IMPLICATIONS OF GOODS AND SERVICES TAX ACT, 2017 ON INDIAN ECONOMY: A PERCEPTUAL ANALYSIS

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ABSTRACT

India's biggest tax reform in the form of GST implementation was made by lawmakers on July 1st, 2017. However, implementation of GST was resisted by stakeholders many times. As some of them believe that it will be a cause to economic disaster. The objective of the study is to know the perception of Chartered Accountants (CAs) towards implications of Goods and Services Tax Act, 2017 (GSTA) on economy, for which, the responses were collected from 75 respondents on 5-point Likert scale, where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree and analyzed by using Factor Analysis with the help of SPSS 16.0. Further, the study revealed that GSTA resulted in increase in burden of filing the tax returns, increase in employment opportunities, increase in legal disputes, increase in Government exchequer, formation of one nation market, increase in prices of services and increase in tax burden. Moreover, significant difference among the income-wise perception of CAs towards the employment opportunities was found. Hence, it is suggested that improving the returns structure, simplifying the law, educating the taxpayers and inclusion of experts from different fields in GST Council (GSTC) will be helpful in to implement of GST Act, 2017.

Keywords: GST Council, services, returns, economy, employment and government.

INTRODUCTION

The word 'tax' came from Latin word 'Taxare' which means 'to estimate'. Taxation is rooted from the period of the first dynasty of old kings during ancient Egypt around 3000 BC–2800 BC. At that time, one fifth portion of the crop was given to Pharoah and rest portion was kept by the farmers with themselves as a food for their households and seeds for crops. The way of collecting the taxes by the king from the traders, agriculturists, artisans is defined in Manu Smriti and Arthasastra (*Adukia, 2009*). Tax administration in Mauryan Empire was also defined by Kautilya. Changes in taxation

system can be seen from the time period of Mughal emperors. Jeziya, a kind of tax imposed by Islamic rulers on non-Islamic population, was first introduced in India by Qutub-ud-din-aibak, which was finally abolished by Mughal ruler Akbar in 1579 but was re-introduced by Aurangzeb during the 17th century. Also, a lot of remarkable changes were made in taxation during the British rule. In 1922, the proper tax administration was laid down, when the Indian Income Tax Act, 1922 came into existence on the recommendations of the All India Income Tax Committee. Direct taxes are paid directly by the taxpayer to the government and applied to individuals and organizations. Income tax, corporate tax, wealth tax are the example of direct taxes. On the other hand, indirect taxes are paid indirectly to the government and applied to the manufacture and sale of goods and services. Excise duty, custom duty, sales tax and service tax are the examples of indirect taxes. Excise duty is paid by the manufacturer on the goods manufactured in India and meant for domestic consumption, which is passed on to the final consumer and Custom duty came into existence in 1962 to check illegal import and export of goods. Sales tax is an indirect tax levied on the sale and purchase of goods within the state. For inter-state sale and purchase of goods, central sales tax was charged. Under sales tax, tax on tax was paid. So, to avoid repeated taxation on the same product and to make the tax system more transparent, sales tax was replaced by Value Added Tax (VAT) on 4th January, 2005. VAT is a multipoint destination based tax, *i.e*. tax payable at each stage of value addition, during the supply chain of the goods. Under VAT, at each stage input credit can be easily claimed back. But, it was applicable on the goods only, not on services. So, there was a need of GST under which input tax credit can be claimed for both goods and services.

According to Clause 366 (12A) of the Indian Constitution Bill, "Goods and Services Tax" means any tax on supply of goods, or services or both except taxes on supply of the alcoholic liquor for human consumption. In federal country like India, power of Central and State Government related to taxation is clearly defined in Indian Constitution. During pre-GST era, various indirect taxes were collected by Central and State Government. Central Government collected the Central Excise Duty, Services Tax, Custom Duty, Additional Custom Duty, Special Additional Duties of Customs, *etc*. State Government collected VAT, Purchase Tax, Central Sales Tax, State Excise Duty, State cess and surcharge, *etc*. Moreover, GST rates are divided into five categories 0 percent, 5 percent, 12 percent, 18 percent, 28 percent for different goods and services. After its launch, GST rates have been changed many times.

GST leads to greater impact on traders, businessmen, consumers and Indian economy. A trader can take the advantage of reduction in the multiplicity of taxes and avoidance of double taxation. A business can easily be started by having a single and the standardized GST registration, instead of having multiple VAT registrations. It is also claimed that GST affects the consumers through reduction in prices of goods and services due to elimination of cascading effect. It simplifies the taxation system and also increases the transparency in taxation system. Our economy is also benefitted by GST due to unified common national market and it also boosts foreign investments and exports

(*www.hrblock.in/earlygst/guides/*).

