

Customers' perception towards GST with special reference to insurance and automobile Industry in Tirupurdistrict

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ARTICLE DETAILS

Article History

Published Online: 13 March 2019

Keywords

GST, Service Tax, VAT

ABSTRACT

Goods and Services tax is viewed as an essential tax change in the nation. Goods and Services tax depends on goal standard which implies tax accumulates at the place of utilization as opposed to the place of assembling. Average citizens are progressively influenced by the goods and services tax and the impacts were antagonistic at the season of presentation of goods and services tax. Protection and Automobile Industries are developing sector with unmistakable items and services in India. At present, the ventures taxes have been changed and defined by Indian government as Goods and Service Tax (GST). The vast majority of the general population has received the GST concept started and polished by the customers in the country. Tirupur District is genuinely populated territory and containing progressively material work employees in Tamil Nadu State. In this area, the people were possessing transcendent place as a huge variable to recognize in the evolving wonder. The present examination has required exertion to experimentally explore the customers' recognition on GST with exceptional reference to protection and vehicle ventures in Tirupur District. The helpful testing technique has been utilized for picking the example measure and the present investigation. The examination additionally investigations the impact of GST on the purchasing conduct changes of customers and it has looks at that the impacts of the GST concept in Tirupur District.. Aftereffects of the examination demonstrate that the customers' having great recognition that GST concept acquires clarity taxation structure is comparatively superior to anything Value Added Tax (VAT) in India.

1. Introduction

Tax payment is a mandatory lawful duty regarding every single resident of the country. Indian tax system is grouped into direct tax and indirect tax. The Goods and Services Tax (GST) is charged and actualized as indirect tax for all items and services. Indian government has effectively executed and settled the entanglements after the usage. The vast majority of the enterprises have confronted various difficulties after its reception and changed their bookkeeping rehearses with online GST enrollment. The structure of GST committee and passed GST Bill from the two houses in particular Lokshaba and Rajyashaba, which have exhibited the administration reason to execute the tax changes. In spite of the fact that the administration claims with respect to its arrangement of GST component through thorough preparing of income authorities history have exhibited consistently that such changes which are to be actualized at national dimension for 125 billion populace needs watchful thought.

Indian government has been changed the esteem included tax concept as Goods and Service Tax (GST) after first July 2017. Presently multi day, the general population have for all intents and purposes received this GST in their life and actualized in different deals and service concepts. The administration has surrounded indirect tax rate upto 28 percent and the tax rate is ordered into more sections from 5 to 28 percent dependent on the items and services in India. In that way, the Insurance and Automobile Industries GST rate connected as 18 percent and 28 percent separately. These ventures are developing fragments with particular items and

services in India. At present, the enterprises taxes have been changed and defined by Indian government as Goods and Service Tax (GST). The greater part of the general population has received the GST concept started and drilled by the customers in the country. Tirupur District is genuinely populated zone and containing increasingly material work employees in Tamil Nadu State. In this region, the people were possessing dominating place as a huge variable to recognize in the evolving wonder.

➤ GST

GST is one of the Revolutionary changes in the Indian economy. After freedom as a country India presented numerous financial changes including a few tax changes. Indian financial system is conveying muddled structure. So it exceptionally same as on account of tax structure of Indian economy. Consistently Indian tax specialist changes the laws and rates of the general tax system. Be that as it may, the traditional tax system is becomes a weight that the customers expected to pay all the indirect taxes identifying with specific item and service. The new tax changes that GST subsumes all the taxes under one umbrella. In April first 2017 India has presented GST at first then 2017 July first India executed GST



