



A Study the Awareness about GST as an Indirect Tax among the FMCG General Trade Retailers at Sahakarnagar, Pune

Amruta kolte, Rohit konde, Aniket Kulkarni, Prof.Shivaji Rajmane

Student-MBA, Zeal Institute of Management and Computer

Application, Pune, India

Abstract – The introduction of Goods and Services Tax (GST) brought a major transformation in the Indian taxation system by replacing multiple indirect taxes with a single and more organized tax structure. The implementation of GST has significantly affected different business sectors, especially the Fast-Moving Consumer Goods (FMCG) sector, which deals with products used regularly by consumers in daily life. Since FMCG products are sold through a wide network of retailers, wholesalers, distributors, and small shop owners, it became necessary for retailers to understand GST rules, billing procedures, tax rates, and return filing systems for smooth business operations. General trade retailers such as kirana stores, grocery shops, and small supermarkets play an important role in the FMCG supply chain because they directly interact with consumers and handle the sale of daily-use products. After GST implementation, retailers were required to shift from traditional tax systems to digital and compliance-based taxation procedures. This created both opportunities and challenges for small retailers, especially those with limited technical knowledge and less understanding of taxation procedures. This research focuses on studying the level of awareness regarding GST among FMCG general trade retailers in Sahakarnagar, Pune. The study aims to understand retailers' knowledge about GST concepts such as GST rates, billing systems, input tax credit, tax invoices, digital payment systems, and GST return filing procedures. It also examines the practical difficulties faced by retailers while implementing GST in their day-to-day business activities. The research is based on both primary and secondary data. Primary information was collected through questionnaires and direct interaction with retailers, while secondary information was collected from books, journals, websites, reports, and previous studies related to GST and retail business management. The findings of the study reveal that most retailers are aware of the basic structure and purpose of GST, but many small retailers still face problems in understanding technical compliance procedures, online return filing, and maintaining proper accounting records. The study further highlights that GST has improved transparency in business transactions, reduced tax confusion, and created a more systematic taxation process. However, continuous training, awareness programs, and technical guidance are still necessary to help small retailers adapt effectively to the GST system. Overall, the research concludes that GST has positively influenced the retail sector, but improving awareness and practical understanding among retailers remains important for better compliance and smooth business functioning.

Keywords – Goods and Services Tax (GST), FMCG Sector, General Trade Retailers, GST Awareness, Retail Business Management, Indirect Taxation, Tax Compliance.

I. INTRODUCTION

Goods and Services Tax (GST) is one of the most significant tax reforms introduced in India. It came into effect on 1st July 2017 with the objective of simplifying the indirect taxation system and creating a unified tax structure across the country. Before GST, businesses had to pay different types of indirect taxes such as Value Added Tax (VAT), service tax, excise duty, central sales tax, and entry tax. Managing multiple taxes created confusion, increased compliance burden, and complicated the taxation process for businesses. GST replaced these taxes with a single taxation system, making tax collection more transparent and systematic.

GST is applied on the supply of goods and services at every stage of the value chain. The tax is collected from consumers, while businesses are responsible for maintaining records, generating invoices, filing returns, and paying taxes to the government. GST also introduced the concept of Input Tax Credit (ITC), which allows businesses

to claim credit for taxes paid on purchases, thereby reducing the burden of double taxation.

The FMCG sector is one of the largest and fastest-growing industries in India. It includes products such as packaged foods, beverages, soaps, detergents, personal care products, household items, and other daily-use consumer goods. Since these products are sold frequently and consumed regularly, the FMCG sector plays an important role in the Indian economy. General trade retailers, including kirana stores, grocery shops, and local supermarkets, are key contributors to the distribution and sale of FMCG products.

After the implementation of GST, retailers were required to adopt new taxation procedures and digital compliance systems. Retailers needed to understand GST rates applicable to products, billing formats, online return filing, tax invoices, and record maintenance procedures. For many small retailers, especially those operating traditional businesses, adjusting to these changes was challenging due to limited technical knowledge and lack of awareness about GST rules.



