

To Study the Level of Awareness about the Compliance of GST

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ABSTRACT

The Goods and Services Tax (GST) was a major reform to India's indirect tax structure when it was implemented. This abstract delves at the many ways in which the Goods and Services Tax (GST) has affected India's small and medium-sized businesses. The goal of the Goods and Services levy (GST) was to create a more conducive climate for businesses by consolidating many indirect taxes into a single, simplified levy. The introduction of GST has had both positive and negative repercussions for SMEs. On the positive side, GST has streamlined the tax compliance process, reduced the cascading effect of taxes, and created a unified market that enhances interstate trade efficiency. SMEs benefit from the ease of doing business, input tax credit mechanism, and simplified logistics. Moreover, the digitization of tax processes under GST has brought about greater transparency and reduced corruption.

Keyword: *Goods And Services Tax, Businesses, Input Tax, Mechanism, Taxes*

INTRODUCTION

The present age of the COVID-19 epidemic has decimated not just economics but also people's lives on a larger level, making it more challenging for organisations to execute open innovation strategies. This kind of effect has beyond that of earlier worldwide economic downturns. Looking at the big picture, open innovation is seen as essential to economic recovery after a pandemic has passed.

For companies, reaching peak performance is paramount. One way to measure organisational success is by looking at their financial situation and operational performance, which refers to their capacity to create products and services. Companies are bringing in outside help to supplement their internal resources as part of their innovation strategy. The capacity of an organisation to make full use of its resources in order to generate new capabilities and value is the essence of innovation. According to the idea, a company may make the most of all of its resources, both internal and external, by engaging in innovation activities. When an organization's innovations are executed well, they will provide fresh results that enhance the organization's value. Because innovation is so crucial to an organization's success and development, building innovation capabilities becomes paramount. An organisation places a premium on those who can think of new ideas. The word "ideas developed" refers to any and all ideas already present in the company, whether they come from executives about short- or medium-term strategic initiatives, or from workers regarding day-to-day operational tasks. Top management's thoughts, on the other hand, tend to centre on the growth and future plans of the company. Organisations may choose one of three approaches to innovation: top-down, bottom-up, or outside-in. Depending on the circumstances or requirements of the organisation, any of these ideas may be put into action.

A company's culture may have a significant impact on how employees perceive innovation inside the company. The term "top-down innovation" refers to a method of invention in which ideas are explicitly distributed to all parts of an organisation after they have been suggested or developed by the leadership. While top-down innovation requires heavy engagement from upper management and drives future organisational success, bottom-up innovation encourages and facilitates the participation of all members of the organisation in the creation and management of new ideas. An innovation idea known as "outside-in innovation" involves using social networking activities to adopt or bring innovation sources from outside the organisation inside the company. Each of the three ideas—top-down, bottom-up, and onside-in—was considered and integrated into the final innovation proposal. Especially in light of the present pandemic, this partnership would facilitate the adoption of open innovation to attain better organisational performance. At the same time as technical progress has thrust innovation into the limelight of corporate competitiveness, the growth of the information economy has ratcheted up global competition. To stay up-to-date with the ever-changing market, technology, and competition, businesses rely on innovation to create new items, processes, and systems. Innovation is a multi-stage process that begins with ideation

and continues with the creation, sharing, and use of new information in the form of improved or entirely new goods and services, as well as the introduction of novel manufacturing and processing methods.

An advantage may be gained via successful innovation as it can deliver something distinctive that other organisations don't have. Innovation may also be seen as a way for organisations of all sizes to enhance their essential competencies. When a company innovates, it means it is always looking for ways to develop and become even better at what it does. Success in the face of competition and the generation of profits relies on a company's capacity to innovate, which is also a key component in the company's future development and performance. It is essential to have a clear vision for innovation and a strategy to guide innovation activities while building skills for innovation. A theoretical framework for action that may be used to define actions that support and promote the success of innovation efforts is innovation capacity.

