



THINKING TOWARDS GOODS AND SERVICE TAX (GST) OF RETAIL PLYWOOD TRADERS IN SANGLI CITY OF MAHARASHTRA

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-----ABSTRACT-----

The present study focuses and examines that, the thinking of retail plywood traders in Sangli city towards Goods and Service Tax (GST) implementation. We examine their behaviour about GST governance. Goods and services tax have a large effects on their business enterprises. Present paper makes a loyal attempt of various discussions about problems and defects faced by them. This study significantly highlights various technical or non-technical factors after strongly implemented of GST bill Act, and its positive and negative effects on retail plywood traders in the Sangli city.

KEYWORDS: GST, E-way Bill, GTR2A, GSTR9, Input tax credit.

INTRODUCTION

Goods and Services Tax (GST) is an indirect tax system used in the India on supply of goods and services. It is a comprehensive, destination based multistage tax. The GST is collected from point of consumption and not point of origin, so it relates to destination based tax. It is imposed at every step on production process but is meant to be refunded to all parties in the various stages of production so it relates to multi-staged. Goods and services tax are divided into various tax slabs for collecting tax such as 28%, 18%, 12%, 5%, 0%. However, some products are not come under the purview of GST mechanism. GST is constituted and came into effect from 1st July, 2017 through implementation of 101st Amendment of the Constitution of India by the Indian government.

OBJECTIVES OF STUDY

The major objectives of this study are; i) to study opinion/ thinking of retail plywood traders towards GST. ii) To study the issues raised by retail plywood traders about GST.

RESEARCH METHODOLOGY

The present study is descriptive in nature, and retail plywood traders in the Sangli city have purposefully selected for study. Methodology of sample selection is as follows-

Data Source

This study is purely based on primary data; the primary data collected through direct interview method. The secondary data for study were collected such as journals, articles published online in various newspapers and websites.

Selection sample

Sample selection of retail plywood traders are selected by purposefully in Sangli city.

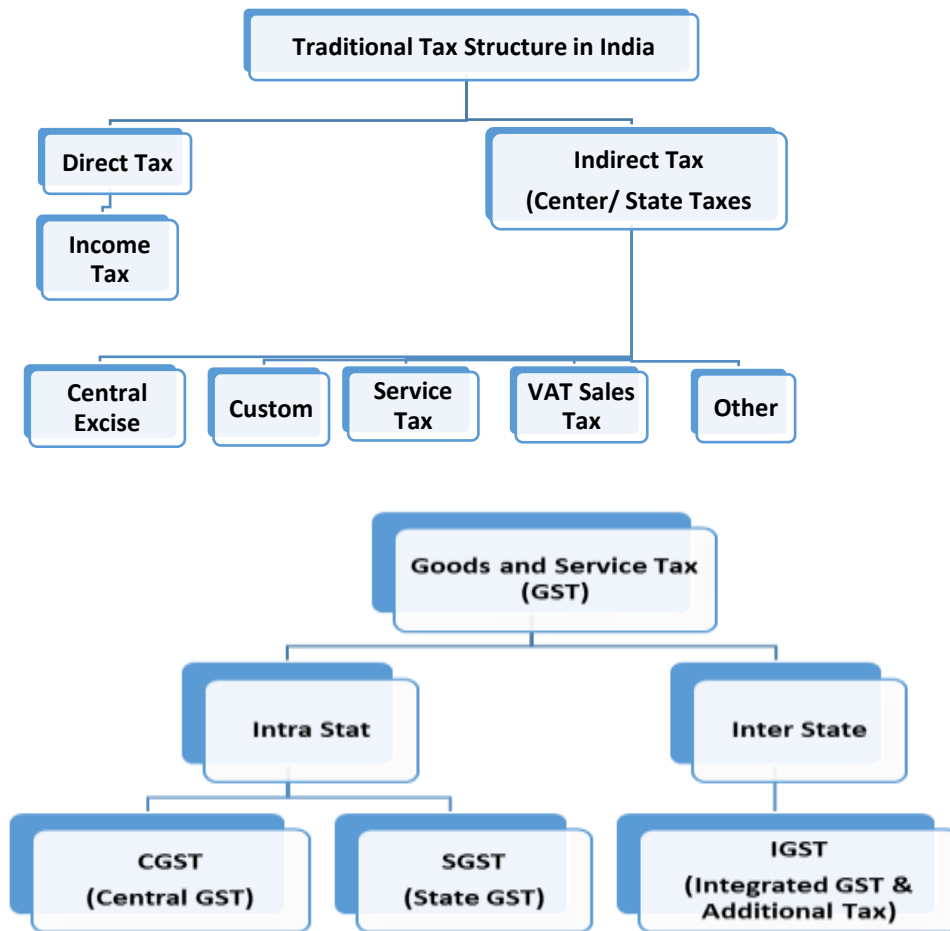


Scope of Study

The scope of the present paper provides comprehensive study of issues raised by selective retail plywood traders in Sangli city. What after the actual implementation of GST would experience to traders and various shortcoming in this GST mechanism also have been explored.