LITERATURE REVIEW

PHD CHAMBER (2016) assessed about the potential impacts of GST on Indian economy. It mentioned that GST would be beneficial for traders in the form of easy compliance through robust and comprehensive IT system, improved competitiveness by reduction in transaction costs and reduced hidden cost of doing business by minimizing cascading effect. Moreover, it would be beneficial to Central and State Governments by way of better control on leakage and higher revenue efficiency and also would be beneficial to consumers by reducing tax burden on more commodities and facilitating transparency. Hakim, *et al*. (2016) aimed to know about the impact of GST on the economic growth in developed and developing countries. To measure the economic growth, GDP per capita was taken as dependent variable and taxes on income, profit, capital gains, goods and services, international trade were taken as independent variables. Using the Arellano-Bond Dynamic Panel GMM estimation on panel data set comprised both developed and developing countries over the period 2005-2012, they found that GST is positively correlated with the economic growth in developed countries, but acted as a burden on economic growth of developing countries. On the basis of findings, they suggested to developing countries to implement different

GST rates as GST flat rates are less efficient in generating more revenue for them. Kumar (2017) attempted to identify the benefits that would have been to consumers, government and business due to GST. The author concluded that implementing one type of tax in the form of GST will make the country industry friendly and will attract the foreign investment. It will also increase employment opportunities, increase revenue efficiency and prevent tax leakage. It will increase the transparency in businesses activities through providing online services such as registration, payments, and returns to the taxpayers and also boost competitiveness by reducing transaction cost. For consumers, prices of goods will be comparatively low under GST, thereby facilitated in reducing their overall tax burden. That‟s why the author suggested implementing the GST regime with clear laws such as every stakeholder can take all these benefits. Zain, *et al*. (2017) explained the reasons of prices hike of daily consumable goods in Malaysia by taking secondary data. They noticed that prices of daily consumable goods hike during pre-GST implementation and continued to hike even post-GST implementation in Malaysia. Also, for this hike, GST is not only the sole reason. But along with other elements, GST was also found a cause for the hike in prices of goods. Agarwal (2017) analyzed the perception of people regarding GST, for which a sample of 200 people was taken from Agra city. By using mean and one sample t-test, the researcher found that people accepted GST as a good tax reform in India. They confirmed their perception that it will increase the tax collection of the government and also inflation in the country. But, they also agreed that GST has increased the tax burden on businessmen and common men. Rani (2017) found the impact of GST on most used services like education services, health services, hotels, household items and prices of electronic devices with the help of secondary data and concluded that GST may produce a collective gain for business, industry, central government, state government, consumers as well as for economy. Due to tax credit set off, GST can provide relief to both producers and consumers and will have a positive impact on the economy. Tiwari and Singh (2018) emphasized on the impact that GST made on various sectors in India and relationship of GST with economy revival. Through making comparison between tax rates prevailed during pre-GST and post-GST, they mentioned that some services became costlier after implementation of GST comprising insurance premium, banking, telephone charges, railways and air travel, whereas few such as health care and insurance and movie tickets did not. Apart from this, durable items like furniture, AC, washing machines, TV became cheaper. Also, slightly deductions in tax structure of some food items were noticed. Not only agriculture sector, manufacturing sector also benefitted after GST implementation. Consequently, demand of Indian goods will rise due to having low cost products and more foreign companies will get attracted towards India. All these will result in more employment opportunities, increased foreign exchange reserve and growth in GDP. So, Indian economy will revived after implementation of GST. Rao (2019) highlighted the possible impact that GST might have on the Indian economy and also discussed about the issues emerging due to GST compliance framework. It was stated that GST is expected to induce investment in manufacturing sectors, decline the cost of production by redesigning of supply chain, expanding the price sensitive demand by the way of price reduction, bringing in informal business under formal sector and increasing productivity in investment by eliminating the incentives associated with earlier indirect taxes either in the form of area based exemptions or sector based. But compliance strategy built in GST would encourage more organized tax evasion, delinking the linkages of formal economy with an informal economy. Additionally, number of taxpayers was found to be increased after GST implementation. Though percentage increase in number of taxpayers were not same across the States. Also, relationship of GST registration with filing of GST returns appeared negative. Along with this, GST revenue for the Central Government was also not at par during the financial year 2017-18. Srivastava (2021) emphasized on GST collection during the first four years of GST implementation and revealed that actual average revenue collection was (Rs. 5.43 lakh crore), which is 78 percent of average budget estimate (Rs. 6.99 lakh crore) and 98 percent of the revised estimate (Rs. 5.54 lakh crore). Also, 8.67 percent average growth rate of GST revenue was found during this period, whereas nominal growth rate subsumed to be for the states during the transition period is 14 percent. So, it was advised to take both enforcement and

structural measures for improving the GST revenue collection.

RESEARCH METHODOLOGY

To know the perception of CAs towards implications of GSTA on economy, the responses were collected from 75 respondents on 5-point Likert scale, where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree on 31 statements. All these responses were analyzed by using Factor Analysis with the help of SPSS 16.0.

RESEARCH OBJECTIVES

1. To study the implications of GSTA on economy in Haryana State.
2. To offer suggestions for effective implementation of provisions of GSTA in Haryana State.

RESEARCH HYPOTHESES

H_{01}: There is no significant difference in the respondent"s perception towards the implications of GSTA on economy in Haryana State.

H_{02}: There is a significant difference in the respondent"s perception towards the implications of GSTA on economy in Haryana State.

