

# Determinants of Merchants' Awareness of GST Return Filing Procedures in Coimbatore District, Tamil Nadu

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DOI: <https://doi.org/10.51244/IJRSI.2025.120700145>

Received: 05 July 2025; Accepted: 11 July 2025; Published: 11 August 2025

## ABSTRACT

The Goods and Services Tax (GST) has revolutionized the Indian taxation landscape, demanding higher compliance and digital literacy among business communities. A crucial component of this system is the return filing process through the GST portal, which often poses challenges to merchants unfamiliar with its procedures. This study explores the factors influencing the awareness of GST return filing procedures among merchants in **Coimbatore District, Tamil Nadu**. Data were collected from **275 traders** selected using the **convenient sampling method**. The research employed **simple percentage analysis** to interpret demographic and awareness patterns, while **ANOVA and t-tests** were used to assess differences in awareness across various independent variables such as area of residence, educational background, monthly income, experience, mode of filing of GST returns, types of customers, Nature of GST registration, supply of goods and Age of Business etc.

The results reveal that awareness levels are significantly influenced by merchants' educational qualifications and their familiarity with digital platforms. While a section of traders showed reasonable knowledge of GST return procedures, many exhibited partial or inadequate awareness, primarily due to a lack of formal training and technical support. The study highlights the need for structured awareness programs and simplified return processes to enhance GST compliance. These findings offer insights for policymakers and tax authorities to bridge the knowledge gap and improve merchant participation in the GST regime.

**Keywords:** GST Return, GST Portal, GST forms, GST filing procedures

## INTRODUCTION

The implementation of the Goods and Services Tax (GST) has significantly transformed the indirect taxation system in India. One of the critical aspects of GST compliance is the timely and accurate filing of returns through the GST portal. For merchants and traders, understanding the procedures for return filing is essential to avoid penalties and ensure business continuity. Despite widespread digital initiatives, awareness levels regarding GST return filing procedures vary across regions and business categories.

This study investigates the determinants of merchants' awareness of GST return filing procedures in Coimbatore District, Tamil Nadu. A total of **275 traders** were selected using the **convenient sampling method** to capture insights from small, medium, and large-scale merchants. The primary data was collected through a structured questionnaire designed to assess awareness levels, sources of information, procedural understanding, and filing practices.

For data analysis, **simple percentage analysis** was used to understand the demographic and awareness distribution. Further, **ANOVA and t-tests** were employed to examine the significant differences in awareness levels across various socio-economic and business-related variables. The findings highlight key factors influencing merchants' awareness, including area of residence, educational background, monthly income, experience, mode of filing of GST returns, types of customers, Nature of GST registration, supply of goods and Age of Business etc. This research aims to support policymakers and GST authorities in identifying gaps and planning targeted awareness and training programs for traders.

## Statement of the Problem

The growth of the Indian economy is significantly influenced by the GST. The introduction of new tax systems simplified the process of filing returns. Anil Kumar's 2017 paper, "Goods and Sales Tax (GST): Concept and Implication in India," explains the new concept and its implications in India. It also describes the advantages, features, and pitfalls of GST implementation.

A GST return includes all the information about sales, purchases, sales tax (output tax), and purchases tax (input tax). Depending on the type of business, registered businesses must file their GST returns quarterly, monthly, or annually. There are a total of 22 different GST forms to choose from. The number and types of GST Returns vary depending on the type of Taxpayer registered (Business or Profession). Regular taxpayers, composition taxable individuals, E-Commerce operators, TDS Deductors, Non-resident tax payers, Input Service Distributors, Casual Taxable Persons, and so on are examples of these types.

The aim of the study is to find out what factors will have an impact on the level of awareness of various procedures related to the submission of returns in the GST portal by traders.

## Objectives

The objectives of the study are listed below:

1. To know the Socio-economic profile of the respondents.
2. To determine the factors influencing merchants' awareness of various procedures for filing returns on the GST portal.

## METHODOLOGY

This study structured the existing research structure with data sources, sampling strategy, and framework analysis in Coimbatore District small and medium merchants.

