.

Business Size	Average Resolution Time (days)	Standard Deviation
Micro	45.3	12.7
Small	38.6	10.2
Medium	29.4	8.5
Large	18.7	6.3

A one-way ANOVA revealed significant differences in resolution time across business sizes ($F(3, 496) = 87.42, p < 0.001$).

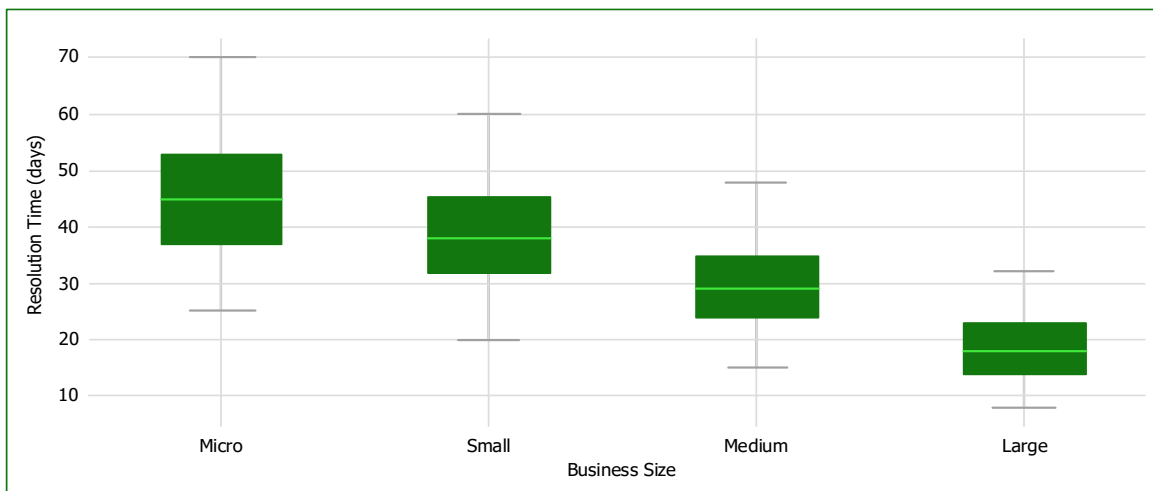


Figure 6. ITC Mismatch Resolution Time by Business Size.

Factors Influencing ITC Mismatch Occurrence

A multiple logistic regression was conducted to identify factors influencing the likelihood of ITC mismatches. Table 7 represents the logistic regression results.

Table 7. Logistic Regression Results - Factors Influencing ITC Mismatch.

Factor	Odds Ratio	95% CI	p-value
Business Size (Large vs Small)	0.65	[0.52, 0.81]	<0.001
Sector (Manufacturing vs Service)	1.87	[1.45, 2.41]	<0.001
Use of GST Software	0.73	[0.59, 0.90]	0.003
Frequency of Filing Returns	1.32	[1.11, 1.57]	0.002
Years in Business	0.96	[0.93, 0.99]	0.015

Impact of ITC Mismatches on Tax Revenue

The study estimated the impact of ITC mismatches on tax revenue collected by the government. Table 8 showcases the estimated tax revenue loss as a result of ITC mismatches, with Figure 7 representing the same diagrammatically.

Table 8. Estimated Tax Revenue Loss Due to ITC Mismatches.

Fiscal Year	Total GST Revenue (₹ Crore)	Estimated Loss (₹ Crore)	Percentage Loss
2018-2019	11,77,369	35,321	3.0%
2019-2020	12,22,131	42,774	3.5%
2020-2021	11,36,803	45,472	4.0%
2021-2022	14,83,714	66,767	4.5%