PERCEPTION TOWARDS GSTA IMPLICATIONS ON ECONOMY

Table 1 portrays that implementation of GSTA resulted in increase in burden of filing the tax returns ($\overline{X}$=4.13, σ=0.72), increase in employment opportunities ($\overline{X}$=3.80, σ=0.79), increase in legal disputes ($\overline{X}$=3.69, σ=0.96), increase in Government exchequer ($\overline{X}$=3.67, σ=0.72), formation of one nation market ($\overline{X}$=3.64, σ=1.06), increase in prices of services ($\overline{X}$=3.60, σ=0.89) and increase in tax burden ($\overline{X}$=3.56, σ=1.02) as perceived by CAs. On the other hand, decrease in intermediaries ($\overline{X}$=3.40, σ=0.90), boost in service sector ($\overline{X}$=3.36, σ=0.92), increase in exports ($\overline{X}$=3.35, σ=0.92), boost in industrialization ($\overline{X}$ = 3.32, σ =0.95), decrease in distribution channel conflicts ($\overline{X}$=3.31, σ=0.94), increase in competition ($\overline{X}$=3.31, σ=0.97), boost "Make in India" programme ($\overline{X}$=3.27, σ=1.06), increase in use of ICT ($\overline{X}$=3.25, σ=0.89), decrease in dumping ($\overline{X}$=3.23, σ=0.88), boost the growth of the economy ($\overline{X}$=3.23, σ=1.06), increase in red-tapism ($\overline{X}$=3.19, σ=0.87), decrease in fake currency ($\overline{X}$=3.19, σ=1.04), boost in agriculture sector ($\overline{X}$=3.17, σ=0.94), increase in qualitative products ($\overline{X}$=3.17, σ=1.03), increase in Balance of Payments ($\overline{X}$=3.16, σ=0.70), decrease in black money ($\overline{X}$=3.16, σ=1.03), cut down prices of goods ($\overline{X}$=3.15, σ=1.01), decrease in imports ($\overline{X}$=3.13, σ=0.81), change in political milieu ($\overline{X}$=3.11, σ=0.98), increase in socio-economic condition of customers ($\overline{X}$=3.11, σ=1.03), increase in Gross Domestic Product ($\overline{X}$=3.11, σ=1.01), attract foreign investment across various sectors ($\overline{X}$=3.11, σ=1.03), poverty reduction ($\overline{X}$=3.04, σ=1.05) and increase in corruption/bribe ($\overline{X}$=2.93, σ=1.08) are not so perceived implications of GSTA in the eyes of CAs.

Table 1: Descriptive Statistics for Perception of CAs towards the Implications on Economy

Statements	$\overline{X}$ (Rank)	σ
Increase in tax burden	3.56 (7)	1.02
Increase in red-tapism	3.19 (18.5)	0.87
Increase in use of ICT	3.25 (15)	0.89
Increase in corruption/bribe	2.93 (31)	1.08
Increase in burden of filing the tax returns	4.13 (1)	0.72
Increase in employment opportunities	3.80 (2)	0.79

Decrease in intermediaries	3.40 (8)	0.90
Increase in Government exchequer	3.67 (4)	0.72
Decrease in dumping	3.23 (16.5)	0.88
Increase in competition	3.31 (12.5)	0.97
Increase in qualitative products	3.17 (20.5)	1.03
Increase in exports	3.35 (10)	0.92
Decrease in imports	3.13 (25)	0.81
Increase in BOP	3.16 (22.5)	0.70
Boost the growth of the economy	3.23 (16.5)	1.06
Increase in socio-economic condition of customers	3.11 (27.5)	1.03
Change in political milieu	3.11 (27.5)	0.98
Increase in legal disputes	3.69 (3)	0.96
Decrease in distribution channel conflicts	3.31 (12.5)	0.94
Decrease in black money	3.16 (22.5)	1.03
Decrease in fake currency	3.19 (18.5)	1.04
Boost in industrialization	3.32 (11)	0.95
Boost in service sector	3.36 (9)	0.92
Boost in agriculture sector	3.17 (20.5)	0.94
Attract foreign investment across various sectors	3.11 (27.5)	1.03
Increase in GDP	3.11 (27.5)	1.01
Poverty reduction	3.04 (30)	1.05
Boost "Make in India" programme	3.27 (14)	1.06
Cut down prices of goods	3.15 (24)	1.01
Increase in prices of services	3.60 (6)	0.89
Formation of one nation market	3.64 (5)	1.06

Source: Primary (Data Processed through SPSS 16.0)

To authenticate the results, Factor Analysis was used by reducing the data set of 31 statements to 7 factors. These seven factors were extracted with the use of data reduction technique, *i.e.* Factor Analysis. To know the appropriateness of factor analysis, a researcher needs to do is to check the pattern of relationship among the variables by way of correlation matrix, value of KMO statistic and Bartlett"s test of sphericity. Table 2 shows the correlation matrix for perception of chartered accountants towards the implication issues of GSTA, there are many variables having correlation greater than 0.30, which may cause the problem of multi-collinearity. So, to avoid the problem of multi-collinearity, principal component analysis (PCA) for extraction is used. Table 3 shows the value of KMO statistic which is 0.77 (>0.5), that proves adequacy of sample size to do factor analysis. Also, Bartlett"s test of sphericity is found significant as significance value is 0.00 (<0.05) with χ^2 =1.870E3 found significant at 0.05 level of significance, df=465 as per the requirement of Bartlett"s test of sphericity, which shows that correlation between the variables is sufficiently large for PCA. Hence, factor analysis may be considered as an appropriate technique.