### Data Resources

For this investigation, the researcher collected data from both primary and secondary sources. The research relies heavily on primary data. The primary data was through a structured questionnaire. to obtain traders' opinions on their degree of GST awareness. The secondary data was gathered from the GST Portal of the government, as well as research publications, bulletins, and tax-related websites.

### Sample Design

To collect information regarding GST, research was undertaken with 275 traders in the Coimbatore district. In Tamil Nadu, Coimbatore is a major commercial centre. By using a suitable sample technique, the questionnaire was given randomly to 275 traders in the Coimbatore region of Tamilnadu, who were asked to express their views on the GST.

## REVIEW OF LITERATURE

**Mohamad Ali Roshidi Ahmad (2016)** their study's primary goal is to examine taxpayers' levels of awareness, perceptions, and acceptability of the GST implementation. The data show that the awareness on GST among the Public has not yet reached a suitable level. This is due to the general questions that the respondents as end users should be familiar with. As a result, respondents' perceptions of the impact of GST introduction were overwhelmingly negative.

**Barhate (2017)** the study's goal is to understand traders' concerns about GST and to learn about their attitudes on the current tax system. The data analysis was done using a 5-point Likert Scale, ANOVA, Factor Analysis, and Correlation Analysis. The results revealed that, majority believe that GST will benefit their organisation financially and that tax compliance expenses will not increase much. They also believe that after the GST is

adopted, spending on tax compliance will decrease. Overall, traders are reported to favour the establishment and implementation of GST; however, it would be prudent to pay attention to the concerns highlighted by these businesses.

**Muthupandi and Jospheh Xavier (2017)** their study aims to determine the students' level of knowledge and awareness of GST issues and implementation. The results of their study revealed that majority of the students were aware of the initiative taken by government regarding establishing GST. The overall findings reveal that they only have a medium degree of awareness on the subject. This is due to the fact that the majority of respondents chose to answer doubtful when posed a question on the GST issue.

**Aakanksha Uppal et al. (2019)** The study's main goals are to raise awareness and assess businessmen's competency as well as the governance level in supporting SBPs in becoming familiar with GST. This study has a 300-person sample size. Factor Analysis and Regression methods were used to analyse and apply the data. According to the survey, the government should endeavour to educate the public about GST. Furthermore, the government should take steps to interact with small company owners via various online and offline venues, as well as have an open discussion about GST.

**Rhea Sharma (2020)** is a woman who is passionate about her work. In their study named "Awareness and Perception of GST among Small Traders, Retailers, and Shopkeepers" The study's goal is to examine small traders', retailers', and shopkeepers' understanding and perceptions of GST. The data is analysed using tools like factor analysis and rotating component matrix. The study discovered that small retailers, traders, and shopkeepers' awareness and perceptions of GST were based on two main sources of information: primary and secondary sources, with the primary source being newspapers, television, and online portals, and the secondary source being Chartered Accountant (CA) and family or friends. These two sources are the sole ones that account for the transmission of awareness and current knowledge among the subjects or target group.

### **Determinants of Level of Awareness on Goods and Services Tax (Anova and T-Test)**

In order to identify the most prominent variables associated with level of awareness on GST by traders, ANOVA and T-Test was applied for the research. Both socio-economic variables and category of business are taking into consideration.

#### **Area of Residence and Level of Awareness**

To find out the variation in the mean values of awareness scores among three groups of traders classified based on area of residence, the following hypothesis is framed and tested.

**H<sub>0</sub>:** Mean awareness does not differ among traders classified on the basis of area of residence

Table -1 Area of Residence and Level of Awareness

Area of Residence	N	Mean	Std. Dev.	Result
Urban	163	15.1104	8.59659	<b>ANOVA =0.333</b> P=0.717
Rural	82	14.9146	8.10457	
Semi-Urban	30	16.3333	7.61728	
Total	275	15.1855	8.33197	Not-Significant

The ANOVA value ( $F=0.333$ ;  $p>0.05$ ) reveals that, there is no significant variation in awareness in GST based on area of residence. The mean value depicts that, those who reside in urban areas had high awareness compared to rural and semi urban. Hence, it is failed to reject the null hypothesis.

