

A Study on the Impact of New GST Revision Towards Small Retail Business

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Abstract: *The implementation and subsequent revisions of the Goods and Services Tax have significantly transformed the indirect tax system in India, creating new challenges and opportunities for small retail businesses. With frequent changes in compliance procedures and tax rates, small retailers face operational and financial pressures that directly influence their profitability and overall business performance in Coimbatore. The research adopts a Convenience Sampling technique to collect data from GST-registered small retail business owners across different types of retail establishments. Both Primary and Secondary data were used for the study, with Primary data collected through a structured questionnaire and Secondary data gathered from books, journals, government reports, and research articles.*

Keywords: Goods and Services Tax, Small Retail Businesses, GST Compliance, Profitability

I. INTRODUCTION

In today's evolving tax environment, the implementation of Goods and Services Tax has transformed the way small retail businesses operate and manage compliance and reporting. For small retailers, adapting to GST rules and digital tax systems is challenging. In commercial centres like Coimbatore, small retail entrepreneurs contribute significantly to local markets and employment, yet GST compliance, documentation requirements, and frequent tax updates may influence costs, operations, and profitability for many retailers. This study analyses the impact of GST implementation on small retail businesses in Coimbatore, focusing on awareness, compliance challenges, and its influence on performance and profit margins.

OBJECTIVES OF THE STUDY

To Identify the Impact of GST Reforms on Small Retail Business in Coimbatore city.

To examine the awareness of small retailer about GST filing procedures, tax rates, and compliance requirements.

To assess whether GST slab rates increase compliance cost and administrative burden for small retailers.

SCOPE OF THE STUDY

To examine the impact of Goods and Services Tax on small retail businesses and their operational performance, to gain insight into the awareness and compliance practices of small retailers, and to understand the challenges faced by retail entrepreneurs and their influence on business sustainability and profit margins.

RESEARCH METHODOLOGY

Research methodology is a systematic and scientific way of gathering, examining, and understanding data, whether it is in numerical or descriptive form, to analyse the impact of Goods and Services Tax on small retail businesses and to test the research objectives and hypotheses of the study.



Sample Size and Sample Technique

- Sample Size: 50 respondents of working women
- Sampling Method: Convenience sampling.

Statistical Tools:

- Percentage analysis
- Chi-Square analysis
- Anova analysis

II. REVIEW OF LITERATURE

- **S. Kumar (2024)**, examined the impact of GST reforms on the formalization of small retail businesses. Using survey responses and secondary data, the study found that GST implementation increased the number of registered small retailers. However, many retailers had low confidence in compliance procedures due to frequent policy revisions. The study emphasized the need to simplify GST return filing and provide clear rules to support sustainable formalization in the retail sector.
- **Ayesha Malik (2024)**, analysed gender-related challenges faced by women-owned small retail businesses in complying with GST regulations. Using qualitative interviews and gender-based analysis, the study found that women retailers faced difficulties due to limited financial literacy, digital skills, and professional networks. The research highlighted that GST compliance often required external assistance, increasing costs. The study emphasized the importance of gender-sensitive training and awareness programs.
- **R. Shankar (2025)**, evaluated the long-term impact of GST revisions on the sustainability of small retail businesses through longitudinal analysis. Frequent policy changes created uncertainty and stress among small retailers. The research indicated that unpredictable revisions reduced motivation toward formalization. The study emphasized that stable tax policies and simplified compliance procedures are essential for the long-term growth of small retail enterprises.

III. DATA ANALYSIS AND INTERPRETATION

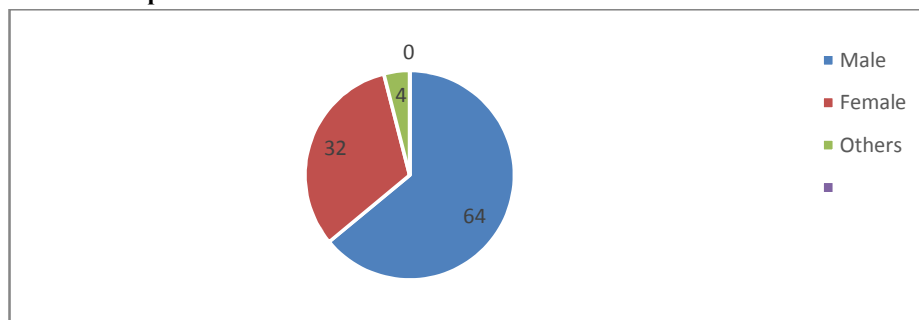
Percentage analysis

Table No. 1: Gender of Respondents

Gender	Respondents	Percentage (%)
Male	32	64%
Female	16	32%
Others	2	4%
Total	50	100%