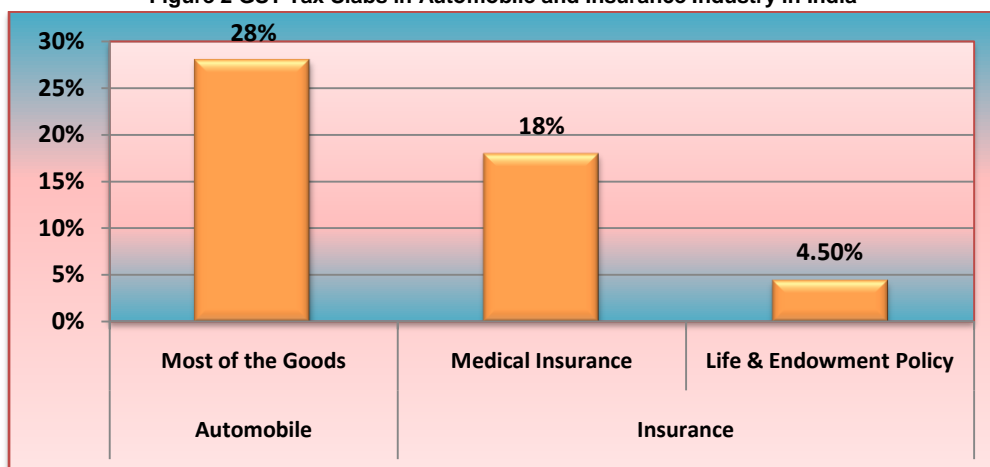
Figure 1 GST

GST is viewed as the imperative tax change in the Indian history. It has influenced every one of the sectors of the Indian economy. Quick Moving Consumer Goods (FMCG) industry is a standout amongst the most beating enterprises in India today and viewed as most affected by the GST. The four levels GST rate system has huge effect on the FMCG items. Goods and services tax is a goal put together tax with respect to utilization of goods and services where tax will be demanded at all phases from the phase of assembling till the last utilization and set off is permitted as info tax credit to the business parties engaged with the procedure.

Table 1: GST Tax Slabs In Automobile and Insurance Industry in India

Industry	Products	Tax Slab in % (Maximum)
Automobile	Most of the Goods	28%
Insurance	Medical Insurance	18%
	Life & Endowment Policy	4.5%

Figure 2 GST Tax Slabs in Automobile and Insurance Industry in India



2. Literature review

GowthamRamkumar (2017) in his investigation titled "Effect of GST on shopper spending capacity in Chennai City" reasoned that buyers are left with less cash after GST, ascend in swelling level and fall in costs of specific goods after GST execution. He further presumed that GST rates will significantly affect the spending capacity of the buyers and proposed that advantages of information tax credit must be exchanged by the organizations to the customers.

Manoj Kumar Agarwal (2017) in his examination paper titled "Individuals' discernment towards GST – An observational investigation" found that individuals feel that GST has expanded the legitimate compliances and it will build the tax accumulation of the legislature. He further discovered that GST has expanded the tax weight of businessmen and proposed that endeavors ought to be made with respect to the legislature to guarantee individuals have a legitimate comprehension of the goods and services tax executed in India.

AnshuAhuja (2017) in the examination paper titled "View of individuals towards goods and services tax" found that shoppers are fulfilled that goods and services tax will lessen the tax avoidance in the nation and will expand the

straightforwardness in the tax structure. He further proposed that administration should give some unwinding to ranchers and little scale business to stay away from the antagonistic effect of goods and services tax on their salary level.

Kumar (2014) in his paper titled "Goods and Service Tax in India-A path forward expressed that GST will be charged for every one of the goods and services with the exception of those things that are exempted from the GST. The creator further expressed that the proposed GST will be an actualized as double model GST. The creator further expresses that different central taxes will be subsumed under the new tax routine and calls attention to the different advantages that can be normal from the goods and services tax

Garg (2014) examined "Fundamental Concepts and Features of Good and Service Tax in India" and found that a tax is certifiably not a deliberate payment or gift, yet an authorized commitment, claimed according to authoritative specialist" and is any commitment forced by government whether under the name of toll, tribute, impost, obligation, custom, extract, subsidy, help, supply, or other name. All sectors of economy whether the business, business including Govt. offices and service sector will need to hold up under effect of GST. All segments of economy viz., enormous,

medium, little scale units, delegates, shippers, exporters, dealers, experts and purchasers will be legitimately influenced by GST.

3. Objectives of the study

The primary destinations of the present examination are,

1. To realize the observation dimension of customers' towards existing GST rates of protection and car industry in Tirupur District.
2. To talk about the advantages and disadvantages of GST usage on client's view.
3. To distinguish the noteworthy distinction between statistic subtleties and customers observation on GST.

4. Research methodology

GST would have pivotal effect in transit people, retailers and business worries in India. A large portion of the ventures, GST tax piece rate have been expanded dependent on the distinctive criteria which would be extensively affected by GST is the car, protection and retail sector. The present examination has assumed greater liability to explore the customers' recognition on GST and it additionally portrays the upsides and downsides of the GST system in India.

The present examination has required exertion to experimentally explore the customers' recognition on GST with exceptional reference to protection and vehicle ventures in Tirupur District.