#### **Educational Qualification and Level of Awareness**

To find out the variation in the mean values of awareness among four groups of traders classified based on educational qualification, the following hypothesis is framed and tested

**H<sub>0</sub>:** Awareness level of traders does not significantly differ based on educational qualification

Table- 2 Educational Qualification and Level of Awareness

Educational Qualification	N	Mean	Std. Dev.	Result
Upto Higher Secondary	83	14.9929	7.98007	<b>ANOVA =1.145</b>
				P=0.331
UG	140	16.3976	8.40563	
				P>0.05
PG	39	13.9744	8.30817	
				Not- Significant
Others	13	13.1538	9.65096	
Total	275	15.1855	8.33197	

The ANOVA value ( $F=1.145$ ;  $p>0.05$ ) reveals that, there is no significant variation in awareness in GST based on educational qualification. The mean value found that, those who pursued undergraduate had high awareness compared to higher secondary, post graduate and diploma. Hence, it is failed to reject the null hypothesis.

### Monthly Income and Level of Awareness

To find out the variation in the mean values of awareness among four groups of traders classified based on monthly income, the following hypothesis is framed and tested.

**H<sub>0</sub>:** Awareness level of traders does not significantly differ based on monthly income

Table - 3 Monthly Income and Level of Awareness

Monthly Income	N	Mean	Std. Dev.	Result
Up to Rs.1,00,000	39	12.9911	8.64044	<b>ANOVA =6.417</b>
				P=.000
Rs.1,00,000 - Rs. 3,00,000	112	18.9744	7.76397	
				P<0.05
Rs.3,00,000 - Rs. 5,00,000	84	15.4048	8.42703	
Above Rs. 5,00,000	40	17.1750	7.74228	Significant
Total	275	15.1855	8.33197	

The ANOVA value ( $F=6.417$ ;  $p>0.05$ ) reveals that, there is significant variation in awareness in GST based on monthly income. The mean value found that, those who have monthly income between Rs 1,00,000 and Rs 3,00,000 had high awareness compared to those who have monthly income above Rs 3,00,000. Hence, the null hypothesis is rejected.

### Age of Business and Level of Awareness

To find out the variation in the mean values of awareness among four groups of traders classified based on age of business, the following hypothesis is framed and tested.

**H<sub>0</sub>:** Awareness level of traders does not significantly differ based on age of business

Table-4 Age of Business and Level of Awareness

Age of Business	N	Mean	Std. Dev.	Result
Below 5	55	13.1964	8.60096	<b>ANOVA =4.438</b>
				P=0.005
5 – 10	112	17.6364	7.32617	
				P<0.05

10 – 15	82	16.3659	9.14696	
				Significant
Above 15	26	14.8462	7.48701	
Total	275	15.1855	8.33197	

The ANOVA value ( $F=4.438$ ;  $p<0.05$ ) reveals that, there is significant variation in awareness in GST based on age of business. The mean value found that, who run the business are between five to ten years had high awareness compared to those who runs the business above ten years. Hence, the null hypothesis is rejected.

### Supply of Goods and Level of Awareness

To find out the variation in the mean values of awareness among three groups of traders classified based on supply of goods, the following hypothesis is framed and tested.

**H<sub>0</sub>:** Awareness level of traders does not significantly differ based on supply of goods

Table - 5 Supply of Goods and Level of Awareness

Supply of Goods	N	Mean	Std. Dev.	Result
Intra state	207	15.0531	8.43433	ANOVA =0.107 P=0.899
Inter State	54	15.5556	7.82272	
				P>0.05
Both	14	15.7143	9.23562	
Total	275	15.1855	8.33197	

The ANOVA value ( $F=0.107$ ;  $p>0.05$ ) reveals that, there is no significant variation in awareness in GST based on supply of goods. The mean value reveals that, those who supply the goods in interstate and intrastate had high awareness compared to those who deal in intra state. Hence, it is failed to reject the null hypothesis.

### Nature of GST Registration and Level of Awareness

To find out the variation in the mean values of awareness between two groups of traders classified based on nature of GST registration, the following hypothesis is framed and tested.

