

## AWARENESS AND SUSTAINABILITY OF GST AMONG TRADERS AND SHOPKEEPERS

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### ABSTRACT

*The purpose of this study is to understand the sustainability of GST among traders and shopkeepers in Prayagraj District. Existing literature says that GST shall reduce the cost of doing business, increase transparency, decrease the prices of the product, increase tax compliance and improve ease of doing business. To accomplish the objectives of the study, the primary data were collected from 80 respondents of traders and shopkeepers operating in the Prayagraj district by using the "Convenient technique". The result of the study discloses that the sustainability of GST in traders and shopkeepers has a significant effect on the economic growth of the nation. The study contributes to sustainable GST and fulfils the research gap to some extent by analysing the effect from a shopkeeper perspective. Thus, the study has implications for policymakers, and its stakeholder provides a better understanding of the new indirect tax system.*

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**Keywords:** Sustainability, Goods and Services Tax, Traders, Shopkeeper, Convenient Technique.

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### Introduction

Traders and Shopkeepers in India play a vital role in the economic development of the country via contribution revenue to the government in the form of indirect tax. As the GST was introduced in July 2017 by the parliament, lot of development has taken place in restructuring the taxation system in the country in the Post-GST era.

Sustainability is not a concept it is constructed by Administration or Management to maintain a policy for a long period. Sustainability commonly refers to the three dimensions also called pillars: economic, social, and environmental. Sustainability relates to equity. Equity in terms of fairness practices among various GST stakeholders. Sustainability Tax has considerable potential to promote fairness, responsibility, and transparency. While introducing GST in India there are positively and negatively impacted all sectors. To sustain the new indirect tax necessary steps are to be taken to maintain the sustainable growth of GST in the MSMEs sector. Tax sustainability is a major concern for various economic agents-producers, distributors, and consumers. Tax sustainability can be explained as how the tax system functions and how it deals with various economic agents that meet the needs of the current economic growth of a nation such as GDP and without compromising the ability of future needs of the country.

The sustainability of GST deals with the synchronization of government income to drive the economy's growth and achieves the status of a developed country. Goods and Services Tax (GST) combines the current Union and States tax with the nation into a singular tax removing the cascading effects and bringing the country under a singular taxation system. The implementation of GST in India took a step towards a unified common market "One Nation One Market One Tax".

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The sustainable effect of GST among small traders and shopkeepers has brought significant changes. This investigation will be helpful for business people to beat the negative effect of GST execution by the government.