Further, Table 4 labelled communalities reflects the proportion of common variance within a variable. Table 5 indicates that first seven variables have eigen values greater than 1 and total 74.03 per cent variance is explained by these seven variables, out of which 37.75 per cent, 13.79 per cent, 6.39 per cent, 4.60 per cent, 4.21 per cent, 3.97 per cent and 3.33 per cent is contributed by first, second, third, fourth, fifth, sixth and seventh variables, respectively. Moreover, as depicted in Exhibit 1, slope of line changes dramatically at seventh point. Table 6 and Table 7 show the relationship among factors and individual variables. But, in earlier matrix, *i.e.* component matrix before rotation, most of the variables have high loadings with the first factor, so to make interpretation simple and easy, rotated component matrix is used and extract those variables having factor loadings more than 0.4 (ignoring the plus or minus sign) by using Varimax with Kaiser normalization rotation method.

Table 2: Correlation Matrix for the Perception of CAs towards Implications of GSTA

Particulars	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Increase in tax burden	1.00	0.52	0.37	0.28	0.19	0.07	0.15	0.22	0.23	0.33	0.29	0.05	0.19	0.31	0.09	0.34	0.24	0.22	0.30	0.09	0.17	0.09	0.07	0.15	0.10	0.00	0.11	0.25	-0.02	0.28	-0.17
Increase in red-tapism	0.52	1.00	0.78	0.53	0.05	-0.08	0.08	-0.03	0.33	0.38	0.45	0.19	0.37	0.53	0.12	0.29	0.37	0.38	0.49	0.10	-0.05	0.00	-0.03	-0.02	0.05	0.05	0.19	0.28	0.06	0.05	-0.10
Increase in use of ICT	0.37	0.78	1.00	0.51	0.14	-0.02	0.14	-0.01	0.31	0.49	0.56	0.21	0.52	0.59	0.15	0.38	0.42	0.32	0.52	0.28	-0.02	0.03	-0.01	0.08	0.10	0.01	0.18	0.30	0.12	0.01	-0.10
Increase in corruption/bribe	0.28	0.53	0.51	1.00	0.18	-0.08	-0.12	-0.01	0.13	0.30	0.34	0.19	0.33	0.44	-0.03	0.19	0.17	0.46	0.17	0.06	-0.11	0.00	-0.02	0.04	0.00	-0.03	0.05	-0.03	-0.03	0.24	-0.13
Increase in burden of filing the tax returns	0.19	0.05	0.14	0.18	1.00	0.21	0.04	0.11	0.14	0.08	-0.03	-0.13	-0.10	0.09	-0.11	0.02	0.07	0.33	0.08	-0.01	-0.14	-0.04	-0.07	-0.05	0.02	-0.13	-0.15	-0.01	-0.18	0.27	0.01
Increase in employment opportunities	0.07	-0.08	-0.02	-0.08	0.21	1.00	0.44	0.19	0.22	0.13	0.13	0.15	0.06	0.01	0.44	0.19	0.05	-0.06	0.10	0.07	0.33	0.43	0.42	0.38	0.34	0.33	0.32	0.28	0.24	0.19	0.25
Decrease in intermediaries	0.15	0.08	0.14	-0.12	0.04	0.44	1.00	0.50	0.46	0.41	0.39	0.25	0.33	0.22	0.61	0.48	0.55	-0.11	0.27	0.37	0.57	0.51	0.52	0.49	0.56	0.41	0.44	0.37	0.57	0.12	0.29
Increase in Government exchequer	0.22	-0.03	-0.01	-0.01	0.11	0.19	0.50	1.00	0.44	0.30	0.13	0.18	0.31	0.16	0.47	0.37	0.41	-0.03	-0.13	0.18	0.43	0.43	0.32	0.37	0.45	0.33	0.25	0.24	0.46	0.13	0.33
Decrease in dumping	0.23	0.33	0.31	0.13	0.14	0.22	0.46	0.44	1.00	0.46	0.51	0.47	0.56	0.47	0.44	0.64	0.66	0.10	0.45	0.56	0.46	0.48	0.43	0.43	0.51	0.34	0.40	0.55	0.51	0.08	0.41
Increase in competition	0.33	0.38	0.49	0.30	0.08	0.13	0.41	0.30	0.46	1.00	0.69	0.38	0.50	0.48	0.40	0.57	0.53	-0.04	0.23	0.30	0.32	0.41	0.37	0.48	0.41	0.37	0.47	0.41	0.39	0.08	0.13
Increase in qualitative products	0.29	0.45	0.56	0.34	-0.03	0.13	0.39	0.13	0.51	0.69	1.00	0.52	0.59	0.62	0.53	0.73	0.56	0.05	0.40	0.46	0.31	0.52	0.42	0.57	0.54	0.40	0.57	0.59	0.48	0.09	0.32
Increase in exports	0.05	0.19	0.21	0.19	-0.13	0.15	0.25	0.18	0.47	0.38	0.52	1.00	0.61	0.48	0.37	0.47	0.39	-0.03	0.12	0.28	0.27	0.40	0.31	0.31	0.44	0.26	0.41	0.43	0.39	-0.27	0.31
