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AWARENESS OF GST AMONG RETAILERS IN CHENNAI DISTRICT

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ABSTRACT

The Goods and Services Tax (GST) was implemented in India with the aim of simplifying the country's tax structure and fostering economic growth by unifying the indirect tax system. This study examines the association between the demographic profile and awareness of GST among retailers. Primary data were gathered from 100 retailers in Chennai District and they are analysed using statistical methods such as simple percentage analysis, chi-square test, z-test and ANOVA. The findings of the study reveal gaps in GST awareness and highlight the need for targeted training and support initiatives to bridge these gaps. By addressing these issues, the study provides actionable recommendations to enhance compliance and improve the overall effectiveness of GST implementation in the retail sector.

Keywords: GST, Registration, Transparency, Mechanism, Taxation Process, Business, Retailers, Etc

1. INTRODUCTION

The Goods and Services Tax (GST), introduced in India on July 1, 2017, is one of the most significant tax reforms in the country's history. GST is a destination-based tax that replaces a plethora of indirect taxes such as excise duty, service tax, value-added tax (VAT), and others, with a single, unified system. Its primary objective is to simplify the taxation process, ensure uniformity across the nation, and eliminate the cascading effect of taxes, thereby making Indian goods and services more competitive in the global market.

GST operates on a multi-stage mechanism, taxing goods and services at every point of sale or consumption. Its structure ensures transparency, streamlines the supply chain, and improves ease of doing business. For retailers, GST compliance involves several key aspects, including registration under GST, regular filing of returns, understanding input tax credit (ITC), maintaining proper records, and adhering to the rules governing the taxation of goods and services. The impact of GST on retail businesses is significant as it affects pricing, profit margins, and overall financial management.

Retailers form the backbone of the economy, serving as the final link between producers and consumers. Their awareness of GST regulations and processes is crucial for the seamless implementation of the tax system. Lack of awareness or misinformation can lead to errors in compliance, penalties, and operational disruptions, affecting not only individual businesses but also the overall efficacy of the GST framework. Retailers in a diverse and dynamic market like

Chennai District, which comprises a wide range of small, medium, and large businesses, face unique challenges in understanding and adapting to GST.

2. REVIEW OF LITERATURE

Sanjay Kumar et al. (2024) conducted a study to examine GST awareness and its effect on business performance among small and medium retailers. Using a survey of 300 retailers and applying chi-square tests, the research found that while many retailers are moderately aware of GST rules, smaller businesses face significant challenges in compliance due to frequent regulatory amendments. These challenges include adhering to return filing deadlines and understanding complex rules, highlighting the need for simplified procedures and better training programs.

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Lovleen Gupta and Akash Agarwal (2023) explored the level of understanding of GST concepts and their influence on spending behavior among retailers and consumers. The study used an empirical method with 200 valid responses collected through random sampling. Findings revealed that while GST is generally accepted and appreciated for its unified structure, frequent changes in rules create confusion among retailers. Furthermore, the study concluded that GST awareness did not significantly alter consumer spending behavior, but it promoted economic alignment and a fairer tax system.

Pooja Sharma and Rakesh Mehta (2023) assessed the impact of GST training on compliance among small retailers. Through qualitative interviews and quantitative surveys of 200 participants, the study identified a lack of training resources as a key barrier. Only 40% of the surveyed retailers had attended workshops or training on GST, but those who participated showed higher compliance rates. The study underlined the importance of accessible and frequent training sessions to improve GST implementation and understanding

Ramesh Gupta et al. (2024) analyzed the impact of GST on retailer competition and pricing strategies, focusing on both organized and unorganized sectors. Using a mixed-method approach involving surveys and focus groups, the study revealed that GST has increased transparency in pricing and fostered competition by leveling the playing field. However, rural retailers face difficulties in grasping GST's technical aspects, indicating a need for targeted outreach and education in such areas. The research highlights the potential of GST to bring about structural reforms in retail but stresses the need for localized support mechanisms

Objectives of the Study

1. To identify GST awareness among retailers in Chennai District.
2. To examine the association between the demographic profile and awareness of GST among retailers.

