

## **AWARENESS OF CUSTOMERS ABOUT GST**

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**Abstract:** The current study aims to find out the scenario of GST and awareness about GST in Vellore district of Tamilnadu. Government tax is collected by several ways. Income tax, goods and service tax, sales tax etc. Government of India implemented Goods and Service Tax GST tax method since 2017 with effect from 1<sup>st</sup> July, 2017. To replace a slew of indirect taxes with amalgamated tax with the expectation of reshaping the country's 2.4 trillion dollar economy, but not without criticism is called as Goods and Service Tax. In 1999, the single common 'Goods and Service Tax' was proposed by the former Prime Minister Atal Bihari Vajpayee was proposed. There are many rumours about GST, hence the researcher feels to study on the awareness of GST in the District of Vellore (Tamil-Nadu).

**Key Words:** Goods and Service Tax GST, Indian Government, customers, economy, Vellore, etc.

**Introduction:** There are five different slabs for the collection of goods and service taxes as – 0%, 5%, 12%, 18% and 28%. In India on 1 July 2017, Goods and Services Tax (GST) is implemented an indirect tax. There are many challenges when one introduces new scheme, new term in India. Current study aims to study on the awareness of GST in Vellore district of Tamil Nadu. Before the study it is essential to know what are the aims and objectives of GST in India.

### **The main objectives Goods and Services Tax:**

- a. To make a uniform tax system involving all the tax bases, laws and administration procedures across the country in the country.
- b. To outpace a lot of indirect taxes and direct taxes.
- c. To replace a lot of other indirect and direct taxes like the VAT, service tax, luxury tax etc.
- d. To comprehend with most of the goods and services included in the GST bill.
- e. To ensure the cascading effect of tax on tax will be eliminated.
- f. To improve the competitiveness of the original goods and services.
- g. To ensure the availability of input credit across the value chain.
- h. To reduce the complications in tax administration and compliance.

- i. To make a unified law to decrease the unhealthy competition among the states due to taxes and revenues.
  - j. To reducing the tax slab rates to avoid further clarification issues.
  - k. To simplify the process of registration, filing of return, tax administration and compliance.
- Thus, there are many good and beneficial aims and objectives of implementing GST in India. Vellore is one of the 33 district of Tamil Nadu. There are six district in the Northern Sector of Tamil Nadu. Vellore is the biggest city and one of these six district. Current study aims to find out the awareness of public of Vellore District in Tamil Nadu.

### **Literature Review**

There are several studies on GST in India. Few of them are highlighted as:

On the possible challenges and threats and then, opportunities GST to strengthen the economy was studied by Girish Garage (2014). In his study, he highlighted upon the objectives of GST. Another study was conducted by Jaspreet Kaur (2016) who has thrown light on GST. His study continued with the explanation of the features GST, effect of GST on prices of goods and Services.

GST framework has been analysed and compared with the proposed and current taxation system, by Raj Kumar (2016). He further described the effects of GST on employment and various sectors.

Difference between GST and present indirect tax has been studied by the team group of MilandeepvKour, Kajal Chaudhary, Surjan Singh, Baljinder Kaur (2016). They have highlighted upon the effect of GST after its implementation as well they mentioned challenges and benefits of GST implementation in India.

Dr.BadarAlam Iqbal (2017) has studied on the immediate aims and objective of implementation of GST.

The key features and benefits of GST were highlighted by Upendra Gupta (2017) in a comprehensive manner. Further, he stressed benefits of GST TO empower citizens who are liable to pay GST.

Sachin Abda (2017) stated that the role of GST would be a step move towards Indian economy because since independence, India has faced several issues of complex indirect tax system. GST can remove this complexity and can work as replacement all state and central government taxes into one unique tax.

### **Aims and Objectives of the Study**

- a. To study Goods and Service Tax of India
- b. To study about the awareness of Goods and Service Tax amongst the customers of Vellore District.
- c. To study about the awareness of Goods and Service Tax amongst the customers of rural parts of Vellore District in Tamil Nadu.

### **Hypothesis**

- a. There is not clear picture of Goods and Service Tax to the all sectors of Tamil Nadu.

b. Rural customers are not having proper knowledge of Goods and Service Tax.

### Methodology of the Study

Survey method with providing the questionnaire to the respondent is used for current study. Written and oral tests are conducted for the study. Few products and their tax schemes were also asked them.

### Limitation of the Study

Current study is limited with the Vellore District of Tamil Nadu. Hence no data is collected outside this district.

### Sources of Data Collection

Following two types of source is used for the data collection of current study.