Decrease in imports	0.19	0.37	0.52	0.33	-0.10	0.06	0.33	0.31	0.56	0.50	0.59	0.61	1.00	0.70	0.37	0.55	0.58	0.16	0.30	0.57	0.37	0.37	0.28	0.34	0.40	0.13	0.28	0.38	0.39	-0.11	0.23
Increase in BOP	0.31	0.53	0.59	0.44	0.09	0.01	0.22	0.16	0.47	0.48	0.62	0.48	0.70	1.00	0.35	0.44	0.39	0.30	0.38	0.43	0.14	0.31	0.29	0.29	0.35	0.11	0.21	0.49	0.31	0.08	0.17
Boost the growth of the economy	0.09	0.12	0.15	-0.03	-0.11	0.44	0.61	0.47	0.44	0.40	0.53	0.37	0.37	0.35	1.00	0.59	0.35	-0.21	0.21	0.41	0.59	0.76	0.63	0.68	0.67	0.66	0.59	0.66	0.59	0.13	0.49
Increase in socio-economic condition of customers	0.34	0.29	0.38	0.19	0.02	0.19	0.48	0.37	0.64	0.57	0.73	0.47	0.55	0.44	0.59	1.00	0.63	0.10	0.40	0.54	0.42	0.61	0.48	0.72	0.60	0.47	0.65	0.65	0.50	0.17	0.39
Change in political milieu	0.24	0.37	0.42	0.17	0.07	0.05	0.55	0.41	0.66	0.53	0.56	0.39	0.58	0.39	0.35	0.63	1.00	0.22	0.42	0.63	0.49	0.46	0.36	0.42	0.60	0.37	0.51	0.51	0.61	0.02	0.43
Increase in legal disputes	0.22	0.38	0.32	0.46	0.33	-0.06	-0.11	-0.03	0.10	-0.04	0.05	-0.03	0.16	0.30	-0.21	0.10	0.22	1.00	0.28	0.04	-0.20	-0.13	-0.13	-0.15	-0.06	-0.08	-0.10	0.02	0.01	0.16	-0.07
Decrease in distribution channel conflicts	0.30	0.49	0.52	0.17	0.08	0.10	0.27	-0.13	0.45	0.23	0.40	0.12	0.30	0.38	0.21	0.40	0.42	0.28	1.00	0.38	0.22	0.15	0.09	0.20	0.20	0.18	0.27	0.46	0.26	0.08	0.08
Decrease in black money	0.09	0.10	0.28	0.06	-0.01	0.07	0.37	0.18	0.56	0.30	0.46	0.28	0.57	0.43	0.41	0.54	0.63	0.04	0.38	1.00	0.57	0.49	0.45	0.48	0.48	0.31	0.37	0.50	0.46	-0.02	0.46
Decrease in fake currency	0.17	-0.05	-0.02	-0.11	-0.14	0.33	0.57	0.43	0.46	0.32	0.31	0.27	0.37	0.14	0.59	0.42	0.49	-0.20	0.22	0.57	1.00	0.59	0.52	0.59	0.73	0.56	0.55	0.44	0.61	-0.05	0.36
Boost in industrialization	0.09	0.00	0.03	0.00	-0.04	0.43	0.51	0.43	0.48	0.41	0.52	0.40	0.37	0.31	0.76	0.61	0.46	-0.13	0.15	0.49	0.59	1.00	0.87	0.73	0.72	0.59	0.66	0.66	0.69	0.20	0.59
Boost in service sector	0.07	-0.03	-0.01	-0.02	-0.07	0.42	0.52	0.32	0.43	0.37	0.42	0.31	0.28	0.29	0.63	0.48	0.36	-0.13	0.09	0.45	0.52	0.87	1.00	0.58	0.65	0.55	0.60	0.58	0.61	0.23	0.49
Boost in agriculture sector	0.15	-0.02	0.08	0.04	-0.05	0.38	0.49	0.37	0.43	0.48	0.57	0.31	0.34	0.29	0.68	0.72	0.42	-0.15	0.20	0.48	0.59	0.73	0.58	1.00	0.62	0.58	0.64	0.54	0.62	0.33	0.47
Attract foreign investment across various sectors	0.10	0.05	0.10	0.00	0.02	0.34	0.56	0.45	0.51	0.41	0.54	0.44	0.40	0.35	0.67	0.60	0.60	-0.06	0.20	0.48	0.73	0.72	0.65	0.62	1.00	0.69	0.80	0.63	0.76	0.03	0.60
Increase in GDP	0.00	0.05	0.01	-0.03	-0.13	0.33	0.41	0.33	0.34	0.37	0.40	0.26	0.13	0.11	0.66	0.47	0.37	-0.08	0.18	0.31	0.56	0.59	0.55	0.58	0.69	1.00	0.77	0.59	0.69	0.12	0.50
Poverty reduction	0.11	0.19	0.18	0.05	-0.15	0.32	0.44	0.25	0.40	0.47	0.57	0.41	0.28	0.21	0.59	0.65	0.51	-0.10	0.27	0.37	0.55	0.66	0.60	0.64	0.80	0.77	1.00	0.60	0.66	0.13	0.51
Boost "Make in India" programme	0.25	0.28	0.30	-0.03	-0.01	0.28	0.37	0.24	0.55	0.41	0.59	0.43	0.38	0.49	0.66	0.65	0.51	0.02	0.46	0.50	0.44	0.66	0.58	0.54	0.63	0.59	0.60	1.00	0.56	0.06	0.50
Cut down prices of goods	-0.02	0.06	0.12	-0.03	-0.18	0.24	0.57	0.46	0.51	0.39	0.48	0.39	0.39	0.31	0.59	0.50	0.61	0.01	0.26	0.46	0.61	0.69	0.61	0.62	0.76	0.69	0.66	0.56	1.00	0.04	0.62
Increase in prices of services	0.28	0.05	0.01	0.24	0.27	0.19	0.12	0.13	0.08	0.08	0.09	-0.27	-0.11	0.08	0.13	0.17	0.02	0.16	0.08	-0.02	-0.05	0.20	0.23	0.33	0.03	0.12	0.13	0.06	0.04	1.00	0.15
Formation of one nation market	-0.17	-0.10	-0.10	-0.13	0.01	0.25	0.29	0.33	0.41	0.13	0.32	0.31	0.23	0.17	0.49	0.39	0.43	-0.07	0.08	0.46	0.36	0.59	0.49	0.47	0.60	0.50	0.51	0.50	0.62	0.15	1.00

