



Knowledge And Awareness Among Retailers About Goods And Service Tax

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ABSTRACT

Under GST, all past policies and levies are brought together under a single system. The Goods and Services Tax (GST) makes it easier for businesses to operate and develop across the country with minimal hassle. But, the GST Council and the Central Government need to address several concerns raised by taxpayers immediately. The success that was predicted for July 1, 2017 can only be realized if the following conditions are met. As we buy so much of our daily necessities from stores, retailers are also crucial to the growth of the economy. The adoption of GST would affect all sectors of the economy, including the retail sector due to the vital role retailer's play in the supply chain. The focus of this research was on how knowledgeable and accepting of GST and its rules retail store owners and employees are. The 150 stores in the Kochi district were randomly chosen. In this investigation, a sampling method other than probability was applied. The results of this study were analyzed using the weighted average and the percentage analysis techniques.

Keywords: Retailers, Tax rates, Awareness, Goods, Return.

I. INTRODUCTION

Taxes are not voluntary contributions but rather a permanent financial burden on individuals and businesses. Taxes on purchases are a common method for governments to raise the funds necessary to cover their costs. Similarly, taxes are a necessary evil used by the Indian government to finance vital social programs. According to India's constitution, both the federal government and individual states have the authority to impose taxes. India's tax system dates back to ancient times, and it has undergone several revisions and adjustments throughout the years to make it more uniform.

The introduction of value-added tax and its subsequent metamorphosis into the goods and services tax (GST) is one of the most significant modifications to the Indian tax system. The new tax reform, known as goods and service tax, was implemented on July 1, 2017, with the goal of standardizing tax rates across the board. The Goods and Services

Tax (GST) is a reworked version of the Value-Added Tax (VAT) that is applied at several points throughout the supply chain. It's a new tax plan that would replace all current forms of indirect payment. To achieve fiscal autonomy, harmonization, and transparency at all levels, the GST system calls for a single statute known as GST, with a single CGST rate and a single SGST rate across states (GST reforms and intergovernmental consideration in India 2009).

The government enacted a new tax system with the goals of simplifying the process, lightening the financial load, and increasing tax payer compliance. In particular, the retail, wholesale, logistics, and fast-moving consumer goods industries would be profoundly affected by the implementation of GST. Its adoption has caused significant disruptions in the daily operations of merchants, especially those working in the retail sector. The retail industry is the one in which Goods and Services Tax (GST) will have the most effect, leading to lower prices for the commodities sold by retailers. The retail industry accounts for around one tenth of India's economic growth. They are crucial to the economy because they link producers and consumers. The expansion of retail trade has been helped by the implementation of the GST regime. A feature of the GST regime that was not included in the VAT system is the opportunity for merchants to offset the tax burden incurred on sales by claiming the input tax credit for taxes paid on purchases of products made in other states (goods sold in his state). Whether or not the retail sector benefits from the implementation of GST depends on the tax rate that applies to different types of items. The key difficulties merchants confront are the lack of clarity on tax rates, its provisions, inventory value, and price fixing.

II. IMPACT OF GST SYSTEM ON RETAILERS

The retail industry is a vital part of the Indian economy, contributing around 10% of GDP (GDP). Among the many sectors and businesses that will undergo significant change as a result of GST is the retail sector. With GST rollout imminent, it's time to examine how the tax will affect India's retail sector and what steps businesses there can take to prepare.

Less Tax

In the present tax climate, several types of indirect taxes—including sales tax, value-added tax, warehouse service tax, octroi, excise duty, and others—add up to almost 30 percent of a store's total revenue. The GST system would make things easier for retailers by consolidating all taxes into one. Eliminating tax on tax has the effect of creating a more streamlined tax system.

Free flow of goods across the nation

Taxation and record-keeping will no longer cross state lines when GST is implemented. Goods will be able to move freely across the country as a consequence. The Goods and Services Tax (GST) will simplify distribution channels for businesses.

Streamlined supply chain

While initially having a detrimental effect on retail warehouse networks, GST has since been fully recovered. With the elimination of CST under the GST law, retailers in any state can forego maintaining a warehouse. When state border checkpoints become obsolete, logistics will improve as a result.

Gifts, free samples also taxable

Instead of falling under sales or production, GST will be included in the supply of products. According to GST, there will be tax on any supply regardless of whether or not there was any compensation involved. The retail industry is always offering new deals, such as buy one get one free or bonus items with the purchase of a certain amount. When the GST is implemented, gifts of any kind will be subject to tax.

Changes in decision making

GST will have an impact on every facet of the retail industry's operations, from the supply chain to the distribution to the marketing. This means stores will need to restructure their supply chains. With the potential for increased credits for suppliers under the GST regime, it is possible that retailers may need to revise the pricing strategy of their suppliers. If they make the appropriate adjustments, GST compliance will be a breeze.