4.1 Sources of Data Collection

The information has gathered on the premise Tirupur south, north, east and west of the examination region. The analyst has gathered essential information from 100 example

respondents from July 2017 to November 2017 (Short period examine like contextual analysis).

4.2 Tools utilized for information accumulation

The specialist has utilized organized survey for the information accumulation and it contains Likert's scale to assess the customers' recognition on GST in elucidating way. The advantageous inspecting technique has been utilized for picking the example measure and the present investigation. The examination additionally investigations the impact of GST on the purchasing conduct changes of customers and it has analyzes that the impacts of the GST concept in Tirupur District.

4.3 Statistical devices utilized in this investigation

The scientist has embraced the systematic instruments like rate analysis, Garrett positioning method, and ANOVA test for the estimations IBM SPSS 20.0 programming adaptation. Such an analysis is probably going to be useful for giving the thought regarding adequacy of GST commencement in Indian economy.

5. Data analysis and interpretation

The tax system is fundamental one for economic headway and more structure changes in the nation. A substantial bit of the organizations and retailers are essentially giving more prominent quality goods and services to the overall public. In that way, the lawmaking body composed the tax rates reliant on the goods and services for the revamping in India. For the reason, the expert has dismembered the customer's perception on GST reliant on measurement variables of the precedent respondents in the present examination. The researchers have endeavored to discover the GST influence and the improvement of such ventures like vehicle and insurance industry in Tirupur District.

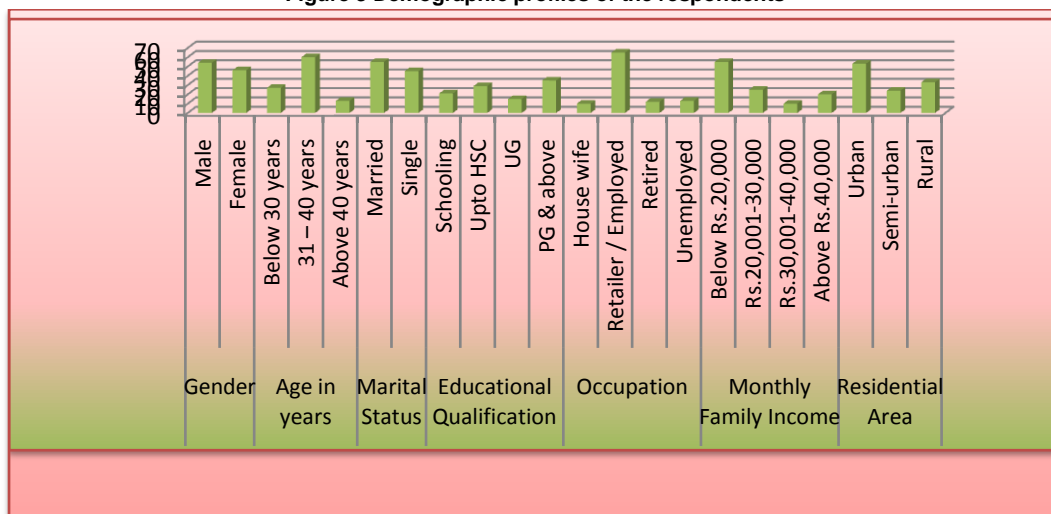
Table 1: Demographic Factors of the Respondents

Sl. No.	Variables	Particulars	Frequency	Percentage
1	Gender	Male	54	54.00
		Female	46	46.00
2	Age in years	Below 30 years	27	27.00
		31 – 40 years	60	60.00
		Above 40 years	13	13.00
3	Marital Status	Married	55	55.00
		Single	45	45.00
4	Educational Qualification	Schooling	21	21.00
		Upto HSC	29	29.00
		UG	15	15.00
		PG & above	35	35.00
5	Occupation	House wife	10	10.00
		Retailer / Employed	65	65.00
		Retired	12	12.00
		Unemployed	13	13.00
6	Monthly Family Income	Below Rs.20,000	45	55.00
		Rs.20,001-30,000	25	25.00
		Rs.30,001-40,000	10	10.00

		Above Rs.40,000	20	20.00
7	Residential Area	Urban	53	53.00
		Semi-urban	24	24.00
		Rural	33	33.00
	Total		100	100.00

Source: Primary Data

Figure 3 Demographic profiles of the respondents



The above Table 1 uncovers that the statistic factors of the GST paying customers in the present investigation. Out of one hundred respondents, 54 percent are guys and 46 percent are female respondents. The analysis result demonstrates that the 31-40 years age class people who are for the most part

obtaining goods and there were increasingly hitched people. The example respondents who have post-graduation degree and who have the month to month family salary of underneath Rs. 20,000 They were living urban territory of Tirupur region.