Source: Primary (Data Processed through SPSS 16.0).

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.77
Bartlett's Test of Sphericity	Approx. Chi-Square	1.870E3
	Df	465.00
	Sig.	0.00

Source: Primary (Data Processed through SPSS 16.0)

Table 4: Communalities

Particulars	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Initial	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Extraction	0.65	0.78	0.78	0.72	0.68	0.71	0.70	0.80	0.70	0.67	0.79	0.71	0.82	0.75	0.75	0.70	0.83	0.69	0.83	0.64	0.72	0.83	0.70	0.72	0.79	0.76	0.81	0.72	0.78	0.70	0.73

Extraction Method: Principal Component Analysis.
Source: Primary (Data Processed through SPSS 16.0).

Table 5: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	Percentage of Variance	Cumulative Percentage	Total	Percentage of Variance	Cumulative Percentage	Total	Percentage of Variance	Cumulative Percentage
1	11.70	37.75	37.75	11.70	37.75	37.75	8.42	27.17	27.17
2	4.27	13.79	51.54	4.27	13.79	51.54	3.71	11.96	39.13
3	1.98	6.39	57.93	1.98	6.39	57.93	3.29	10.61	49.74
4	1.43	4.60	62.53	1.43	4.60	62.53	2.25	7.27	57.00
5	1.30	4.21	66.74	1.30	4.21	66.74	1.90	6.13	63.13
6	1.23	3.97	70.70	1.23	3.97	70.70	1.88	6.07	69.19
7	1.03	3.33	74.03	1.03	3.33	74.03	1.50	4.84	74.03
8	0.96	3.11	77.14						
9	0.78	2.53	79.67						
10	0.76	2.44	82.11						
11	0.68	2.19	84.30						
12	0.59	1.92	86.22						
13	0.52	1.69	87.91						
14	0.49	1.59	89.50						
15	0.42	1.36	90.86						
16	0.42	1.35	92.21						
17	0.35	1.13	93.33						
18	0.29	0.95	94.28						
19	0.28	0.89	95.17						
20	0.23	0.75	95.93						
21	0.21	0.68	96.61						
22	0.19	0.61	97.22						
23	0.18	0.58	97.80						
24	0.17	0.53	98.33						
25	0.12	0.37	98.71						
26	0.11	0.36	99.06						
27	0.09	0.30	99.36						
28	0.07	0.22	99.58						
29	0.05	0.17	99.76						
30	0.04	0.13	99.88						
31	0.04	0.12	100.00						

Extraction Method: Principal Component Analysis.
Source: Primary (Data Processed through SPSS 16.0).