Growth of Retail Market

Once state borders cease to be an impediment to trade, GST will help bring about a more unified market. They should expect their intrastate and cross-state interactions to become more streamlined thanks to GST. Because retailers only need to register their company once, they can easily grow across state lines. This will help the retail sector expand, which in turn will stimulate the economy.

Overall impact of GST on retail sector

Therefore, from a monetary and a business perspective, GST will have a beneficial effect on the retail industry. This is great news for the retail sector and the Indian economy as a whole. With the introduction of GST, all indirect taxes will be eliminated, supply chain efficiency will increase, and input tax credit will be more streamlined. As a result of GST, the final price paid by customers will be lower. The retail industry stands to gain significantly from GST, except a few exceptions.

Because GST is a consumption tax, it is levied by the jurisdiction in which the final consumer resides. That's why it's crucial to make a tax payment at the right place of supply. After giving the GST model some thought, it becomes clear that the retail point of sale (POS) will be the shop itself, as this is where the items are physically located when they are supplied to the client. It may be concluded that CGST+SGST will be paid for retail

B2C transactions. The same policy applies even if a store offers local home delivery within his service area. Hence, under the GST regime, the location where the items are delivered to the consumers is considered the place of supply for merchants.

III. REVIEW OF LITERATURE

Palash Bairagi (2020) The GST (products and services tax) in India is a nationwide sales and use tax levied on the production, distribution, and consumption of goods and services. Industries, as well as individual retail investors, will reap benefits from GST, and the stock market will as well. There might be short-term gains for the company's bottom line and the industry as a whole from the increased efficiency of conducting business, but the real impact would be long-term and sustainable for retail investors. This article will discuss how the Goods and Services Tax would benefit major players (businesses and individual investors) in the Indian stock market. The final notes emphasised that GST implementation will try to narrow the gap between the organised and unorganised sectors, and that it has positive implications for individual investors in response to cost competitiveness or uniform market practises like consumer durability, which benefits end consumers directly due to the market's intense competition. In addition, the bill's expected effects on numerous industries and market share gains at the macro level were detailed.

N., Usha (2020) Goods and services tax (GST) is set to go into effect soon, and its proponents claim that it would increase openness, smooth out the availability of credit, and lower tax barriers to commerce. A clear indication of the government's dedication and eagerness to implement the GST legislation in India in 2017 is the prompt publication and amendment of the draught GST model law, GST rules, and documentation templates. It's also generally accepted that the retail sector would undergo a number of shifts in operation as a result of the introduction of GST. This article discusses how GST will affect the business world and the adjustments that need to be made in the coming months.

Joseph, JoJo. (2018) The Goods and Services Tax (GST) is a major reform measure for India's indirect tax system. It is anticipated that the GST will unite all State economies. The primary goal of GST is to unite India's diverse and fragmented markets into one cohesive whole in order to boost the country's economy. The effect of GST adoption on merchants is a key source of worry. The primary goal of this research is to analyse how the introduction of Goods and Services Tax in Kerala would affect merchants in terms of their level of knowledge, expectations, and level of readiness. In this study, a quantitative strategy was used with a descriptive research methodology. Twelve-hundred people from the Eranakulam district were selected using a survey that used a practical sampling technique. SPSS was used to examine the primary data gathered. There was analysis using both descriptive and inferential statistics. According to the data, most stores already know the fundamentals of GST. But, there are many facets of the new tax structure that they lack a thorough understanding of. The vast majority of merchants do not feel they are receiving adequate support and education from government tax agencies. The survey

showed that several difficulties are being experienced by merchants as a result of GST implementation owing to unknowns, misunderstanding, and transitional challenges.

Gajendra, Jatty (2017) The retail industry in India is very fragmented. Organized retailing in India, particularly in major cities, is growing rapidly, and this trend is appealing to many consumers. The retail sector in India is slowly but surely making its way towards becoming the country's next major economic driver. The saying "Yesterday's pleasures are today's necessities" is becoming increasingly accurate as consumer habits shift. When it comes to household goods, India is quickly becoming a promising new market. The Indian economy grew by a healthy 5% in the fiscal year 2012-13, and the demand for home appliances is expected to keep rising. Those hoping to improve their standard of living will continue to profit from the rising disposable income made possible by the expanding economy. The increasing purchasing power of India's 400 million middle class has been a key factor in fueling demand for a wide range of consumer electronics. Competition increases, profits decline, and market share decreases in most high-growth, early-stage sectors. The Indian CSD industry is seeing the opposite trend, with market leaders increasing their share of various sub segments and consolidation activities on the increase. This trend will further quicken as the unorganized sector faces increasing pressure from brand names, the goods and services tax, and formalization. It will be competitive, with a huge unorganized market (26.0% in FY17) and a few strong MNCs (willing to spend) that will further increase the gap (unorganized market to shrink to 18.0% in FY22E). In addition, this article will talk about how GST impacts businesses. This research makes use of secondary data gathered via the use of a convenient sampling approach.