REVIEW OF LITERATURE

Abhishek Kumar Yadav et.al (2018) The effectiveness of any social scheme or programme is evaluated by its impact on improving people's lives, reducing inequality, and promoting economic growth. This problem has been here since our nation's independence, and our lawmakers have thought long and hard about a variety of tax policies to fix it. The GST plan is one of the initiatives that prioritises the well-being of the people. This paper provides a theoretical analysis of the effects of the Goods and Services Tax on the Indian tax system. As an accountant, it's important to recognise that GST has a significant impact on every sector and segment of our economy. The study delves deep into GST, exploring its idea, features, and foundation. A number of nations have implemented GST, with France being the pioneer in this regard. The federal democratic system in India allows for the implementation of GST by both the central and state governments, with the former referring to it as CGST and the latter as SGST. In this article, we will try to break out what Goods and Services Tax (GST) is and how it came to be in India. It then moves on to discuss the early repercussions on the economy and the difficulties the country faced as a result of implementing it.

Monika Sehrawat (2015) The Goods and Services Tax (GST) is a long-awaited and massive tax reform in India. Despite being scheduled for implementation in April 2010, the progress of this initiative has been hindered by political issues and conflicting interests among different stakeholders, resulting in its current pending status. A comprehensive tax system that unites the economy within a streamlined national market by including all indirect taxes from the federal and state levels. It is expected to contribute significantly to India's economic development and resolve any problems with the existing indirect tax structure. This paper lays out the fundamentals of the Goods and Services Tax (GST) idea, including its salient characteristics and the projected rollout date in India. The advantages of GST and the problems that India has had in implementing it are the main topics of this study.

Vibhuti Mittal et.al (2021) More than three years have passed since the Goods and Services Tax (GST) was instituted by the Indian government. Current pandemic-lockdown conditions compound the difficulties already experienced by Micro, Small, and Medium Enterprises (MSMEs). Nevertheless, the formerly chaotic implementation of the GST has already subsided for the MSMEs. Thus, the current study aims to evaluate how small firms and businesses perceive, accept, and are affected by GST. Factors such as GST satisfaction and awareness are also considered. In order to collect data from MSME owners, a survey was carried out using a standardised questionnaire. These responses were then analysed using inferential and descriptive statistics. Statistical analysis was conducted using Chi-Square tests, ANOVA analysis, and Correlation analysis. The findings suggest that the perception of GST laws among MSMEs is influenced by the type of enterprise. Furthermore, MSMEs have readily embraced the implementation of GST. Finally, the respondents have observed a positive impact from GST.

RESEARCH METHODOLOGY

A researcher's research style is the overarching plan that guides their data collection and analysis procedures. The thesis's analytical section has made two attempts to address the subject. Phase two of the research focused on primary data, whereas Phase one examined secondary sources. There were two types of research methods employed in the study: exploratory and confirmatory. In order to compile data on the effects of GST on SMEs, this study used an exploratory research strategy informed by a literature review. study hypotheses are developed by reviewing the current literature in order to achieve the study goals. The study project's goals may now be realised thanks to the strategy developed after a thorough examination of the relevant literature. The questionnaire used in this research was custom-made. A number code was used to record replies to questions in order to obtain data from the main survey. This survey was sent to tax experts, policymakers (i.e., federal and state government officials), and business owners (Trade and Industries). In order to implement the ideas, a tool was developed. The things were either altered or made from the ground up based on what was found in the literature review. Before the questionnaire was employed on a large scale, a pilot test was conducted with a convenience sample.

Respondents from the working and practitioner communities praised the poll for its usefulness, clarity, and ease of reading. The instrument was further refined with the use of respondent feedback. To gather as much data as possible, a postal survey and an internet survey were both used. This study used a "descriptive" research design. Using empirical data analysis, as in a "descriptive study," to determine the connections between the variables. The preferences of small and medium-sized enterprises (SMEs) in Agra with respect to different forms of financing are examined in this research.

- Sample Size: 268 SME Units
- Sample Unit: Small and Medium Enterprises

DATA ANALYSIS AND INTERPRETATION

Table 4.1 Nature of Business

Nature of business	Frequency	Percent
“Manufacturing”	238	88.8
“Service”	30	11.2
Total	268	100.0

Table 4.1 showing the nature of business, 88.8% is “Manufacturing” and 11.2% is “Service.”

Table 4.2 How Old Is Your Business?