ISSN:3048-7722

Awareness about GST is essential because proper understanding helps retailers avoid tax-related mistakes, maintain accurate records, improve business transparency, and ensure smooth business operations. Retailers with better GST knowledge are more capable of managing their business finances efficiently and complying with government regulations. At the same time, retailers who lack awareness may face penalties, incorrect tax filings, and operational difficulties.

This study therefore focuses on examining the level of GST awareness among FMCG general trade retailers in Sahakarnagar, Pune. It also attempts to identify the challenges faced by retailers during GST implementation and understand the overall impact of GST on retail business activities.

Objectives of the Study

1. To study the awareness level of GST among FMCG general trade retailers

The main objective of the study is to understand how much knowledge FMCG retailers have regarding GST and its overall taxation system. The study examines whether retailers are aware of basic GST concepts such as tax rates, GST registration, billing systems, and return filing procedures.

2. To understand retailers' knowledge regarding GST rules and procedures

The study aims to evaluate retailers' understanding of GST-related rules such as invoice generation, Input Tax Credit (ITC), tax payment methods, online return filing, and record maintenance. Proper understanding of these procedures is necessary for smooth business operations and legal compliance.

3. To identify the problems faced by retailers in GST implementation

Many small retailers face practical and technical difficulties while following GST procedures. This objective focuses on identifying problems such as online filing issues, lack of technical knowledge, confusion regarding GST rates, internet-related problems, and difficulty in maintaining digital records.

4. To study the impact of GST on retail business activities

The study also examines how GST has affected retail business operations, including pricing, billing systems, customer transactions, accounting methods, and inventory management. It helps understand whether GST has improved or complicated business activities for retailers.

5. To examine retailers' opinions regarding the GST system

This objective focuses on understanding retailers' views about GST, including their satisfaction level, opinions regarding tax transparency, ease of compliance, and overall effectiveness of the taxation system introduced by GST.

II. SIGNIFICANCE OF THE STUDY

This study is important because GST has completely changed the indirect taxation structure in India and directly affected the functioning of retailers and small businesses. FMCG retailers deal with a large number of customer

transactions daily, making GST compliance highly important for their business operations.

The research helps in understanding the actual awareness level among retailers regarding GST concepts and procedures. It also identifies the practical difficulties faced by retailers in implementing GST in their businesses. Understanding these challenges can help government authorities and policymakers develop better awareness programs and support systems for retailers.

The study is also useful for business owners because it highlights the importance of maintaining proper billing systems, tax records, and digital compliance practices. Retailers who understand GST properly can avoid penalties, improve financial management, and run their businesses more efficiently.

For researchers and students, the study provides detailed knowledge regarding GST implementation in the FMCG retail sector and explains how taxation reforms influence business activities at the retail level.

Scope of the Study

The study is limited to FMCG general trade retailers located in Sahakarnagar, Pune. It mainly focuses on retailers dealing in products such as grocery items, packaged foods, beverages, soaps, detergents, personal care products, and other daily-use FMCG products.

The research covers important areas related to GST awareness, including:

- Knowledge regarding GST concepts and tax rates
- Awareness about billing systems and GST invoices
- Understanding of GST return filing procedures
- Awareness regarding Input Tax Credit (ITC)
- Problems faced during GST compliance
- Impact of GST on daily business activities

The study does not include wholesalers, distributors, or retailers from other industries or geographical areas. The research findings are therefore limited to FMCG general trade retailers operating in Sahakarnagar, Pune.

III. LITERATURE REVIEW

1. Studies on GST in India

Several studies conducted after GST implementation explain that GST has simplified India's indirect taxation system by replacing multiple taxes with a unified structure. Researchers found that GST improved transparency, reduced tax duplication, and created a more organized taxation process for businesses.

2. Research related to the FMCG sector

Research studies related to the FMCG industry show that GST affected product pricing, billing systems, and supply chain operations. Many FMCG companies benefited from a uniform tax system because it reduced transportation barriers and improved distribution efficiency across states.