### Review of Literature

The new tax system is expected to change the way retail traders do business and the tax policies with which they comply. The entire nation including policymakers in the Parliament, trade, and businessmen or common man has debated the introduction of GST as a new system of taxation before its introduction. **Daga and Anand (2019)** focused to understand the effects of GST on micro, small & medium enterprises. GST will mainly remove the cascading effect on the sale of goods and services. Eliminating the cascade effect will directly affect how much things cost. This paper gives an understanding of GST in India & its impact on the Indian Economy. **Gowrishankar (2021)** stated that execution of GST has reduced the tax burden and enhanced the comfort of doing business in the country. The impression of GST has two key pieces; one is to the business and the second is to the customers who are the genuine carrier of tax costs. The basic determination of the study is to know the awareness level of small-scale businesses to GST and to measure the real impact they are fronting. Under GST, the recording is federal and the rules are unbroken for all the states. The study is a survey based on which data is collected from 100 small-scale businessmen in Coimbatore city. The tool used for the collection of data is a questionnaire. In this paper, we have been annoyed to give some suggestions and measures for the impact of GST. **Ali & Ahmad (2016)** in their study attempted to find out what level of awareness and perception of GST taxpayers in Malaysia. This study only consists of 256 civil servants of secondary school teachers in the area of Kuala Kangsar, Perak. Data was collected using questionnaires. The results showed that the level of awareness was moderate, and the majority of respondents gave a highly negative perception of the impact of GST. This eventually causes the majority of respondents not to accept the implementation of GST in India. **Mubarak (2021)** intention behind the introduction of GST in India is to abolish the multiplicity of indirect taxes, and cascading effect and reduce the tax burden these can possible only by levying GST. As the name indicates, the GST can be levied on items and offerings. GST is a tax that needs to pay on the supply of products and offerings. Anyone offering or providing goods and services is responsible for paying GST. The effect of GST on Indian SSIs is highlighted in the report. SSIs play a significant role in the Indian economy, accounting for almost 40% of industrial production, 42% of exports, and 65% of job possibilities. Consequently, an effort was undertaken to consider how the adoption of the GST might affect SSIs. This paper signifies the benefits of GST on SSIs and the problems faced by SSIs during their implementation. **Narasappa, (2022)** attempts to discuss the problem faced back then & still how the businesses are managing after the effect of the GST. The paper primarily focuses on the past and present effects of GST on business organizations and entrepreneurs. The purpose of this study is to determine whether retail traders in Chintamani City, which contributes significantly to the district's overall economic growth in the retail sector, are aware of the new tax structure. The study has found that a majority of the respondents are aware of the GST system. A large number of retail traders are still not prepared to adopt the new system. **Rao (2019)** tries to take stock of the progress in implementing the tax, and its economic and revenue implications, and identify further challenges and reform areas to reach the goals of simplifying the tax to reduce administrative and compliance costs, raising revenue productivity, and minimizing distortions. The paper claims that the reform has brought about important gains in consolidating domestic indirect taxes, removing impediments in the movements of goods across the country, and reducing cascading. Though much more needs to be done to get the benefits of reform and these include, reducing the number of tax rates to simplify the system, revisiting the rate structure to minimize anomalies, reducing the number of exemptions, firming up the technology platform, making the tax base more comprehensive by including the excluded items such as petroleum products, real estate and electricity. **Sharma and Indapurkar (2020)** seek to investigate the awareness and perception among small retailers, traders, and shopkeepers regarding the goods and service tax. A primary survey was conducted taking a sample size of 90 retailers, traders, and shopkeepers to collect data and analyse the results. The right results are derived using factor analysis. All the dimensions associated with the levels of perception, awareness, and government competency are related to one another in some or the other way and therefore there exists some correlation between the factors. **Singhal et.al, (2022)** implemented to ensure India's balanced economic development by simplifying the country's cumbersome indirect tax system, allowing commodities to move freely across state and national borders, cutting tax evasion and ramping up the taxpayers' base, improving compliance with taxation rules, increasing government revenues and attracting investors by making it easier to do business in India. The persistence of this study is to

determine if GST is achieving the objectives for which it was conceived. The panel regression estimations were used on data obtained from 31 states and union territories of India from 2017 to 2021, and the outcome shows that GST has a considerable positive effect on India's economic development. The study suggests that authorities should review and change GST taxing regulations regularly. **Uppal et.al, (2019)** investigate the small business persons (SBP) have affected the segment in terms of the changes to be done because of GST. In this study, an attempt has been made to observe the awareness and perceptions about GST among SBPs. Additionally, how well the government is doing in educating SBPs on the GST.

### Research Gap

From the above literature review research has come to find the research GAP of the study is there is need to study awareness and sustainability of GST among the traders and shopkeepers in the Prayagraj District. At Macro level many studies have been conducted but the Micro level no research is conducted as far as knowledge concerns the researcher. The study attempts to identify the level of awareness and sustainability of GST among the small traders and shopkeepers etc.

### Objectives of the Study

- To study the awareness level of GST among Traders, Shopkeeper in the Prayagraj District
- To know about the sustainability of GST on Traders and Shopkeepers
- To study the issues and challenges of GST faced by the traders and shopkeepers in the Prayagraj District.