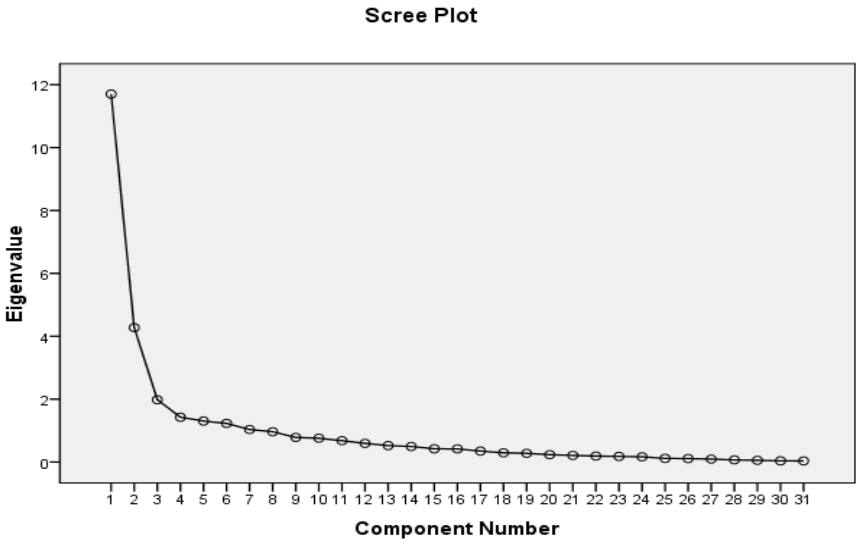

Exhibit 1: Scree Plot

Table 6: Component Matrix

Statements	Component						
	1	2	3	4	5	6	7
Increase in tax burden		0.47					
Increase in red-tapism		0.78					
Increase in use of ICT		0.77					
Increase in corruption/bribe		0.66				0.41	
Increase in burden of filing the tax returns			0.61	0.40			
Increase in employment opportunities			0.42				0.54
Decrease in intermediaries	0.66						
Increase in Government exchequer	0.49			0.48	-0.42		
Decrease in dumping	0.72						
Increase in competition	0.64						
Increase in qualitative products	0.76						
Increase in exports	0.55		-0.45				
Decrease in imports	0.63						
Increase in BOP	0.56	0.56					
Boost the growth of the economy	0.78						
Increase in socio-economic condition of customers	0.82						
Change in political milieu	0.74						
Increase in legal disputes		0.57					
Decrease in distribution channel conflicts	0.42	0.44			0.49	-0.42	
Decrease in black money	0.66						
Decrease in fake currency	0.68						
Boost in industrialization	0.81						
Boost in service sector	0.72						
Boost in agriculture sector	0.77						
Attract foreign investment across various sectors	0.84						
Increase in GDP	0.68						
Poverty reduction	0.78						
Boost “Make in India” programme	0.78						
Cut down prices of goods	0.79						
Increase in prices of services			0.78				
Formation of one nation market	0.59						

Extraction Method: Principal Component Analysis.
a. 7 components extracted.
Source: Primary (Data Processed through SPSS 16.0).

Table 7: Rotated Component Matrix

Statements	Component						
	1	2	3	4	5	6	7
Increase in tax burden		0.71					
Increase in red-tapism		0.80					
Increase in use of ICT		0.75					
Increase in corruption/bribe		0.54			0.47		
Increase in burden of filing the tax returns					0.67		
Increase in employment opportunities							0.76
Decrease in intermediaries	0.45			0.55			

Increase in Government exchequer				0.80			
Decrease in dumping			0.42				
Increase in competition		0.57					
Increase in qualitative products	0.54	0.52	0.47				
Increase in exports			0.76				
Decrease in imports			0.78				
Increase in BOP		0.44	0.67				
Boost the growth of the economy	0.73						
Increase in socio-economic condition of customers	0.61						
Change in political milieu	0.44			0.47		0.42	
Increase in legal disputes					0.71		
Decrease in distribution channel conflicts		0.45				0.75	
Decrease in black money	0.42		0.41			0.49	
Decrease in fake currency	0.58			0.49			
Boost in industrialization	0.82						
Boost in service sector	0.75						
Boost in agriculture sector	0.78						
Attract foreign investment across various sectors	0.80						
Increase in GDP	0.85						
Poverty reduction	0.86						
Boost "Make in India" programme	0.67						
Cut down prices of goods	0.78						
Increase in prices of services					0.58		
Formation of one nation market	0.69						

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 17 iterations.
Source: Primary (Data Processed through SPSS 16.0).

Table 8 shows that all the factors computed through factor analysis have high positive factor loadings. With respect to the factor loadings, these factors can be connoted as „GDP and sectors", „Competition and services", „EXIM", „Intermediaries and government exchequer", „Prices and formalities", „Distributional conflicts and black money" and „Employment opportunities". **Factor 1** covers the 13 statements named as poverty reduction (0.86), increase in GDP (0.85), boost in industrialization (0.82), attract foreign investment across various sectors (0.80), boost in agriculture sector (0.78), cut down prices of goods (0.78), boost in service sector (0.75), boost the growth of the economy (0.73), formation of one nation market (0.69), boost "Make in India" programme (0.67), increase in socio-economic condition of customers (0.61), decrease in fake currency (0.58) and increase in qualitative products (0.54). **Factor 2** covers the 05 statements named as increase in red-tapism (0.80), increase in use of ICT (0.75), and increase in tax burden (0.71), increase in competition (0.57) and increase in corruption/bribe (0.54). **Factor 3** covers the 04 statements named as decrease in imports (0.78), increase in exports (0.76), increase in BOP (0.67) and decrease in dumping (0.42). **Factor 4** covers the 03 statements named as increase in Government exchequer (0.80), decrease in intermediaries (0.55) and change in political milieu (0.47). **Factor 5** covers the 03 statements named as increase in legal disputes (0.71), increase in burden of filing the tax returns (0.67) and increase in prices of services (0.58).

Table 8: Factors Determining the Overall Perception of CAs towards Implications of GSTA