- a. **Primary Source:** For the current study the descriptive and experimental research method is used. The design of the study is adopted for doing this research paper.
- b. **Secondary Source:** Secondary source for current study is used from the books, journal, articles, thesis –both published and unpublished, available material on current study in printed form, even available on internet. The data for the study has been collected from secondary sources like newspapers, research papers and websites.

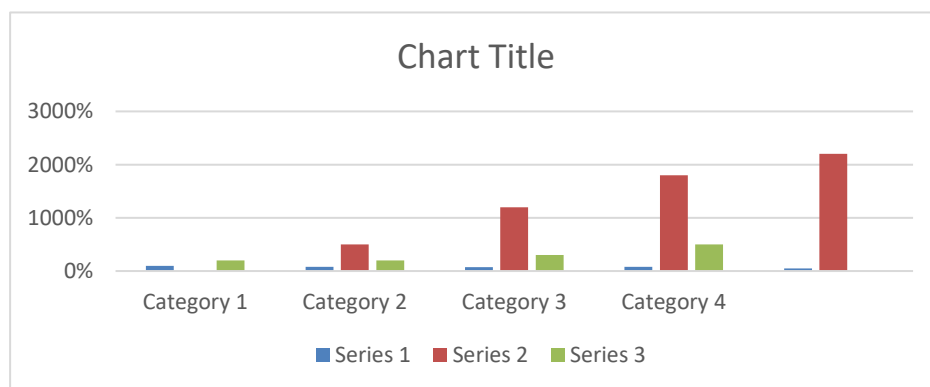
### Data Collection Method

In Vellore district there are total nine Talukas. Out of which five talukas are selected for the current study. i.e. Vellore, Tirupathur, Arkonam, Wallalah, and Ambur. Total 50 people were selected as a sample size from these five town places i.e. 10 from each.

### Data of Vellore

Sr. no.	Customers' Awareness	GST Rate
01	100%	00% -Sanitary napkin, rakhis, stone, raw material,
02	80%	05% Oil companies, common-use footwear upto rs. 1000/- etc.
03	75%	12% Handicrafts items, handbags etc.
04	80%	18% Washing machine, refrigerator, Tv etc.
05	50%	22%---high tax bracket

Table 1.1

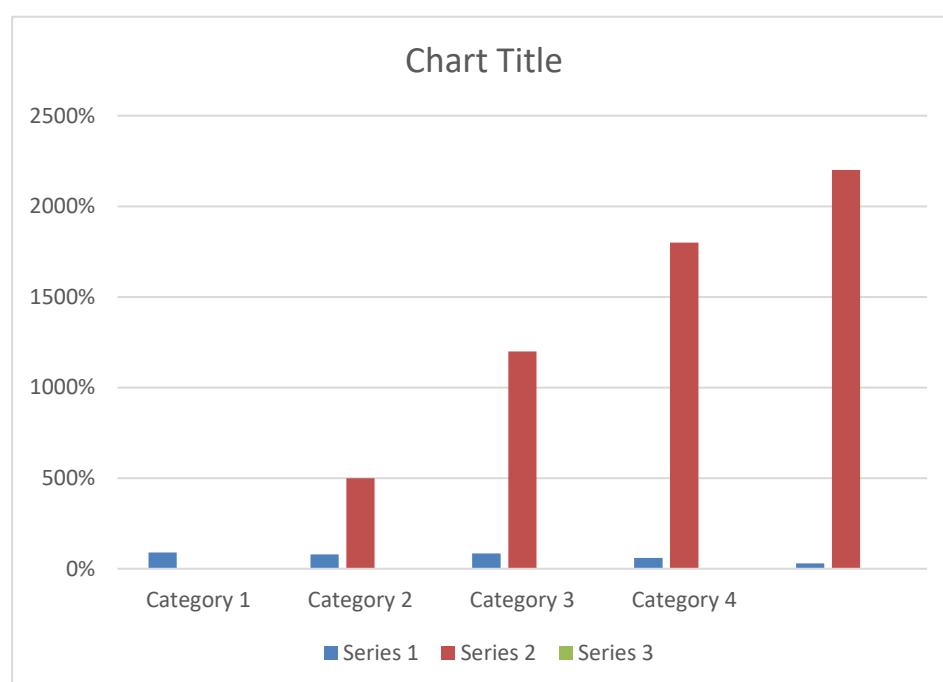


Graph 1.1

**Data of Tirupathur:**

Sr. no.	Customers' Awareness	GST Rate
01	90%	00% -Sanitary napkin, rakhis, stone, raw material,
02	80%	05% Oil companies, common-use footwearuptors. 1000/- etc.
03	85%	12% Handicrafts items, handbags etc.
04	60%	18% Washing machine, refrigerator, Tv etc.
05	30%	22%---high tax bracket