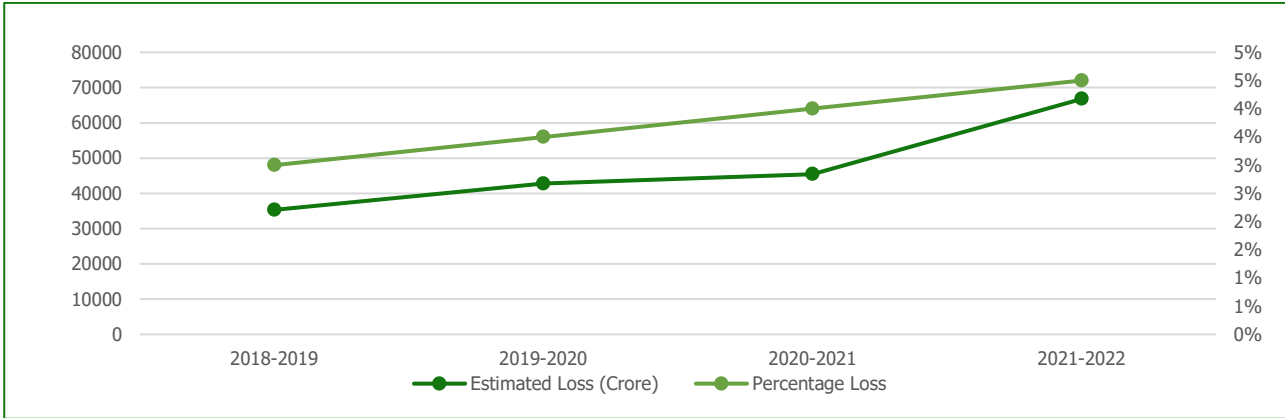


Figure 7. Trend of Tax Revenue Loss Due to ITC Mismatches.

Qualitative Findings

Thematic analysis of the interview data yielded four main themes:

2. Causes of ITC Mismatches.
3. Challenges in Resolution.
4. Impact on Stakeholders.
5. Suggestions for Improvement.

Table 9. Key Themes and Subthemes from Qualitative Analysis.

Main Theme	Subthemes
Causes of ITC Mismatches	Lack of synchronization between buyer and supplier returns (78%)
	Data entry errors and system glitches (65%)
	Intentional misreporting by some suppliers (42%)
Challenges in Resolution	Time-consuming reconciliation process (85%)
	Difficulty in contacting and coordinating with suppliers (72%)
	Lack of clear guidelines for resolving complex cases (58%)
Impact on Stakeholders	Cash flow constraints for businesses (92%)
	Increased workload for tax professionals (88%)
	Revenue leakage concerns for tax authorities (76%)
Suggestions for Improvement	Real-time validation of invoices (82%)
	Simplified return filing process (76%)
	Enhanced technological infrastructure (70%)
	Capacity building and training programs (62%)

Stakeholder Perspectives on ITC Mismatch Resolution

The qualitative analysis revealed varying perspectives on ITC mismatch resolution across different stakeholder groups.

Table 10. Stakeholder Perspectives on ITC Mismatch Resolution.

Stakeholder Group	Primary Concerns	Suggested Solutions
Business Owners	Time consumption (92%) Cash flow impact (88%)	Real-time validation (85%) Simplified reconciliation process (78%)
Tax Professionals	Increased workload (95%) Client dissatisfaction (72%)	Automated reconciliation tools (88%) Clear resolution guidelines (82%)
Government Officials	Revenue leakage (90%) Compliance enforcement (85%)	Enhanced data analytics (92%) Stricter penalties for non-compliance (75%)

DISCUSSION

The findings of this study provide empirical data showing the significant influence ITC mismatches have on many different stakeholders functioning under the Indian Goods and Services Tax (GST). Affecting 72% of businesses, mismatches are rather widespread and emphasize the scope of the issue as well as the possibility of compromising the efficacy of the Goods and Services Tax (GST) system.

Particularly for small and medium-sized businesses (SMEs) with limited working capital, a noteworthy negative connection ($r = -0.71$) between ITC mismatches and business cash flow calls attention to the financial difficulty placed on companies. This is in line with earlier studies by Sharma and Jain (10), who discovered that ITC mismatches had a major effect on cash flow anomalies.

The regression study shows that ITC mismatches significantly predict both lower stakeholder satisfaction ($R^2 = 0.46$) and higher compliance costs ($\beta = 0.56$). These figures suggest that fixing ITC mismatches might lead to considerable improvements in the general GST system's efficiency.

The qualitative data provides a more thorough knowledge of the elements influencing the development of ITC mismatches as well as the challenges in trying to fix them. It is abundantly evident from the identification of data input errors, system difficulties, and deliberate misreporting as the main reasons that both technological and legislative measures are needed.