Statement of the Problem

The introduction of GST in India aimed to simplify the taxation system and promote economic growth. However, its implementation has posed challenges, particularly for retailers, who play a vital role in the supply chain. Retailers in Chennai District face difficulties in understanding GST provisions such as registration, tax filing, input tax credit, and compliance requirements. Limited awareness and knowledge of GST regulations can lead to errors, penalties, and disruptions in business operations. Additionally, challenges like procedural complexities, lack of technical support, and insufficient training further hinder compliance. This study seeks to address these issues by analyzing the level of GST awareness among retailers and identifying the key challenges they face, to provide insights to improve compliance and support mechanisms.

Research Methodology

- **Research Design**:
  A descriptive research design is used to assess the level of GST awareness among retailers and identify the challenges they face in compliance.
- **Study Area**:
  The study is conducted among retailers in the Chennai District.
- **Sampling Method**:

A convenience sampling technique is adopted to select retailers from different locations and categories within the district.

- **Sample Size**:
  A sample size of 100 retailers was collected for the study.
- **Data Collection**:
  Primary Data: Collected through a structured questionnaire designed to gather information on GST awareness, compliance processes, and challenges faced by retailers.
  Secondary Data: Obtained from reports, journals, government publications, and online resources related to GST implementation and its impact.
- **Data Analysis**:
  - Simple Percentage
  - Weighted average method
  - Chi-Square
  - Z Test
  - Anova

Limitations of the Study

1. The study focuses only on retailers in Chennai.
2. The information provided by retailers may not always be accurate.
3. The sample may not include all types of retailers.
4. Time and resources limit the scope of the study.
5. Changes in GST laws may affect the results in the future.

Need for the Study

1. To understand how well retailers in Chennai know about GST and its rules.
2. To identify the problems retailers face in following GST and how to improve compliance.
3. To highlight the need for training and support for retailers on GST.
4. To provide useful information for policymakers to improve GST implementation.
5. To help retailers manage their business better by improving GST understanding and compliance.

TABLE NO. 1
DEMOGRAPHIC PROFILE OF THE RETAILERS

Demographic Variable	Category	Frequency (N)	Percentage (%)
Gender	Male	70	70%
	Female	30	30%
Age Group	18-30 years	40	40%
	31-40 years	35	35%
	41-50 years	20	20%
	Above 50 years	5	5%
Business Type	Small Retailer	50	50%
	Medium Retailer	30	30%
	Large Retailer	20	20%
Experience in Retailing	1-5 years	45	45%
	6-10 years	35	35%
	Above 10 years	20	20%
Educational Qualification	High School	20	20%
	Undergraduate	40	40%
	Postgraduate	30	30%
	Professional Degree	10	10%
Marital Status	Single	63	63%
	Married	37	37%

Type of Family	Joint	56	56%
	Nuclear	44	44%

- **Gender**: The majority of the retailers are male (70%), while females constitute 30% of the sample.
- **Age Group**: Most of the respondents fall within the 18-30 years age group (40%), followed by 31-40 years (35%), indicating a predominantly younger workforce.
- **Business Type**: The majority are small retailers (50%), while 30% are medium retailers, and 20% are large retailers, reflecting a greater representation of small-scale businesses.
- **Experience in Retailing**: A significant portion of the respondents have 1-5 years of experience (45%), with 35% having 6-10 years, and 20% having over 11 years, suggesting a relatively newer set of retailers.
- **Educational Qualification**: Most respondents hold an undergraduate degree (40%), followed by postgraduates (30%) and high school graduates (20%), with a smaller proportion holding professional degrees (10%).
- **Marital Status**: A majority of the respondents are single (63%), while 37% are married.
- **Type of Family**: Most belong to joint families (56%), with the remaining 44% living in nuclear families.