**Table 1.2**

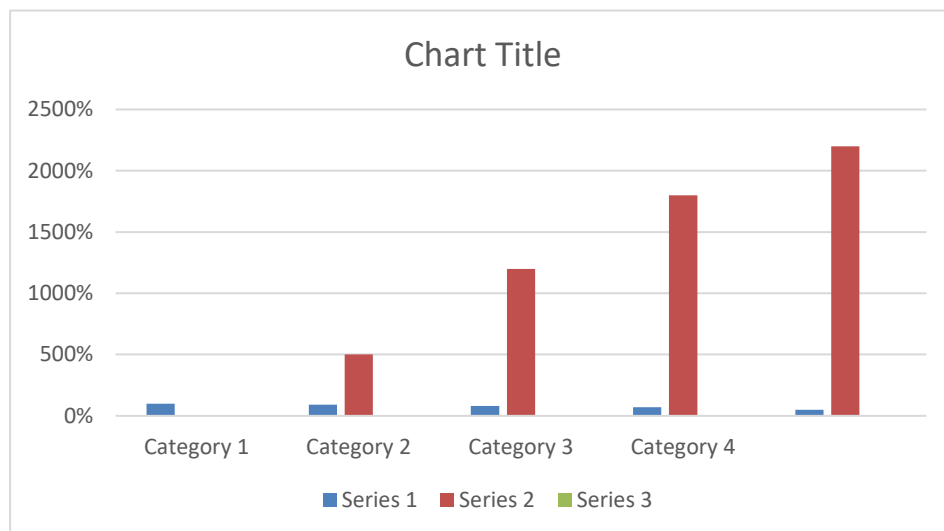


**Graph 1.2**

**Data of Arkonam**

Sr. no.	Customers' Awareness	GST Rate
01	100%	00% -Sanitary napkin, rakhis, stone, raw material,
02	90%	05% Oil companies, common-use footwearuptors. 1000/- etc.
03	80%	12% Handicrafts items, handbags etc.
04	70%	18% Washing machine, refrigerator, Tv etc.
05	50%	22%---high tax bracket

**Table 1.3**

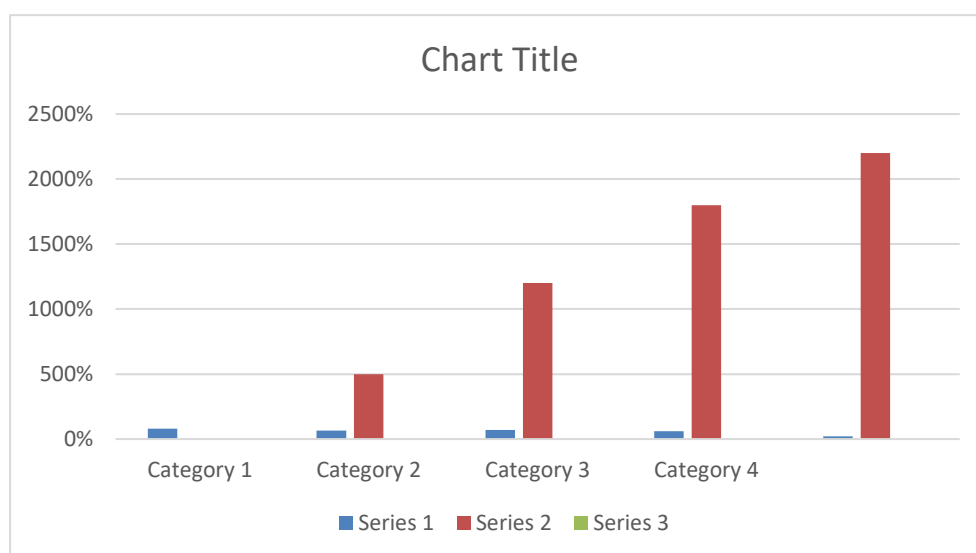


**Graph 1.3**

**Data of Wallalah**

Sr. no.	Customers' Awareness	GST Rate
01	80%	00% -Sanitary napkin, rakhis, stone, raw material,
02	65%	05% Oil companies, common-use footwearuptors. 1000/- etc.
03	70%	12% Handicrafts items, handbags etc.
04	60%	18% Washing machine, refrigerator, Tv etc.
05	20%	22%---high tax bracket

