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ATTITUDE OF RETAILERS TOWARDS GST WITH REERENCE TO NAGERCOIL CITY

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Abstract

This research paper explores the Attitude of Retailers towards Goods and Services Tax (GST) on retailers in Nagercoil City, focusing on their awareness, perception, and the practical challenges encountered since its implementation on July 1, 2017. GST is a comprehensive indirect tax levy on manufactures, sales and consumption of goods and services at the national level. Our society has different opinion, reaction and different arguments against this new tax regime. India has more or less impacted every major and minor business sector in the country while some industries are seeing growth as a result of decreased taxes some others are facing a decrease in sale because of increased taxes. The Retail sector plays a major role in the economic development of the nation. Retailers like any other entity with the supply of goods and services are subject to GST when their turnover exceed 20 Lakhs. The data for the study was collected by means of structured questionnaires with the sample of 150 respondents. Findings reveal that while GST has led to increased compliance and some positive economic outcomes, retailers face ongoing challenges related to tax procedures and documentation. The study offers insights for policymakers and recommendations for improving GST compliance among retailers.

Keywords: GST, Retailers, Indirect Tax, Economic development.

INTRODUCTION

The Goods and Services Tax (GST), introduced in India on July 1, 2017, represents one of the most significant reforms in the country's indirect tax system. By consolidating multiple indirect taxes into a single, unified tax structure, GST aims to streamline the taxation process, reduce the cascading effect of taxes, and foster economic growth. This reform is designed to ensure a 'one nation, one tax' system, which simplifies tax compliance for businesses and enhances revenue collection for the government.

Retailers, as pivotal contributors to the economy, are particularly impacted by GST. They serve as the final link in the supply chain, directly interacting with consumers and managing complex tax compliance requirements. The introduction of GST has led to both opportunities and challenges for retailers. On one hand, GST has the potential to create a more transparent and efficient tax system. On the other hand, it imposes new compliance burdens and operational adjustments, which can be particularly challenging for small and medium-sized enterprises. This study aims to investigate how GST has affected retailers in Nagercoil City, focusing on their level of awareness, the practical difficulties they face, and their overall perception of the tax reform.

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RETAILING

Retail refers to the activity of reselling. A retailer is any person or organisation is a reseller who sells good or services directly to consumers or end-users. Some retailers may sell to business customers, and such sales are termed non-retail activity. In some jurisdiction or regions, legal definitions of retail specify that at least 80% of sales activity must be to end-users.

TYPES:

- **DEPARTMENTAL STORES:** A departmental store is a set-up which offers wide range of products to the end-users under one roof. In a departmental store, the consumers can get almost all the products they aspire to shop at one place only.
- **DISCOUNT STORES:** Discount stores also offer a huge range of products to the end-users but at a discount rate.
- **SUPERMARKET:** A retail store which generally sells food products and household items, properly placed and arranged in specific departments.
- **WAREHOUSE STORES:** A retail format which sells limited stock in bulk at a discounted rate.
- **KIRANA STORES:** Kirana stores are the small stores run by individuals in the nearby locality to cater to daily needs of the consumers staying in the vicinity.
- **SPECIALITY STORES:** It would specialize in a particular product and would not sell anything else apart from the specific range. They sell only selective items of one particular brand to the consumers and primarily focus on high customer satisfaction.
- **MALLS:** Many retail stores operating at one place forms a mall. A mall would consist of several retail outlets each selling their own merchandise but at a common platform.
- **E- TAILERS:** The customers can place their order through internet, pay with the help of debit or credit cards and the products are delivered at their homes only.
- **DOLLAR STORES:** It offers selected products at extremely low rates but here the prices are fixed.

FAST MOVING CONSUMER GOOD (FMCG)

Fast-moving consumer goods are products that sell quickly at relatively low cost – items such as milk, gum, fruit and vegetables, toilet papers, soda, beer and over-the-counter drugs like aspirin. The fast-moving consumer goods industry covers the households' items that you buy when shopping in the supermarket or pharmacy. 'Fast moving' implies that the items are quick to leave the shelves and also tend to be high in volume but low in cost items. The products are ones that are essential items that we use day in and day out. This multi-million-dollar sector holds some of the most famous brand names that we come across every single day.

TEXTILES

A type of material composed of natural or synthetic fibres. Types of textiles include animal-based material such as wool or silk, plant-based material such as linen and cotton, and synthetic material such as polyester and rayon. Textiles are often associated with the production of clothing, The textile industry is primarily concerned with the design, production and distribution of yarn, cloth and clothing. The raw material may be natural, or synthetic using products of the chemical industry.

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HOTEL

The primary purpose of hotels is to provide travellers with shelter, food, refreshment, and similar services and goods, offering on a commercial basis thing that are customarily furnished within households but unavailable to people on a journey away from home. Historically hotels have also taken on many other functions, serving as business exchanges, decorative showcase, political headquarters, vacation spots, and permanent residences. The hotel as an institution, and hotels as an industry.