Source: Primary Data

CHART:1: Gender of Respondents



Interpretation:

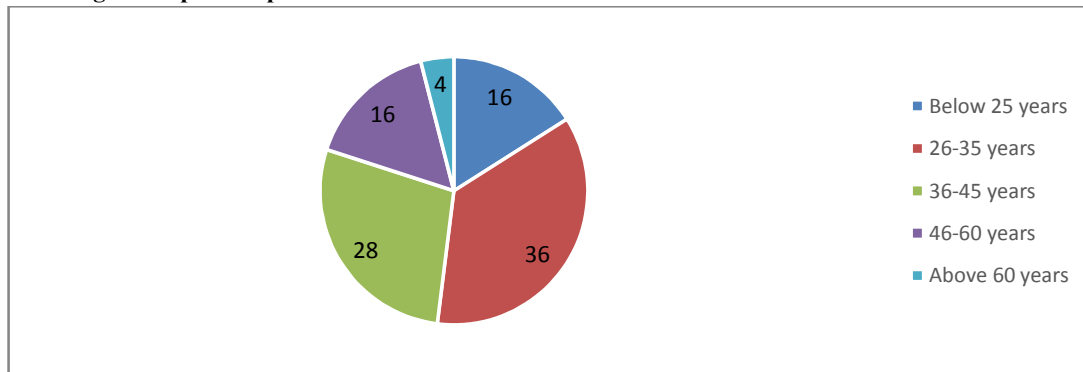
The above table presents that majority 64% of the respondents are male, followed by 32% female respondents. Only 4% of the respondents belong to other gender categories, indicating male dominance among small retail business owners.

Table No. 2 Age Group of Respondents

Age Group	Respondents	Percentage (%)
Below 25 years	8	16%
26–35 years	18	36%
36–45 years	14	28%
46–60 years	8	16%
Above 60 years	2	4%
Total	50	100%

Source: Primary Data

CHART:2: Age Group of Respondents



Interpretation:

The above table shows that the majority of respondents 36% belong to the age group of 26–35 years, followed by 28% in the age group of 36–45 years. About 16% belong to both below 25 years and 46–60 years categories, while only 4% are above 60 years.

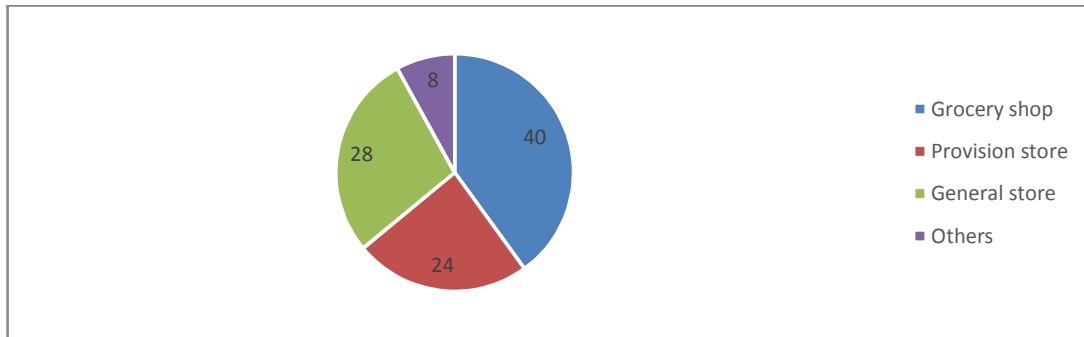
Table No.3: TYPE OF BUSINESS

Type of Business	Respondents	Percentage (%)
Grocery Shop	20	40%
Provision Store	12	24%
General Store	14	28%
Others	4	8%
Total	50	100%

Source Data: Questionnaire



CHART.3: TYPE OF BUSINESS



Interpretation:

The above table indicates that the majority of respondents 40% are running grocery shops, followed by 28% operating general stores and 24% provision stores. Only 8% belong to other types of retail businesses. Most (40%) of the respondents are grocery shop owners.

CHI-SQUARE ANALYSIS

1. Chi-square test between gender of respondents and awareness of new GST revision

Hypothesis Statement

H0: There is no significant association between gender of respondents and awareness of new GST revision.

H1: There is a significant association between gender of respondents and awareness of new GST revision.

Table No.3: gender of respondents and awareness of new GST revision

Chi-Square Tests			
	Value	Df	Asymptotic Significance
Pearson Chi-Square	0.260 ^a	2	0.878
Likelihood Ratio	0.262	2	0.877
N of Valid Cases	50		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 0.80.