DISCUSSIONS & RESULT

Plywood is the key product for creation of furniture, timber industries, tools and tables, construction activities, miscellaneous works etc. Plywood is a sheet of wood that is made from smaller sheets of wood that are glued together. Majorly plywood is categorized into two regular types, first is exterior plywood and second is interior plywood. Another type of plywood's are like veneers, laminated sheets, hard plywood, and soft plywood, ply board, pin board plywood etc. After studying various available resources, we have another finding that further plywood has various grades like BWR, BWP, MR, COM etc. Now, 18% of GST is levied on Plywood and its related allied products. Before GST mechanism these retailers were enjoying various benefits under VAT taxation system.



But, after GST we have found various technical as well as behavioral issues with retail plywood traders such as-

1. ITC Claim- generally we have discussed with plywood traders related to various aspects of GST and its long effects. But ITC Input Tax Credit is the major concern has been raised by retail plywood trader. We found that both small & large trader having same problem for ITC claim. At the time GSTR3B return on GST portal if any legal seller will not be able to furnish exact output tax on portal within given limited time. Then it will directly affect genuine buyer for its ITC claim. If it fails, then buyer shall not be liable to its purchased goods and service respective tax claim.

2. Compulsion of GST Number- another factor has been coming into view that collection or receiving or interpreting of accurate GST number mandatorily according to GST law. GST number has unique identification.



The PAN number of registered seller/buyer is already enshrined within GST number. Some agencies, buyer, other traders, shopkeepers or any individual are not willing to give proper GST number for generation of authentic tax invoices. Every time retail plywood traders are on waiting for collection GST number from authentic individual or so on. If it fails then it will create problem in B2B GST compliance process.

3. E- Way Bill Generation- It is simply electronic permit for shipment of goods like way bill. GST mechanism has made mandatory provision for interstate movement of goods beyond 10 kilometers and the threshold limit of Rs.50000 and for intrastate is Rs.100000. It requires basic infrastructure like electricity, internet, computer, human resources etc. they found big tension for making of e way bill by use GST portal. Uneducated person is not fit for this type of complex activity. Sometime customer could not wait for making of large tax invoice so they keep exiting the deals.

4. Workload of GST- another bottleneck that has been come into consideration is annual GST returns and annual GST audit. It has required competent and skilled manpower within trading organization for furnishing all legal and authentic data without skipping any accounts related information. Every time the retail plywood traders have been a complaining about this problem. If it will not happen in proper way and within given stipulated time then traders would have faced various GST related technical problem from government office.

5. Computerized Entries- whenever we organized communication with retail plywood traders they put the aforesaid issue in front of our research. Many of retailers were generating tax invoices as manual records till the new GST tax regime. After GST regime, they transfer all their billing process from manual to electronic format. They thought that it requires more budget and human resources. It had been directly affect their commercial activity for appointing and encouraging new staff as per GST regime. We found that more than 50% retail plywood traders are not familiar with computer entries even they today's prefer to use manual entries.

6. Maintenance of HSN – HSN means Harmonized System of Nomenclature. This system has been used for systematic classification of goods all over the world. HSN code is a 6-digit uniform code. Thereby it reduces the chances of any misinterpretations. It will make GST compliant with the international standards and ensure proper levy of taxes. In GSTR9 requires HSN which was not required while filing GSTR3B. GSTR9 form is annual return HSN summary is mandatory. Comparison of inward supplied of HSN goods accounted with outward supplies, this is complex nature of work. Traders are feels higher workload of HSN maintenance.

7. Complex Nature of GST Regime- normally retail plywood traders insisted that they were very happy within VAT regime. However, in GST regime they faced problems like GSTR2A tax burden, faulty GST portal, unskilled workers, frequently notices from GST department, higher rate of GST, negative attitude of customer for payment of 18% of GST. This entire factor contributes negative impact on their commercial activities. They faced that lesser frequency of customers after GST is the main concern of business enterprises.

SUGGESTIONS

1. Government should organize awareness camp at the local level for instance being uneducated traders will be present in it and clarifies all problems.
2. It should be suggest that retail plywood traders must communicate all GST related issues with their appointed Chartered accountant without skipping any information's and views.
3. Traders should try to familiarize with complex system of GST. Unprepared attitude will affect business turnover.
4. It should be suggested that government-traders-accountants must communicate problems of GST in their respective local languages. Concept clarity is necessary for sustainability of firm.

CONCLUSION

India has implemented rigorous GST Act but one need to consider deeper part of GST Act comprehensively. Retail plywood trader's needs proper technical guidance of GST bill implementation. Some defects had been seen forefront of traders. Government and other government related organizations should boost confidence of traders for proper transparency and accuracy in GST administration.

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