MEDICAL SHOP

A store that sells health care products and medicines. Customer can buy both over-the-counter and prescription medication at a drug store. It is not uncommon for drug store to carry other frequently used household products and merchandise. It is a retail shop which provides prescription drugs, among other products. At the pharmacy, a pharmacist oversees the fulfilment of medical prescription and is available to give advice on their offering of over-the-counter drugs. A typical pharmacy would be in the commercial area of a community.

JEWELLERY

A branch of industry that produces articles from precious metals and gems and from other materials subjected to artistic treatment. Objects of personal adornment for women, tableware, and various souvenirs constitute most of the articles made by the jewellery industry. The industry's growth in the USSR has been linked with the rising standard of living of the working people and the increased export of jewellery to other countries.

OBJECTIVES OF THE STUDY

- To study about the awareness level of GST among the retailers.
- To examine the level of satisfaction in GST among retailers.
- To identify the major problems faced by retailers due to GST execution.

NEED FOR THE STUDY

Despite the wealth of research on GST's general impact, there is a noticeable lack of detailed studies focusing on its effects within specific local contexts, such as Nagercoil City. This study aims to fill this gap by providing localized insights into how GST affects retailers' operations, compliance, and business performance. Understanding these localized effects is crucial for developing targeted policies and support mechanisms that address the specific needs and challenges faced by retailers in this region.

SCOPE OF THE STUDY

The study entitled "Attitude of retailers towards GST With Reference to Nagercoil City" is a descriptive study and it mainly focus on retailer in Nagercoil City only and the retailers are categorized into 5 types they are super market, textiles, pharmacy, jewellery, mobiles. GST among retailers and to understand their knowledge about GST, and also their opinion. It helps to identify impact of GST in retail sector that is both positive and negative. So that it will ensure that GST have positive impact in the retail sector.

STATEMENT OF THE PROBLEM

GST is indirect tax levied on commodities and allied services. GST is a single tax alternative devised to replace the complex taxation system on the supply of goods and services. This single window taxation system which improves overall economic growth of the nation. But after the implementation of GST, the nation faced a sudden change in all business

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sector. The retailers are the large community who experienced the merits and demerits of GST. So, an attempt has made to know about the awareness level, attitude of retailers towards GST in Nagercoil City.

RESEARCH METHODOLOGY

This study is descriptive in nature. The data required for the study have been collected from both primary and secondary sources. Primary data for this study is collected by means of structured Questionnaire among the retailer in Nagercoil City. Secondary data has been collected from books, journal's, online sources.

SAMPLE DESIGN

A sample design is a definite plan for obtaining a sample from the sampling frame it refers to the technique or procedure the research would adopt in selecting some sampling units. An optimum sampling may be defined as the size of sample, which fulfils the requirements of efficiency, representativeness, reliability and flexibility. This study was conducted using both the primary and secondary data with sample size of 150. This study reveals the awareness and attitude of retailers towards GST.

TOOLS FOR ANALYSIS

The data obtained from the respondents are analysed with the help of statistical tools.

1. Mean, Std. Deviation, Rank
2. Garrett Ranking Technique
3. Friedman's test

LEVEL OF AWARENESS OF GST AMONG RETAILERS

The mean is the average of the data, which is the sum of all the observations divided by the number of observations. Use the mean to describe the sample with a single value that represents the centre of the data. Many statistical analyses use the mean as a standard measure of the centre of the distribution of the data. The standard deviation is the most common measure of dispersion, or how spread out the data are about the mean.

TABLE NO: 1

LEVEL OF AWARENESS OF GST AMONG RETAILERS

Sl. No	Awareness	N	Mean	Std. Deviation	Rank
1	GST slab rates	150	3.20	1.404	I
2	Categories of GST supply	150	3.18	1.379	II
3	GST registration process	150	3.06	1.412	III
4	Eligibility to claim input tax credit	150	3.02	1.401	IV
5	List of goods not subject to GST	150	3.01	1.434	V
6	Submission of GST return	150	2.98	1.262	VI
7	Awareness related to penalties and prosecution provisions	150	2.94	1.383	VII
8	Refund mechanism	150	2.91	1.335	VIII
9	Issuing of tax invoice	150	2.90	1.405	IX
10	GST applicability	150	2.82	1.242	X
11	Frequent changes in GST law	150	2.80	1.289	XI

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12	Composition scheme	150	2.62	1.325	XII
13	Provisions related to audit and accounts	150	2.59	1.318	XIII

Source: Primary Data

The details of the awareness of GST among retailers in Nagercoil city. GST slab rates as it was ranked first with Mean score of 3.20, Categories of GST supply as it was ranked second with Mean score of 3.18, GST registration process as it was ranked third with Mean score of 3.06, Eligibility to claim input tax credit as it was ranked fourth with Mean score of 3.02, List of goods not subject to GST as it was ranked fifth with Mean score of 3.01, Submission of GST return as it was ranked sixth with Mean score of 2.98, Awareness related to penalties and prosecution provisions as it was ranked seventh with Mean score of 2.94, Refund mechanism as it was ranked Eight with Mean score of 2.91, Issuing of tax invoice as it was ranked Nine with Mean score of 2.90, GST applicability as it was ranked Ten with Mean score of 2.82, Frequent changes in GST law as it was ranked Eleven with Mean score of 2.80, Composition scheme as it was ranked Twelve with Mean score of 2.62, Provisions related to audit and accounts as it was ranked last with Mean score of 2.59.