**Table 1.4**

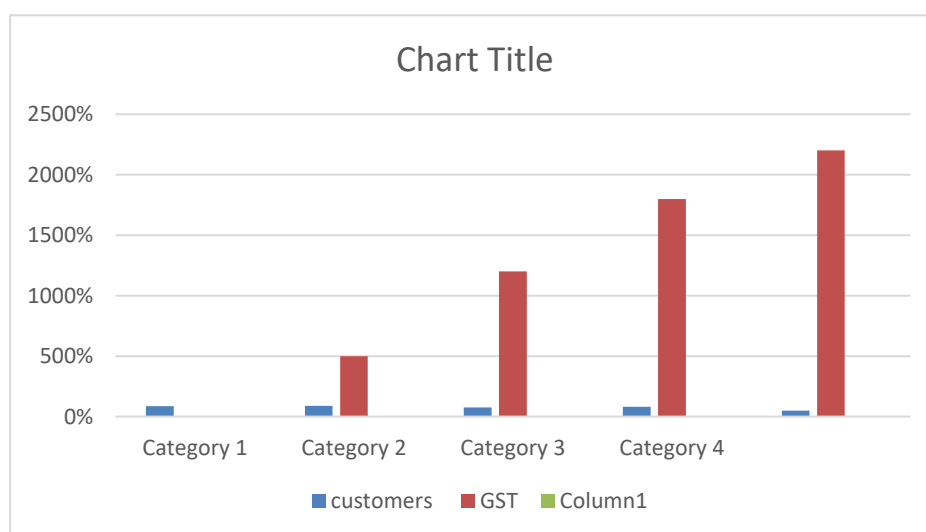


**Graph 1.4**

**Data of Ambur**

Sr. no.	Customers' Awareness	GST Rate
01	85%	00% -Sanitary napkin, rakhis, stone, raw material,
02	90%	05% Oil companies, common-use footwear upto rs. 1000/- etc.
03	75%	12% Handicrafts items, handbags etc.
04	80%	18% Washing machine, refrigerator, Tv etc.
05	50%	22%---high tax bracket

**Table 1.5**



**Graph 1.5**

As shown in above five tables and graph, most of the customers are aware about GST on product in Vellore. They know on which product the GST is applicable and on which product it not but they know it about the product that are used on regular base. They are not much more aware about the GST tax paying system which are having high tax bracket. They know only concept and few of them knows about it in details. Finding of the study are given below:

**Findings of the Study**

- a. There are many case in which shopkeeper themselves are confused about GST and norms of GST. Therefore, customers knew only that these are product which don't have GST and these are the product which are under GST.
- b. How GST calculated and what is the use of GST, very few customers know about it.
- c. As GST is new concept, it will take time to understand to the shopkeepers and customers also in the point of view of its benefits.
- d. It is not simple and easy to understand the concept of GST.
- e. Overall study shows that early stage of GST supplication will be a part of creating complication in the mind of consumers.

- f. There are negative approach and views of customers and small shopkeepers about GST.
- g. Lack of IT facilities is also one of the major reason to make consumers aware about GST.

#### **Suggestions of the Study**

- a. It is essential to visit shopkeepers and traders to get the practical knowledge of GST and its applications.
- b. Need of counselling and communicating to all level of society about GST and its benefits.
- c. It is necessary to inform the customers that GST is more transparent than previous all taxes such as VAT, Sales Tax, Excise, Octroi, etc.
- d. It is essential to convey all the shopkeepers to make aware that there is no exemption from GST to anyone, so they should prepare themselves with positive attitude towards the use of GST.
- e. It needs to go time to understand the particle benefits of GST to consumers.

**Conclusion:** Thus, there is always a problem when a new approach or new method is introduced in any sector. Even it is experienced that there is no one who can understand any law with fully desired expectation. Even not of those who are working in the legal and finance professions such as Lawyers, Chartered Accountants, Company Secretaries, etc. if such a scenario is there for any Law, how one can expect that GST at the initial stage should be understood by common people who are the users of the product and paying these taxes for those products which they require for their routine life. Goods and Services Tax is a single tax which is paid against all previous taxes - consumers will take time to understand. It is not as hard as to understand the previous taxes VAT, Sales Tax, Excise, Octroi, etc. there were different ratios of VAT which were divided as per location of users. Such complications are not in the application of GST. As it is new, it will take some time to understand by the consumers about its system, pattern, benefits and application. They will be wary about it when they will start to use it by practically through purchasing the goods. It needs only proper counselling.

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