CHAPTER – I

INTRODUCTION

Taxation plays an important role in the economic development of a country. It is one of the major sources of revenue for the government and helps in financing public welfare programmes, infrastructure development, industrial growth, and administrative activities. In India, several reforms have been introduced in the taxation system to improve transparency, efficiency, and uniformity. Among these reforms, the implementation of Goods and Services Tax (GST) is considered one of the most significant tax reforms introduced in the Indian economy.

GST was introduced with the objective of creating a unified indirect tax system by replacing various indirect taxes such as Value Added Tax (VAT), excise duty, service tax, entry tax, and other state-level taxes. The main aim of GST is to reduce the cascading effect of taxes, simplify the taxation structure, improve tax compliance, and create a common national market. The introduction of GST has brought major changes in the way businesses maintain records, issue invoices, file returns, and manage taxation procedures through digital platforms.

Hypermarkets are large-scale retail establishments that provide a wide range of products such as groceries, household items, textiles, electronics, stationery products, and consumer goods under one roof. Hypermarkets play an important role in the retail sector by offering convenience to customers, generating employment opportunities, and contributing to economic growth. In Kollam District, hypermarkets have become increasingly popular due to changing consumer preferences, urbanization, and the growth of organized retail business.

The implementation of GST has created both opportunities and challenges for hypermarkets. On the positive side, GST has helped in creating a uniform tax structure, improving transparency in billing and taxation, reducing multiple tax burdens, and encouraging systematic record maintenance. Digital taxation and online filing systems have also improved business formalization and tax administration. At the same time, hypermarkets face several challenges such as frequent changes in GST regulations, technical issues in online filing, compliance burden, increased operational cost, and the need for skilled accounting and taxation support.

The present study titled "A Study on GST Reforms and Challenges Faced by Hypermarkets with Special Reference to Kollam District" focuses on understanding the impact of GST reforms on hypermarket operations and the challenges faced by them in GST compliance. The study attempts to analyze the awareness level regarding GST procedures, difficulties in online filing and tax compliance, the effect of GST on operational efficiency and profitability, and the overall opinion of hypermarkets regarding the present GST system.

OBJECTIVES OF THE STUDY

1. To study the awareness of GST reforms among supermarket owners.
2. To analyse the impact of GST reforms on the operations and accounting practices of supermarkets.
3. To examine the effect of GST on sales, profit, pricing, and customer demand in supermarkets.
4. To identify the challenges faced by supermarket owners in GST compliance and filing procedures.

SCOPE OF THE STUDY

The scope of the study is limited to hypermarkets in Kollam District and focuses on the impact of GST reforms on their business operations. The study covers the awareness level regarding GST rules and procedures, challenges faced in GST compliance and online filing, and the effect of GST on operational cost and profitability. It also helps to understand the difficulties faced by hypermarkets in adapting to digital taxation procedures and maintaining proper tax records.

LIMITATIONS OF THE STUDY

- The study is limited to hypermarkets in Kollam District only.
- The sample size is limited to 50 respondents, so the findings may not represent all hypermarkets.
- The study is based on the opinions and responses given by the respondents, so there may be personal bias.
- Some respondents may not have complete knowledge about GST rules and procedures.
- The study is conducted within a limited time period, so detailed analysis may not be possible.

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