Table 2: Pros and Cons of Implemented GST System

Sl. No.	Reason	Rank
PROS		
1.	Transparent Tax	2
2.	No hidden Tax	1
3.	Price Reduction in Some automobile Products	3
4.	Goods and Services Tax Verification	5
5.	Integrated cost and tax platform	4
6.	GST paid by manufacturer directly	6
CONS		
1.	GST increased in real estate and automobiles	4
2.	No major reduction in number of tax layers	5
3.	Insurance premium of product is more expensive	3
4.	Not implemented by small retailers	6
5.	Trouble in adoption and migration to the New GST system	2
6.	Retailers have included old VAT amount with GST sysem	1

Source: Primary Data

The above table-2 positioned the professionals of GST system as coordinated tax system and straightforward tax openings. There are a large portion of the cons on GST system is given in the above table like progressively costly and

inconvenience in the business on execution. The customers have confronted more issues and getting benefits on GST system in Tirupur area.

Table 3: Customer's Perception Level on Implemented GST System

Satisfaction Level	No. of Respondents	Percentage
Low	30	30.00
Medium	25	25.00
High	45	45.00
Total	100	100.00

Source: Primary Data

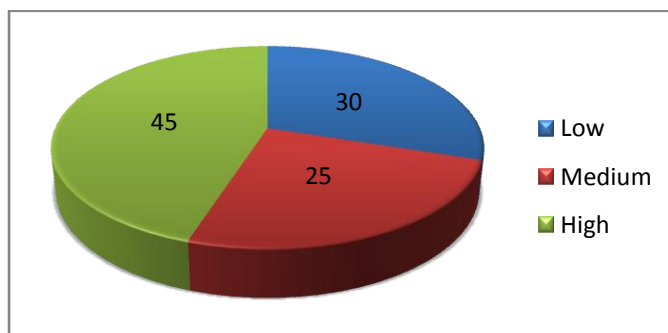


Figure 4 Customer's Perception Level on Implemented GST System

The above table-3 uncovers that the discernment dimension of the example respondents in Tirupur. The 25 customers' have medium dimension observation with the GST payment system pursued by 30 respondents has low dimension recognition in Tirupur District. There were 60

respondents who have very disappointed in the present examination. The 45 test respondents who have for the most part great discernment level due to the might by the experts and a few cons of GST system in Tirupur District.

Table 4: ANOVA Test – Changes between Perception Variables and Demographic Details

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	11477.204	2	5738.602	24.699	.000
Within Groups	92237.953	97	232.337		
Total	103715.157	99			

Source: Calculated Value

The above ANOVA table-4 demonstrates that the variable discernment have critical changes at the estimation of 0.000 in Tirupur City. The client's statistic variables (autonomous variable) have contrasts and changes in discernment level (subordinate variable) on GST in Tirupur District.

6. Findings and suggestions

The discoveries of the investigation show that the customers' having great discernment that GST concept acquires clarity taxation structure is comparatively superior to anything Value Added Tax (VAT) in India. Over the most recent two decades, the customers' preferences and inclinations have been quickly expanded in the car and protection industry because of the mechanical improvement. The GST payment system for the most part received the customers' by impulse in the investigation zone. The scientist has recommended that the GST concept has not justifiable effectively to entire populace in the nation. The legislature ought to give more mindfulness program and preparing on

GST concept. It would build up the country with increasingly coordinated tax and incomes to the legislature.

7. Conclusion

GST concept has been creating by the more prominent cooperation of individuals and the business worry in Indian economy. The present investigation offers that the GST system with customers confronting more issues in some different conditions. They are ignorant about the GST system in appropriate way and more tax chargeable for both car and protection industry like 28 percent and 18 percent separately. The customers' who have high great discernment level due to the might possibly by the aces and a few cons of GST system in Tirupur District. The client's statistic factors have contrasts and changes in discernment level on GST in Tirupur District. The administration ought to give more mindfulness program and preparing on GST concept. It would build up the country with progressively coordinated tax and incomes to the legislature.

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