3. Studies on retailers and GST implementation



ISSN:3048-7722

Previous research indicates that small retailers faced several challenges during the initial phase of GST implementation. Lack of technical knowledge, difficulty in using online systems, and limited understanding of return filing procedures created operational problems for many retailers.

4. Research on GST awareness levels

Studies also reveal that awareness regarding GST differs depending on education level, business size, and years of business experience. Educated retailers and those using computerized systems generally have better understanding of GST procedures compared to retailers maintaining manual records.

5. Studies on business transparency under GST

Some research studies explain that GST has improved record maintenance, transparency, and accountability in business transactions. However, return filing procedures and understanding changing GST rules still remain difficult for some small retailers.

IV. DISCUSSION

The findings of the study indicate that most FMCG retailers in Sahakarnagar are aware of the basic concepts of GST and understand the importance of taxation compliance in business activities. Retailers are generally familiar with GST billing systems, tax rates, and invoice generation procedures. Many retailers believe that GST has made taxation more transparent and systematic compared to the previous tax structure.

At the same time, the study also identifies several practical difficulties faced by retailers. Small retailers often struggle with online GST return filing, maintaining proper digital records, and understanding technical compliance requirements. Retailers who use computerized accounting systems and digital billing software find GST management easier than those maintaining manual records.

The study also shows that education level and business experience play an important role in GST awareness. Retailers with higher education and longer business experience generally possess better knowledge about GST procedures and compliance requirements.

Overall, the research suggests that GST has positively influenced business transparency and taxation management in the retail sector. However, continuous awareness programs, technical support, and training sessions are necessary to improve practical understanding among small retailers and help them adapt effectively to GST compliance systems.

V. CONCLUSION

The implementation of the Goods and Services Tax (GST) has brought significant changes to the Indian retail taxation system, particularly within the FMCG sector. The study conducted among general trade retailers in Sahakarnagar, Pune, indicates that most retailers possess basic awareness regarding GST concepts and procedures. GST has

contributed to improved transparency, simplified indirect taxation, and created a more organized system for business transactions.

However, the research also highlights that many small retailers continue to face challenges related to technical compliance, digital return filing, accounting maintenance, and understanding complex GST procedures. Limited technical knowledge and lack of proper training remain major barriers for effective GST implementation among small-scale retailers.

The findings suggest that while GST has positively influenced retail business operations by reducing tax confusion and encouraging systematic record keeping, there is still a strong need for continuous awareness programs, training workshops, and technical support for retailers. Government authorities, tax professionals, and business organizations should work together to improve retailers' practical understanding of GST compliance processes.

Overall, the study concludes that GST has had a favorable impact on the FMCG retail sector, but strengthening retailer awareness and digital capabilities is essential for achieving better compliance, smoother business functioning, and long-term growth in the retail industry.

REFERENCES

1. Ahuja, Girish & Gupta, Ravi. Systematic Approach to Income Tax and GST. Bharat Law House Pvt. Ltd.
2. Bansal, K. M. GST & Customs Law. Taxmann Publications.
3. Garg, Girish. "Basic Concepts and Features of Good and Services Tax in India." International Journal of Scientific Research and Management, Vol. 2, Issue 2, 2014.
4. Government of India. The Central Goods and Services Tax Act, 2017. Ministry of Finance, New Delhi.
5. Kumar, Nitin. "Goods and Services Tax in India: A Way Forward." Global Journal of Multidisciplinary Studies, Vol. 3, Issue 6, 2014.
6. Purohit, M. C. Goods and Services Tax in India. Foundation Books, New Delhi.
7. Sharma, Supriya & Singh, Harpreet. "Impact of GST on Retail Sector in India." Journal of Commerce and Management Research, 2019.
8. Official GST Portal –GST Government Portal
9. Reserve Bank of India – Reserve Bank of India
10. Ministry of Finance, Government of India – Ministry of Finance India