### Research Methodology

- **Research Design:** For the research purpose, a comprehensive literature examination has been carried out to develop the objective of the study, The primary data collected through the structured questionnaire from the traders and shopkeepers on GST in Prayagraj. Secondary data is collected from research journals, websites, and reports of the DIC Prayagraj, Government and internet, to form a strong theoretical base.
- **Sample Size and Sampling Technique:** To give the representation of the traders and shopkeeper the sample size of respondents is 80 from Prayagraj district Uttar Pradesh (Table 1). The Prayagraj city was divided into four constituencies in legislative assembly Allahabad North, Allahabad South, Allahabad West and Phaphamau. The respondents were selected based on the "Convenient technique".
- **Questionnaire:** The survey relates to the awareness and sustainability of GST among the traders and shopkeepers to see the point of the execution of GST (Table 2) The surveys were utilized to inspire data on thing estimating segment factors and the level of effect on the part of the Goods and Services Tax system (Table 3).
- **Analysis Techniques:** To analyze the data frequency of percentage has been used to measure the awareness and sustainability among the traders and shopkeeper information differs from descriptive to multivariate.

### Data Analysis

**Table 1: Demographic Profile of the Respondents**

Socio-Economic Characteristics	No of Respondent	% In Total
<b>Gender</b>		
Male	75	93.75
Female	05	6.25
<b>Total</b>	<b>80</b>	
<b>Occupation</b>		
Agriculture	00	00
Businessman	69	86.25
Daily wages	00	00
Job	05	6.25
Other	06	7.25
<b>Total</b>	<b>80</b>	

<b>Education Qualification</b>		
Intermediate	48	60
Under-Graduation	12	15
Post-graduation	15	18.75
Professional Degree	05	6.25
<b>Total</b>	<b>80</b>	
<b>Monthly Income (in ₹)</b>		
Less than ₹ 10K	04	5
₹10K – ₹20K	24	30
₹20K – ₹30K	30	37.5
Above ₹30K	22	27.5
<b>Total</b>	<b>80</b>	

Source: Primary Data

The survey conducted on 80 respondents of traders and shopkeepers to find out the demographic character of respondents. It was found that out of 80 respondents 93.75% of the respondents are male and women participation is 6.25%. About 60% of the respondents are Intermediate pass out, 15% have passed the under graduation, around 20% have received the post-graduation and professional degree it means they have expertise in the business administration. 86.25% of the respondents are businessmen, the rest 13.75% have business activity. 5% of the response has monthly income less than ₹ 10,000; most of the respondents were seen to have sufficient income.

**Table 2: Awareness about GST**

<b>Sr. No</b>	<b>Particular</b>	<b>Percentage</b>
01	<b>Responded are aware GST system</b>	
	Yes	100
	No	-
02	<b>Source of awareness</b>	
	Social Media	10
	Internet/Websites	80
	TV	05
	Other	05
03	<b>GST is easier than early tax system</b>	
	Yes	90
	No	10
04	<b>Is your business registered under GST?</b>	
	Yes	100
	No	-
05	<b>Is a business registered in the Compensation Scheme of GST?</b>	
	Yes	35
	No	75
06	<b>Have you obtained knowledge about the GST?</b>	
	Yes	55
	No	45
07	<b>Do you have knowledge about the GST portal?</b>	
	Yes	100
	No	-
08	<b>Is the available legislation about the GST satisfying?</b>	
	Yes-satisfactory	25
	No-Need more clarity	75
09	<b>Do the respondents equip with GST software?</b>	
	Yes	88
	No	12
	Not applicable	-
10	<b>Need assistance from a lawyer or CA while filing the tax.</b>	
	Required	90
	Not Required	10

Source: Compiled by the Authors

The above table shows that respondents have knowledge about the indirect tax system among the traders and shopkeepers as GST becomes the major backbone line in sale activity. The respondent's major source of knowledge is getting knowledge from the Internet, websites etc which clearly confine that the respondent is more affected by the internet. As per the survey 90% agreed that GST is a game changer in business because it is easier than the earlier taxation system. Respondents were asked about the compensation schemes which were introduced for the small traders and shopkeepers whose threshold limit less than 50 lakh and actively taking part in the business where the mixed responded. Most of the traders have not taken the benefit of the compensation schemes. Most of the traders have been taking the assistance of the Chartered Accountant while filing the return.