Navita, Nathani (2017) The Goods and Services Tax (GST) was passed by the Indian Parliament in response to the new Taxes Regime and to increase the clarity of the country's taxing structure. It's only a matter of time before the exact same thing happens. This research aims to investigate whether or not implementing it would be desirable. The research finds things like how tax authorities feel about GST and how it will be implemented. In order to comprehend how individuals interact with their financial obligations, the Fiscal and Social Psychological Theories have been utilised as a foundation.

Bikram Pegu (2017) When it comes to India's economy, the Goods and Services Tax (GST) is a game-changer because of its expansive indirect tax system. The Goods and Services Tax (GST) is a consumption tax levied exclusively on the ultimate consumer as opposed to the manufacturer or provider at any stage in the value addition chain. It's a huge weight off of the shoulders of Indian businesses, since the already prohibitive cost of tax compliance in the country is mostly attributable to the numerous tax breaks and exemptions available. Generally speaking, it's a historic change for the better. It will be fascinating to observe the effects of the planned GST on national progress and prosperity.

IV. RESEARCH METHODOLOGY

Studies have employed a descriptive research strategy. All of the information included in the study comes from credible primary and secondary resources. Reports, government websites, and the results of other research on comparable projects are only some of the secondary sources that are looked at.

Retailers in the target region are met with and interviewed to acquire primary data. A predetermined set of questions was used in all of the interviews.

The city of Kochi was surveyed to determine potential roofing sites. In this investigation, a sampling method other than probability was applied. We utilize a sample technique based on our convenience. A total of 150 people from the district of Kochi responded.

Tools of Analysis

Weighted average and Percent analysis are used to examine the obtained data from the respondents.

V. ANALYSIS AND INTERPRETATION

Source of Knowledge about GST

Information on GST is gathered from a variety of retailers' channels of communication and presented in table 1.

Table 1: Source of Knowledge about GST

S.No.	Source	Rank 5	Rank 4	Rank 3	Rank 2	Rank 1	Mean	Rank
1	Newspaper	96	21	11	11	11	4.70	1
2	Auditors	25	25	30	70	12	2.80	2
3	Internet	6	13	40	85	6	2.46	4
4	Chamber Of Commerce	10	10	15	23	92	1.43	5
5	Accounting Staff	10	15	60	45	20	2.53	3

Column headings indicate relative frequencies, with the highest mean being ranked first. This is shown in Table 1, and it can be seen from the table that most of the respondents have heard about GST via reading about it in the media (mean: 4.70). As a result, it is promoted to the position of primacy. The accounting firm came in at number two, followed by the chamber of commerce in last place.

Awareness about GST

Because it examines merchants' familiarity with GST, this piece of material is crucial for understanding the implications of the tax.

Table 2: Awareness of retailers about GST

NO	AWARENESS	Very high	High	Neutral	Low	Very Low	Mean	Rank
1	Tax rate is decided by the government	98	35	0	17	0	4.72	1
2	Rules regarding GST	25	75	35	15	0	3.81	3
3	Different rates of GST	29	56	63	0	2	3.66	6
4	Creation of tax invoice	25	58	58	9	0	3.68	5
5	Filing of GST returns	22	45	70	3	10	3.48	9
6	Governance of GST	7	65	58	18	2	3.73	4
7	Types of goods having GST	30	70	45	5	0	3.84	2
8	Goods exempted from GST	15	67	53	15	0	3.56	7
9	Payment of GST	18	65	45	15	7	3.55	8

According to Table 2, the following aspects of GST are well-known to respondents: tax rates set by the government (AM=4.72), rules pertaining to GST (AM=3.81), different GST rates (AM=3.66), payment of GST (AM=3.55), filing of GST returns (AM=3.48), GST administration (AM=3.73), types of goods subject to GST (AM=3.84), goods exempt from GST (AM=3.68), and creating a tax invoice in GST (AM=3.68).

VI. CONCLUSION

The findings of this study support the argument that the Goods and Services Tax (GST) should be introduced in India in the current fiscal year (2016-17). The impact on merchants and distributors has been substantial. High benefits will accrue to dealers and retailers should the suggested taxing regime be implemented. Despite retail's

development into a more structured income generator, the taxing system presents a number of challenges. Retailers stand to gain greatly from GST's adoption, but the tax will also have far-reaching effects on their operations. The government could lower taxes on some goods and services to improve the GST System's productivity and efficiency. There are both good and bad aspects to implementing GST in the retail sector, as this study illustrates.

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