**H<sub>0</sub>:** Awareness Level of Traders Does Not Significantly Differ Based on Nature of GST Registration

Table -6 Nature of GST Registration and Level of Awareness

Nature of GST Registration	N	Mean	Std. Dev.	Result
Regular Scheme	220	16.1455	8.29517	T-Test =0.252 P=.616
Compounding Scheme	55	14.9455	8.48619	
				P>0.05
				Not-Significant

The T-Test value ( $F=0.252$ ;  $p>0.05$ ) reveals that, there is no significant variation in awareness in GST based on area of nature of GST registration. The mean value depicts that, those who have regular scheme of GST registration had high awareness compared to those who have Compounding schemes. Hence, it is failed to reject the null hypothesis.

### Types of Customers and Level of Awareness

To find out the variation in the mean values of awareness among three groups of traders classified based on types of customers, the following hypothesis is framed and tested.

**H<sub>0</sub>:** Awareness level of traders does not significantly differ based on types of customers,

Table – 7 Types of Customers and Level of Awareness

Types of Customer	N	Mean	Std. Dev.	Result
Business to Business	193	13.2591	7.75505	ANOVA =20.142
				P=0.000
Business to Consumer	67	19.3433	8.27474	
				P<0.05
Both	15	21.4000	5.98570	
				Significant
Total	275	15.1855	8.33197	

The ANOVA value ( $F=20.142$ ;  $p<0.05$ ) reveals that, there is significant variation in awareness in GST based on type of customer. The mean value portrays that, those who deals with both type of customer had high awareness compared to those who deal with separately business to business or business to consumer. Hence, the null hypothesis is rejected.

### Mode of Filing GST Return and Level of Awareness

To find out the variation in the mean values of awareness between two groups of traders classified based on Mode of Filing GST Return, the following hypothesis is framed and tested

**H<sub>0</sub>:** Awareness level of traders does not significantly differ based on Mode of Filing GST Return

Table -8 Mode of Filing GST Return and Level of Awareness

Mode of Filing GST Return	N	Mean	Std. Dev.	Result
Monthly	220	16.1455	8.29517	T-Test =0.252
				P=0.616
Quarterly	55	14.9455	8.48619	P>0.05
				Not-Significant

The ANOVA value ( $F=0.252$ ;  $p>0.05$ ) reveals that, there is no significant variation in awareness in GST based on Mode of Filing GST Return. The mean value depicts that, those who file GST return monthly had high awareness compared to those who file Quarterly. Hence, it is failed to reject the null hypothesis.

### Awareness Level on GST –An Overview

The attempt has been made to ascertain the level of awareness on overall GST is classified based on mean and standard deviation. Accordingly, the traders with average range from zero to seven have a low level of awareness. The moderate level of awareness ranges between eight to twenty-three and the high level of awareness range is between twenty-four to fifty-six.

The following table shows the classification of respondent on the basic of their awareness level on overall GST.

Table - 9 Awareness Level on Overall GST

Awareness Level on Overall GST	Frequency	Percent
High	52	18.9
Moderate	168	61.1
Low	55	20.0
<b>Total</b>	<b>275</b>	<b>100.0</b>

Out of 275 respondents 52 (18.9%) of the respondents are with high level of awareness and 168 (61.1%) of the respondents are with moderate level of awareness and 55 (20%) of respondent are with low level of awareness on overall GST. The above table reveals that the majority of the respondents are with moderate level of awareness.



Traders mostly concentrate only for development of their business and earning incomes. Whenever any amendments bring in GST, they would update them through Tax Practitioner or Chartered Accountant if need. Hence, Government or Tax officers should frequently conduct GST related meeting through trade association and update all the current information to the traders. It will be very helpful to the traders for enriching their knowledge in GST related information.

## CONCLUSION

From the above analysis, it is perceived that variables like monthly income, Age of business and type of customer are found to be a significant difference between the level of awareness of the traders on GST.

**Throughout the decades, the country has followed various types of taxes to be paid at various stages of business.** This makes it more multifaceted for honest taxpayers and gives dishonest taxpayers more scope to hit the system. To overcome the situation, the government has introduced GST to smoothen the tax process followed in the country. The study results reveal that out of 275 respondents, the majority of 168 (61.1%) of the respondents have a moderate level of awareness of overall GST concepts and usage of various GST forms.

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