

## IMPACT OF GST ON TEXTILE MANUFACTURER'S JOB WORKERS IN ERODE DISTRICT, TAMIL NADU

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**Abstract:** MSMEs stimulate a crucial role in the nation's economic progress. Hence the adaptation of GST has reflected a very merger outcome of the present market. The textile cluster of Tamil Nadu comprising Coimbatore, Erode, Tirupur, Salem, Namakkal, and Karur are upset over the goods and services tax (GST) rates it imposed on textile manufacturers to pay GST at 18% job workers will have to pay 5%. Job workers produce goods on behalf of leading manufacturers using raw materials supplied by them.

GST reveals the easier the tax structure and uniformity of the market thus developed among all driven on textile manufacturer's job worker, in this context.

Due to the liberalization GST in impact, the unorganized textile manufacturer's job worker unit was moderately growing than the existing ones.

Formulates the taxation systems, thus making the enterprise responsible for tax payments. The study examines the issues and challenges that Textile manufacturing job workers encounter. Entrepreneurs, to fish out the impact on various parameters, namely emulating of GST, made the enrollment for taxation and bearing burden follow cluster random sampling technique. Hence the present researcher, 175 manufacturing job worker entrepreneurs, were to be selected in Erode District for this study. One-way the researcher used ANOVA by the researcher to point out the significance of the difference in the level of effect of GST among the Manufacture's job worker units. It summarized that the impact of GST on the Indian MSME sector could be gone both positive and negative.

**Keywords:** level of impacts, GST, MSME, Job workers

### INTRODUCTION

The taxpayer must be an individual or legal entity. Tax compliance refers to policy action and individual behavior representing the taxpayer paying an amount of tax at the stipulated time in the period of taxation in Ancient Egypt. Taxes are divided by direct and indirect. In the year 2017, introduced by govt of India scrapped, VAT service tax and excise duty, and the entire value of goods was charged under one system.

It is imposed on various items. Soap is 18 percent, and 28 percent on washing detergents. It keeps movie tickets on the slab's rate of 18 percent and 28 percent for commercial vehicles. Five percent for readymade clothes, However, some industrial product is to be exempted by the government and remain under a long-time untaxed GST, dairy products, products of mailing industries, fresh vegetable and fruits, meat product, and also groceries. The GST tax

rate is more than the textile industry's current tax rate. With the introduction of GST, the textile sector gets the following benefits: a break in the inputs chain, a reduction in manufacturing cost, and a decrease in manufacturing cost; implementing GST in the textile industry got a few drawbacks. Due to the higher rate and removal of benefits under the cotton value chain, it is helping the taxpayer get the well-regulated system, encourages competition in markets, and creates a pavement for sustainable long-term growth in the research area.

### PURPOSE OF THE STUDY

To examine the impact of GST on Textile manufacturing job workers in the district.

### REVIEW OF LITERATURE

Lourdunathan & Xavier (2017), In their study, reveal that implementing GST determines benefits amongst producers and consumers.

Dr.V.R.Nedunchezian et al. (2018) indicate the challenges MSMEs face in implementing issues. The research aims to respond and focus on the positive and negative in the balanced condition. It deals with problems.

Vidit Mohan & Salman Ali (2018) examined the consequences and remaining GST norms for the MSMEs and tax observance, which disclosed the problems of GST creation.

Dr.Ankita and others (2018) have studied the issues of MSMEs, feedback on GST, and business people handle their businesses after GST implementation.

#### Design

The present research study examined in Erode district. The Researcher randomly selected entrepreneurs and used a structured interview schedule; meanwhile, the current Researcher has collected from 175 entrepreneurs. The Researcher used multiple regression analysis to the effect of GST on the entrepreneurs, either positive or negative.

### The outcome of the study

Table – no 1

		Frequency	%
Age in years	Below 30	45	25.0
	31 - 40	63	36.0
	41 - 50	36	20.6
	Above 50	31	17.7
	Up to SLLC	24	13.7
Educational Qualifications	Graduate	42	24.0
	Engineering	72	41.2
	Others	37	21.1

Textile category	Manufacture	50	28.6
	Job workers	25	14.3
	Both	100	57.1
	Total	175	100.00

Source: Primary

1. The majority (36 %) of respondents belong to those aged 31 – 40 under experienced entrepreneurs.
2. Most respondents (41.2 %) come under Illiterate from their qualifications.
3. The majority (57. %) of the respondents come under the category of manufacturing and job workers

### Multiple Regression Analysis

Model Reliability and Significance: The regression could manipulate with endogenous and exogenous variables. Multiple Regression Model

$$DV = a + b_1(V_1) + b_2(V_2)$$

Impact of GST = Constant +  $b_1$ (Positive Impact) +  $b_2$ (Negative Impact)

The multiple regression model was developed and discovered to be reliable and significant (P value  $0.000 < 0.05$ ) at a 5 percent level of significance

**Table: 2**

ANOVA

Model	Sum of squares	df	Mean square	f	Sig.
Regression	15810.059	2	7905.030	2.983E4	.000a
Residual	45.575	172	265		
total	15855634	174			
a. Predictors: (constant) REGR factor score 2 for analysis 2, REGR factor I for analysis 2					
b. Endogenous variable: impact GST					

Model Fitness: The regression model manipulates fit because the R Square (0.997) is closer to 1, and the model may be generalized because the Adjusted R Square (0.997) is more comparable to R Square

**Table NO. 3**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate

1	.999 <sup>a</sup>	.997	.997	.51475
a. Predictors: (Constant), Positive impact, Negative Impact				

**Table no: 4**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	41.046	.039		1.055E3	.000
	Positive impact	7.311	.039	.766	187.346	.000
	Negative impact	6.117	.039	.641	156.743	.000

a. Endogenous Variable: Impact of GST Multiple Regression Model

Impact of GST:  $\text{Constant} + b_1(\text{Positive Impact}) + b_2(\text{Negative Impact})$  Impact of GST:  $41.046 + 7.311(P) + 6.117(N)$  Were

DV=Impact of GST in Automobile Ancillary Units IV= P: Positive Impact N: Negative

## CONCLUSION

The above findings explain that textile manufacture's job works entrepreneurs agreed that the impact of GST influences a positive effect. It concluded that a significant relationship exists between the endogenous variable "GST impact on textile sectors" and extraneous variables "Positive and Negative impact factors."

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