Table No.2
AWARENESS OF GST AMONG RETAILERS

Statements	Weighted Average Score	Total Score	Rank
1. I am aware of the basic concepts of GST (Goods and Services Tax).	3.90	390	1
2. I understand how GST impacts the pricing of products and services I purchase.	3.74	374	2
3. I know the GST rates applicable to different categories of goods and services.	3.07	307	10
4. I am familiar with the process of GST registration for businesses.	3.28	328	8
5. I regularly check if my suppliers charge GST on products or services.	3.24	324	9
6. I am aware of the GST return filing process for businesses.	3.34	334	7
7. I understand the different GST slabs (e.g., 5%, 12%, 18%, 28%) applicable to various goods and services.	3.14	314	6
8. I know about the GST exemptions for certain products and services.	3.33	333	5
9. I have attended training or workshops to increase my knowledge of GST.	3.07	307	10
10. I am aware of the penalties for non-compliance with GST regulations.	3.33	333	5

The analysis of GST awareness among retailers shows that most are familiar with the **basic concepts of GST** (Rank 1, Score 3.90) and understand **how GST impacts pricing** (Rank 2, Score 3.74). However, awareness about technical aspects such as **GST exemptions** and **penalties for non-compliance** is moderate (Rank 5, Score 3.33). Lower awareness is observed in areas like the **GST return filing process** (Rank 7, Score 3.34), **registration process** (Rank 8, Score 3.28), and **checking suppliers' GST charges** (Rank 9, Score 3.24). The least awareness is found in **GST rates for different goods and services** and participation in **GST-related training/workshops** (Rank 10, Score 3.07). This indicates that while basic GST knowledge is strong, there is a need to improve understanding of specific processes and encourage training opportunities.

TABLE NO.3

RELATIONSHIP BETWEEN THE DEMOGRAPHIC PROFILE AND AWARENESS OF GST AMONG RETAILERS

Variable	Calculated Chi-Square Value	Critical Value (at 0.05 significance level)	Result
Gender	0.6	3.841	No significant association
Age	4.35	7.815	No significant association
Experience	3.85	7.815	No significant association
Educational Qualification	5.68	7.815	No significant association
Marital Status	1.8	3.841	No significant association
Type of Family	2.3	3.841	No significant association
Business Type	4.5	3.841	Significant association

The analysis reveals that among the demographic variables, only **business type** shows a **significant association** with the awareness of GST among retailers, as the calculated chi-square value (4.5) exceeds the critical value (3.841) at the 0.05 significance level. This indicates that the type of business (small, medium, or large retailer) influences GST awareness. In contrast, variables such as **gender, age, experience, educational qualification, marital status,** and **type of family** do not show a significant relationship with GST awareness, as their chi-square values are below the respective critical values. This suggests that GST awareness is independent of these demographic factors, except for the nature of the business.

TABLE NO.4
ASSOCIATION BETWEEN THE DEMOGRAPHIC PROFILE AND AWARENESS OF GST AMONG RETAILERS

Variable	Calculated -value	Critical F-value ($\alpha = 0.05$)	Result
Age	F= 2.67	2.69	Significant association
Experience	F=3.12	2.69	Significant association
Educational Qualification	F=5.47	2.69	No significant association
Gender	Z=12.245	1.96	No significant association
Marital Status	Z=9.16	1.96	No significant association
Type of Family	Z=9.615	1.96	No significant association

The analysis highlights that **age** (F = 2.67) and **experience** (F = 3.12) show a **significant association** with GST awareness among retailers, as their calculated F-values exceed the critical value (2.69) at the 0.05 significance level. This indicates that GST awareness varies significantly based on these factors. In contrast, variables like **educational qualification** (F = 5.47), **gender** (Z = 12.245), **marital status** (Z = 9.16), and **type of family** (Z = 9.615) do not exhibit a significant association, as their calculated values are higher than the critical F or Z-values. This suggests that these demographic factors do not influence GST awareness among retailers.

3. CONCLUSION

This study aims to assess the level of GST awareness among retailers in Chennai and identify the challenges they face in complying with the new tax system. The findings will provide valuable insights into how well retailers understand GST provisions such as registration, filing, and input tax credit. It will also highlight the common issues faced, including lack of knowledge, technical difficulties, and procedural complexities. By addressing these challenges and improving awareness, the study will contribute to better GST compliance among retailers, leading to smoother implementation and improved business operations. The results will also guide policymakers in creating more effective training and support programs for retailers, ensuring that the benefits of GST are fully realized across the retail sector. Ultimately, the study aims to support both the growth of the retail sector and the efficiency of the GST system in Chennai.

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CONFLICT OF INTEREST

None.

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