Age of Business	Frequency	Percent
“3yrs to 5yrs”	56	20.8
“6yrs to 10yrs”	73	27.1
“10yrs & above”	139	52.0
Total	268	100.0

Table 4.2 showing the age of business, of 20.8% of respondents it is “3 to 5 years” old, according to 27.1% of the respondents their business is “6 to 10 years” old. Respondents whose business is more than “10 years” old are 52%.

Table 4.3 How Long Have You Been Using Gst Number?

Time since GST implemented in your business	Frequency	Percent
“Since GST Implementation (Last 3 Years)”	260	97.0
“Last 2 Years”	8	3.0
Total	268	100.0

Table displays that from how long respondents have been using GST numbers, about 97% of the respondents said, they have been using it “since GST implementation,” and 3% of the respondents are using it from “last 2 years.”

Table 4.4 Level Of Awareness About The Compliance Of Gst

		Sum of Squares	df	Mean Square	F	Sig.
Meaning of various rules and regulations under GST	Between Groups	5.311	2	2.656	2.948	.054
	Within Groups	239.640	265	.901		
	Total	244.952	267			
Applicability of various rules under GST	Between Groups	11.981	2	5.990	7.211	.001
	Within Groups	220.979	265	.831		
	Total	232.959	267			
Preparation of forms/documents required for sales and purchase	Between Groups	3.465	2	1.732	3.840	.023
	Within Groups	120.000	265	.451		
	Total	123.465	267			
Preparation of GST return	Between Groups	7.409	2	3.704	4.877	.008
	Within Groups	202.026	265	.759		
	Total	209.435	267			
Filing of GST return / Claiming Input Tax Credit	Between Groups	11.476	2	5.738	6.547	.002
	Within Groups	233.134	265	.876		
	Total	244.610	267			
Overall requirement of GST filing and compliances	Between Groups	9.717	2	4.859	3.804	.023
	Within Groups	339.733	265	1.277		
	Total	349.450	267			
Rate the GST as per its complexity	Between Groups	5.488	2	2.744	3.502	.032
	Within Groups	208.423	265	.784		
	Total	213.911	267			

In above table the significance difference among the mean values of various statements with reference to the level of awareness about the compliance of GST. It may be pragmatic from the table that the mean differences are significant for all the statements as their significant value is found to be less than 0.05.

CONCLUSION

In India, small and medium-sized firms play a crucial role in the economy. As a link in the supply chain connecting large industrial organisations to the country's skilled, unskilled, and semiskilled workforce, small firms are often seen as simple to manage. In order to turn a country's people into human capital, "small and medium-sized enterprises (SMEs)" may tap into the country's human resources. Without a shadow of a doubt, "Small and medium-sized enterprises (SMEs)" are the engine that propels any nation's progress and prosperity. Some of India's recent economic growth has been in sectors like "infrastructure," "manufacturing," "food processing," "service industry," "chemicals," and "IT," although these areas are similarly prevalent in many other countries. Although small and medium-sized businesses (SMBs) have made significant contributions to India's economy, they have not been able to reach their full potential due to stubbornly traditional approaches to running their operations and an excessive reliance on technology. On the other hand, federal aid is necessary for state governments. Staying ahead of the curve is essential for becoming compliant with GST rules and legislation.

Since 2017, very little has been done in India to measure the effects of the Goods and Services Tax (GST). The few studies that do exist are all theoretical and generalised, focusing on the macro level. A few studies have touched on a specific economic area, but they lack any real quantitative data. The study's findings are based on productivity and profitability. One hundred small and medium-sized enterprises (SMEs) in Agra were chosen for the research. After averaging the periods before and after GST was implemented, we were able to determine the profitability and productivity ratios of these companies. The next step was to compare the pre- and post-GST eras using a paired t-test. To learn how the Goods and Services Tax (GST) affected the productivity and profitability of small and medium-sized enterprises (SMEs) in Agra, researchers used regression analysis. In the end, primary data was gathered using a questionnaire that was designed to find out how professionals, tax practitioners, government moderators, businessmen, etc. perceive and interpret GST. There were a total of 300 questionnaires issued around Agra, and 268 of them were returned with full responses. A smart PLS-based structural equation model was used to do the analysis.

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