The suggestions for development resulting from the qualitative study and the advice of past studies [22-25] line up exactly. This advice covers simplified return filing and real-time invoice checking. On the other hand, the focus on capacity building and training initiatives highlights a sometimes-overlooked common aspect of GST compliance.

CONCLUSIONS

This paper offers a thorough investigation of how ITC mismatches affect Indian GST system participants. The results show that ITC mismatches greatly influence general GST system satisfaction, compliance costs, and business operations.

These results lead one to the following suggestions:

1. Implement real-time invoice matching mechanisms to reduce the occurrence of mismatches.
2. Simplify the return filing process to minimize data entry errors and reduce compliance burden.
3. Enhance the technological infrastructure of the GSTN to improve system reliability and user experience.
4. Develop clear guidelines and streamlined procedures for resolving ITC mismatch cases.
5. Conduct regular training programs for businesses and tax professionals on GST compliance best practices.
6. Strengthen enforcement mechanisms to deter intentional misreporting while facilitating compliance for honest taxpayers.

Limitations

Longitudinal research could help to clarify the long-term consequences of ITC mismatches on company performance as well as the tax income generated.

Future research might also look at the effectiveness of specific technological projects in terms of reducing ITC mismatches and raising compliance. Comparative study with other countries using GST/VAT systems could also offer important new perspectives for policy development.

In essence, resolving mismatches will help the system to be more efficient and effective [26-27]. Policymakers must embrace the advised actions and keep investigating and improving the compliance framework if they are to pursue fulfilling the full potential catalyst for economic growth and openness.

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

Conceptualization: *Anchit Sureka*

Data curation: *Anchit Sureka*

Formal Analysis: Anchit Sureka
Methodology: Anchit Sureka
Software: Anchit Sureka
Resources: Anchit Sureka
Supervision: Nabasmita Bordoloi
Validation: Anchit Sureka, Nabasmita Bordoloi
Investigation: Anchit Sureka
Visualization: Anchit Sureka
Project administration: Anchit Sureka
Writing – review & editing: Anchit Sureka, Nabasmita Bordoloi
Writing – original draft: Anchit Sureka

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ОЦІНКА СИСТЕМИ ДОТРИМАННЯ ВИМОГ ПОДАТКУ НА ТОВАРИ ТА ПОСЛУГИ: РОЗСЛІДУВАННЯ ВПЛИВУ НЕВІДПОВІДНОСТІ ІТС НА ЗАЦІКАВЛЕНІ СТОРОНИ В ІНДІЇ

Уведення податку на товари та послуги (GST) в Індії ознаменувало серйозний перегляд національної системи непрямого оподаткування. Однак невідповідність вхідного податкового кредиту (ІТС) стала серйозною проблемою для кількох сторін. Метою цього дослідження є вивчення того, як невідповідність ІТС впливає на певні зацікавлені сторони індійської системи податку на товари та послуги. У дослідженні використана техніка змішаних методів, що поєднувала якісні інтерв'ю з кількісними опитувальниками. За допомогою структурованих анкет і напівструктурованих інтерв'ю було зібрано дані 500 компаній із кількох галузей та 50 податкових спеціалістів. За допомогою SPSS був проведений статистичний аналіз, у тому числі SPSS. При $r = -0,68$, $p = 0,001$ результати показують помітний негативний зв'язок між невідповідністю ІТС і відповідністю компанії. Крім того, дослідження показує, що невідповідність ІТС пояснює 46% коливань задоволення зацікавлених сторін системою GST. ($R^2 = 0,46$, $F(3, 496) = 141,23$, $p < 0,001$). Результати підкреслюють необхідність удосконалення технологічної інтеграції та оптимізації процесів дотримання вимог для зменшення негативних наслідків невідповідності ІТС. У майбутніх дослідженнях слід вивчити довгострокові фінансові наслідки поточних невідповідностей ІТС та оцінити успішність законодавчих змін, спрямованих на підвищення відповідності вимогам податку на товари та послуги.

Ключові слова: податок на товари та послуги, вхідний податковий кредит (ІТС), торгівля в Індії, структура податку на товари та послуги, проблема відповідності, невідповідність ІТС, обмеження грошових потоків, непрямий податок

JEL Класифікація: H20, H25, C38, C83, G38