Source: Calculated Data

Interpretation

It is noted from the above analysis that the significant value is 0.878, which is greater than 0.05 and the result is not statistically significant, therefore the null hypothesis is accepted. It is concluded from the analysis that there is no significant association between gender of respondents (0.878) and awareness of new GST revision among the respondents.

2. Chi-square test Between Type of Business and Difficulty in GST Compliance

Hypothesis Statement:

H0: There is no significant association between type of business and difficulty in GST compliance.

H1: There is a significant association between type of business and difficulty in GST compliance.

Table No.4: Type of Business and Difficulty in GST Compliance

Chi-Square Tests			
	Value	df	Asymptotic Significance
Pearson Chi-Square	0.720 ^a	3	0.868
Likelihood Ratio	0.724	3	0.867
N of Valid Cases	50		



a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.28.

Source: Calculated Data

Interpretation

It is noted from the above analysis that the significant value is 0.868, which is greater than 0.05 and the result is not statistically significant. It is concluded from the analysis that there is no significant association between type of business (0.868) and difficulty in GST compliance among the respondents

ONE WAY ANOVA

1. To analyse the difference in satisfaction with GST implementation based on type of business using ANOVA.

Hypothesis Statement:

H0: There is no significant difference in the mean level of satisfaction with GST implementation among different types of businesses.

H1: There is a significant difference in the mean level of satisfaction with GST implementation among different types of businesses.

Table No. 5: Satisfaction with GST Implementation Based on Type of Business

Satisfaction with GST Implementation Based on Type of Business					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.96	3	0.320	.348	.790
Within Groups	42.54	46	0.925		
Total	43.50	49			

Source: Calculated Data

INTERPRETATION

The table presents the results of the ANOVA (Analysis of Variance) test analysing satisfaction levels with GST implementation among different types of businesses. The p-value (0.79) is greater than the significance level of 0.05, indicating that there is no significant difference in satisfaction levels among the groups considered in the study.

2. To analyse the difference in GST compliance difficulty based on business experience using ANOVA.

Hypothesis Statement:

H0: There is no significant difference in GST compliance difficulty among respondents with different levels of business experience.

H1: There is a significant difference in GST compliance difficulty among respondents with different levels of business experience.

Table No. 6: GST compliance difficulty based on business experience using ANOVA.

GST compliance difficulty based on business experience					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.96	3	2.080	2.596	0.065
Within Groups	36.96	46	0.803		
Total	43.200	49			

Source: Calculated Data

INTERPRETATION

The table summarises the results of the ANOVA test analysing GST compliance difficulty among different experience levels. The p-value (0.07) is greater than the significance level of 0.05, indicating that there is no significant difference in GST compliance difficulty among respondents with different levels of business experience.

IV. FINDINGS

Majority (64%) of the respondents are male.

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Most (36%) of the respondents **belong to the age group of 26–35 years.**

Most (40%) of the respondents **are grocery shop owners.**

It has been identified that **gender of respondents has no significant association with awareness of the new GST revision**, as the Chi-Square significance value (0.878) is greater than 0.05.

This implies that **awareness of GST revisions is similar across different genders** among small retail business owners.

It has been identified that **type of business has no significant association with the difficulty in GST compliance**, since the Chi-Square significance value (0.868) is greater than 0.05.

This indicates that **GST compliance challenges are commonly experienced across different types of retail businesses.**

The ANOVA test indicates that **satisfaction with GST implementation does not significantly differ based on the type of business**, as the significance value (0.79) is greater than 0.05.

The ANOVA analysis also shows that **GST compliance difficulty does not significantly vary with the level of business experience**, as the significance value (0.065) is greater than 0.05.

V. SUGGESTIONS

Conducting regular awareness programmes and workshops helps small retail business owners improve their understanding of GST provisions and revisions.

Providing accessible professional guidance from accountants and tax consultants supports retailers in maintaining accurate GST compliance.

Simplifying GST filing procedures, return formats, and documentation requirements helps reduce compliance difficulties for small retail businesses.

VI. CONCLUSION

The study concludes that the implementation of the Goods and Services Tax (GST) has a significant influence on the operational and financial aspects of small retail businesses. Awareness of GST revisions and reliance on professional guidance such as accountants and tax consultants play an important role in helping retailers manage tax compliance effectively. The results also indicate that factors such as gender, type of business, and business experience do not significantly influence awareness, compliance difficulties, or satisfaction with GST implementation. Although GST has improved transparency and uniformity in the taxation system, small retailers continue to face certain challenges in understanding procedures and managing compliance requirements. Therefore, improving awareness, simplifying GST procedures, and encouraging digital accounting practices are essential for enhancing compliance efficiency and supporting the sustainable growth of small retail businesses..

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