LEVEL OF SATISFACTION OF GST AMONG RETAILERS

The technique was used to rank the preference mentioned by the respondents on different factors and aspects of the cultivation process. It is used to find the most significant factor which had influenced the respondent in their practices. Founded on the Garrett ranking technique, the study had the respondents rank different satisfaction and outcome based on their impact thereby converting into score value and rank with the help of the following formula:

$$\text{Percent position}=\frac{100(Rij-0.5)}{Nj}$$

TABLE NO: 2

LEVEL OF SATISFACTION OF GST AMONG RETAILERS

Sl. No	Aspects	Garrett Score	Rank
1	Elimination of multiple taxes	55.84	I
2	Online portal of GST	52.32	II
3	Present GST rates	49.67	III
4	GST e-filing mechanism	43.96	IV
5	Return filing procedure	40.73	V
6	Present GST law framework	38.47	VI
7	Grievance redressal system	37.80	VII
8	Registration threshold limit	34.13	VIII
9	GST results in material cost reduction	32.64	IX
10	Attitude of tax administrating officers	30.97	X

Source: Primary Data

The details of the Satisfaction of GST among retailers in Nagercoil city. Elimination of multiple taxes as it was ranked First 55.84, Online portal of GST as it was ranked Second 52.32, Present GST rates as it was ranked Third 49.67, GST e-filing mechanism as it was ranked Fourth 43.96, Return filing procedure as it was ranked Fifth 40.73, Present GST law framework as it was ranked Sixth 38.47, Grievance redressal system as it was ranked Seventh

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37.80, Registration threshold limit as it was ranked Eight 34.13, GST results in material cost reduction as it was ranked Nine 32.64, Attitude of tax administrating officers as it was ranked first 30.97.

PROBLEMS FACED BY RETAILERS DUE TO GST

In this section, Problems Faced by Retailers due to GST has been analysed. In this regard, the Friedman's test is applied.

TABLE NO: 3
PROBLEMS FACED BY RETAILERS DUE TO GST

Sl. No	Problems	Mean Rank
1	Nagative attitude of GST officers towards retailers	8.06
2	Inefficient tax administration	7.46
3	High price for products	6.69
4	High cost of operation	5.15
5	Scarcity of skilled workforce	4.91
6	Inefficient supply chain management	4.57
7	Frequent changes in law	5.07
8	Cumbersome procedure and documentation	5.16
9	Increased paper work	4.88
10	Lack of awareness of GSTN portal	4.55
11	Software glitches	3.78
12	Huge initial expenditure	3.43
13	Lack of infrastructure and logistics	3.19

Source: Primary Data

TABLE NO: 4
FRIEDMAN'S TEST

Chi-Square	59.24
df	9
Asymp. Sig.	0

The Friedman's test divulges that there is a significant variation (P=<0.05) in Problems faced by retailers due to GST. The values of mean rank that "Nagative attitude of GST officers towards retailers" (8.06) followed by "Inefficient tax administration" (7.46), "High price for products" (6.69), "High cost of operation" (5.15), "Scarcity of skilled workforce" (4.91), "Inefficient supply chain management" (4.57), "Frequent changes in law" (5.07), "Cumbersome procedure and documentation" (5.16), "Increased paper work" (4.88), "Lack of awareness of GSTN portal" (4.55), "Software glitches" (3.78), "Huge initial expenditure" (3.43) and least value for "Lack of infrastructure and logistics" (3.19).

SUGGESTIONS

- More awareness about GST should be given through government agencies
- Digital literacy should be given to the people relating to GST
- The GST slab rate should be clearly aware among public

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- Composition scheme should also be provided to small scale service provider
- Government should take more steps to help the retailers in understanding the slab rate and the importance of registering under GST

CONCLUSION

GST had simplified the tax system. The consumer is fully aware of the tax ratio on the product purchased. But when it comes to the retail traders the computation of tax on the product sold, to maintain accounts on their turnover and filling periodicals returns have become a strenuous task. Absence of adequate knowledge on the functional method of GST and inexperience with the handling of GST portal of their own are seen as the major drawback with retail traders. To overcome these difficulties the government has to arrange more education programme and helplines through which the intending retail traders can educate themselves on the modus operandi of GST. Further the tax return has to be simplified to the extended that anyone can undertake a business easily and file their returns and carryout corrections at every stage.

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