Factor	Factor interpretation (Percentage of variance explained)	Loading	Variable included in the factor	
F_1	GDP and sectors	0.54	11	Increase in qualitative products
		0.73	15	Boost the growth of the economy
		0.61	16	Increase in socio-economic condition of customers
		0.58	21	Decrease in fake currency
		0.82	22	Boost in industrialization
		0.75	23	Boost in service sector
		0.78	24	Boost in agriculture sector
		0.80	25	Attract foreign investment across various sectors
		0.85	26	Increase in GDP
		0.86	27	Poverty reduction
		0.67	28	Boost "Make in India" programme
		0.78	29	Cut down prices of goods
		0.69	31	Formation of one nation market
F_2	Competition and services	0.71	1	Increase in tax burden
		0.80	2	Increase in red-tapism
		0.75	3	Increase in use of ICT
		0.54	4	Increase in corruption/bribe
		0.57	10	Increase in competition
F_3	EXIM	0.42	9	Decrease in dumping
		0.76	12	Increase in exports
		0.78	13	Decrease in imports
		0.67	14	Increase in BOP
F_4	Intermediaries and government exchequer	0.55	7	Decrease in intermediaries
		0.80	8	Increase in Government exchequer
		0.47	17	Change in political milieu
F_5	Prices and formalities	0.67	5	Increase in burden of filing the tax returns
		0.71	18	Increase in legal disputes
		0.58	30	Increase in prices of services
F_6	Distributional conflicts and black money	0.75	19	Decrease in distribution channel conflicts
		0.49	20	Decrease in black money
F_7	Employment opportunities	0.76	6	Increase in employment opportunities

Source: Primary (Data Processed through SPSS 16.0).

Factor 6 covers the 02 statements named as decrease in distribution channel conflicts (0.75) and decrease in black money (0.49). **Factor 7** covers the 01 statement named as increase in employment opportunities (0.76).

Table 9 reveals that (F_5) prices and formalities ($\bar{\bar{X}}$=3.81) is at the top which conveys that GST resulted in increase in burden of filing the tax returns ($\bar{X}$=4.13), increase in legal disputes ($\bar{X}$=3.69) and increase in price of services ($\bar{X}$=3.60) in the eyes of CAs. Further, they agree with F_7 (employment opportunities) ($\bar{\bar{X}}$=3.80), which conveys that GST also leads to increase in employment opportunities ($\bar{X}$=3.80). However, they don't agree with factors *viz.* GDP and sectors (F_1), competition and services (F_2), EXIM (F_3), intermediaries and government exchequer (F_4) and channel conflicts and black money (F_6). Statistically, there is a significant difference (p=0.02 and df=2,72) among the income-wise perception of CAs towards the employment opportunities (F_7), hence the null hypothesis (H_{01}) is rejected.

Table 9: Overall Perception of CAs towards Implications of GSTA

Factor	Sr. No.	Variables included in the factor	Mean of Variable	Mean of Factor (Rank)	Inferential Statistics							
					Age (df=2,72)		Gender (df=73)		Residence (df=2,72)		Income (df=2,72)	
					F	Sig.	F	Sig.	F	Sig	F	Sig.
GDP and sectors (F_1)	11	Increase in qualitative products	3.17	3.22 (6.5)	0.33	0.72	0.07	0.95	2.04	0.14	0.16	0.85
	15	Boost the growth of the economy	3.23									
	16	Increase in socio-economic condition of customers	3.11									
	21	Decrease in fake currency	3.19									
	22	Boost in industrialization	3.32									
	23	Boost in service sector	3.36									
	24	Boost in agriculture sector	3.17									
	25	Attract foreign investment across various sectors	3.11									
	26	Increase in GDP	3.11									
	27	Poverty reduction	3.04									
	28	Boost "Make in India" programme	3.27									
	29	Cut down prices of goods	3.15									
	31	Formation of one nation market	3.64									
Competition and services (F_2)	1	Increase in tax burden	3.56	3.25 (4)	0.02	0.98	1.89	0.08	0.27	0.77	1.81	0.17
	2	Increase in red-tapism	3.19									
	3	Increase in use of ICT	3.25									
	4	Increase in corruption/bribe	2.93									
	10	Increase in competition	3.31									
EXIM (F_3)	9	Decrease in dumping	3.23	3.22 (6.5)	0.01	0.99	0.26	0.80	0.92	0.40	1.63	0.20
	12	Increase in exports	3.35									
	13	Decrease in imports	3.13									
	14	Increase in BOP	3.16									
Intermediaries and government exchequer (F_4)	7	Decrease in intermediaries	3.40	3.39 (3)	2.81	0.07	0.80	0.44	1.38	0.26	1.70	0.19
	8	Increase in Government exchequer	3.67									
	17	Change in political milieu	3.11									
Prices and formalities (F_5)	5	Increase in burden of filing the tax returns	4.13	3.81 (1)	1.26	0.29	0.47	0.64	0.07	0.93	1.01	0.37
	18	Increase in legal disputes	3.69									
	30	Increase in prices of services	3.60									
Channel conflicts and black money (F_6)	19	Decrease in distribution channel conflicts	3.31	3.24 (5)	2.75	0.07	0.27	0.79	1.08	0.35	0.73	0.48
	20	Decrease in black money	3.16									
Employment opportunities (F_7)	6	Increase in employment opportunities	3.80	3.80 (2)	0.12	0.89	0.70	0.50	0.34	0.71	4.21	0.02*

Source: Primary (Data Processed through SPSS 16.0).

CONCLUSION

There is a need to improve the returns structure to facilitate the easy filing of returns and reducing the burden of filing it by taxpayers. Also, there is need to simplify the law and educate the taxpayers about it by organizing awareness programs on television, social media and job place. Besides this, Commerce Minister, experts from stock market & prominent bodies like PHDCCI, Ministry of External Affairs, Ministry of Foreign Trade, Department of Personnel & Training (DOPT) should be included in GST Council (GSTC) and regular meeting of GSTC should be conducted.

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