**Table 3: Sustainability of GST among the Traders**

<b>Sr. No</b>	<b>Particular</b>	<b>Percentage</b>
01	<b>GST legislation is satisfactory</b>	
	Strong Agree	05
	Agree	38
	Neutral	32
	Disagree	25
	Strong Disagree	-
02	<b>Ease in filing the return</b>	
	Strong Agree	40
	Agree	38
	Neutral	12
	Disagree	10
	Strong Disagree	-
03	<b>There is tax inspector raj in GST system</b>	
	Strong Agree	10
	Agree	10
	Neutral	50
	Disagree	19
	Strong Disagree	11
04	<b>Rate implication on the occupation satisfactory</b>	
	Strong Agree	20
	Agree	20
	Neutral	12
	Disagree	44
	Strong Disagree	04
05	<b>Have you got the benefit form the compensation schemes</b>	
	Strong Agree	10
	Agree	25
	Neutral	55
	Disagree	10
	Strong Disagree	-
06	<b>Inflation cost has been reduced due to GST</b>	
	Strong Agree	8
	Agree	30
	Neutral	14
	Disagree	36
	Strong Disagree	12
07	<b>Does GST facilitate the ease of doing business</b>	
	Strong Agree	20
	Agree	55
	Neutral	10
	Disagree	10
	Strong Disagree	05

08	<b>Implementation of GST increased the documentary procedure</b>	
	Strong Agree	12
	Agree	48
	Neutral	06
	Disagree	32
	Strong Disagree	02
09	<b>Implementation of GST reduced the manual work</b>	
	Strong Agree	46
	Agree	14
	Neutral	10
	Disagree	22
	Strong Disagree	08
10	<b>E-WAY bill is beneficial for business</b>	
	Strong Agree	30
	Agree	26
	Neutral	32
	Disagree	06
	Strong Disagree	06

Source: Compiled by the Authors

### Findings

- The GST procedure required Chartered Accountant consultancy and help as 90% of the respondents are not handy towards filing the return as it shows a lengthy procedure system for the traders and the shopkeeper. There are various clauses to be followed by the respondent which required the expertise.
- GST was not successful in reducing inflation as its objectives were defined at the inception of GST.
- GST has been helpful in ease of doing the business as it simplifies the procedure of filing the return further. It will increase India's ranking in the ease of doing business index as it shows the multinational company can be set up easily.
- Introduction of GST has increased the documentary process whereas it has reduced the manual work by providing the online portal for registration in the filling process of tax.

### Suggestions

- The GST council should work on simplifying the GST procedure in filing the return. There are lots of GST Return Forms which traders and shopkeepers have to remember. So that it can be simplified to the GSTR filing return.
- Central Board of Indirect Tax & Customs have organised the training session for GST among the traders and shopkeepers.

### Conclusion

Tax is a subject which is always in the line of discussion due to its nature of unsustainability. But the government is trying to maintain the sustainability of the taxation system in India by introducing the Goods and Services Tax in India in July 2017. Post-GST has been affected enormously by the various stakeholders in the chain of supply of business. These stakeholders contribute to the nation's growth. So, the government should make a policy that makes the GST simple and good system in the country. Many studies have been done by various researchers at the macro level but the study has not been done at the micro level of the urban city. This study has been undertaken to know the issue and challenges of the small trader and shopkeepers so the government will get insight from this research paper. The majority of the respondent feels that the GST will surely increase the pace of the economy of the country but it required more clarity as suggested by the study. The GST council should always try to make the GST system further; it will lead to a 5 trillion-dollar economy.

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