

A Study on Level of Satisfaction Towards Goods and Services Tax (GST) among Small and Medium Traders in Around Pollachi Taluk

Dr. M. Deepa

Assistant Professor, Department of Commerce CA, NGM College, Pollachi – 642 001

Abstract: *The Goods and Services Tax (GST) is one of the major indirect tax reforms introduced in India to create a unified taxation system and simplify the tax structure. The implementation of GST has significantly affected small and medium traders across the country. This study aims to analyze the impact of GST among small and medium traders in and around Pollachi Taluk. The study focuses on understanding the level of awareness, compliance difficulties, operational challenges, and business performance after the implementation of GST. Primary data for the study were collected from 250 respondents through a structured questionnaire. Secondary data were gathered from journals, books, government reports, websites, and research articles. The study reveals that GST has brought positive changes such as improved transparency, simplified taxation, and better interstate trade opportunities. At the same time, traders face challenges including complex filing procedures, increased compliance costs, technical issues in online filing, and delays in input tax credit settlements. The findings indicate that while GST has contributed to the formalization and modernization of businesses, many small and medium traders still require support in terms of digital literacy and tax compliance. The study suggests that the government should simplify GST procedures, provide regular awareness and training programs, and improve technical support systems for traders. Overall, GST has both positive and negative impacts on traders in Pollachi Taluk, and effective policy measures are essential to maximize its benefits for small and medium enterprises.*

Keywords: Goods and Services Tax (GST), Small and Medium Traders, Tax Transparency, GST Returns and Tax Administration

1. Introduction

The Goods and Services Tax (GST) was introduced in India on 1 July 2017 as a comprehensive indirect tax reform to replace multiple central and state taxes. GST aimed to create a unified tax structure, simplify taxation, increase transparency, and improve economic efficiency. Small and Medium Traders play a vital role in the Indian economy by contributing significantly to employment generation, regional development, and trade activities. However, the implementation of GST has brought both opportunities and challenges for these traders. In Pollachi Taluk, which is known for agricultural trading, coconut business, textiles, retail shops, and small-scale enterprises, GST has significantly influenced trading practices, accounting systems, taxation procedures, and business profitability. Many traders have experienced difficulties in adapting to digital filing systems, maintaining tax compliance, and managing working capital. At the same time, GST has helped improve transparency and reduced the cascading effect of taxes. This study focuses on understanding the impact of GST on small and medium traders in and around Pollachi Taluk.

2. Statement of the Problem

Hence it is of considerable interest to know:

- What is the impact of GST among Small and Medium Traders?
- What are the benefits enjoyed by the Small and Medium Traders? and
- How far they are satisfied with the GST?

3. Objectives of the Study

A systematic study of the extent of using Goods and services Tax used by small and medium traders and their satisfaction are to be studied to find answers to the questions raised. The present study is conducted with the following specific objectives:

- To analyse the impact of GST among Small and Medium Traders.
- To identify the various benefits enjoyed by the Small and Medium Traders.
- To study the level of satisfaction among SME while using the GST.

4. Hypotheses of the Study

In tune with the objectives the following hypotheses are framed:

- There is no association between demographic factors and benefits of GST.
- Small and medium traders satisfaction is not associated with demographic factors.

5. Methodology

Approach to the study, methods employed to collect the data, sampling method adopted for collection of data and the framework for analysis of data are discussed.

5.1 Data

For the purpose of the study both primary and secondary data are utilized. Primary data have been collected from GST taxpayers by distributing questionnaires to them.

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Secondary data have been collected from journals, magazines, newspaper, books and websites.

5.2 Sampling Method

Convenient sampling method has been adopted for collecting primary data.

5.3 Sample Size

Of the 250 questionnaires distributed to small and medium traders, 246 were found complete in all respect and they are considered for the study.

5.4 Statistical Tools

SPSS 13,0 for windows package was used to analyse the data.

The various statistical tools employed to analyze the data are simple percentage, Chi-square test and Friedman rank test.

Chi-square test is an important non-parametric test and it is used as a test of association between demographic factors and awareness towards GST.

6. Scope of the Study

The study covers small and medium traders operating in and around Pollachi Taluk, including retail shops, wholesalers, textile traders, grocery merchants, hardware dealers, and agricultural product traders. The study mainly concentrates on GST awareness, compliance, operational challenges, and business performance after GST implementation.

7. Limitations of the Study

The data being primary nature, limitations applicable to primary data are equally applicable to present study. The sample is limited to MSME using GST. The study is confined to pollachi and hence utmost care should be taken before generalizing the results.

8. Conceptual Framework

i) Goods and Services Tax

Goods and Services Tax (GST) replaced indirect tax and all the indirect tax systems are coming under one tax system and it is treated that one nation one tax.

ii) MSME

Micro small and medium Enterprises (MSME) primarily engaged in the production, manufacturing, processing or preservation of goods and commodities and it is an important sector for the India economy and also has contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works had-in-hand towards the development of the nation's backward and rural areas.

9. Summary of Findings

The findings of study are divided into four sections namely, social economic profile awareness towards GST preference towards GST benefits of goods and services satisfaction on impact of GST among small scale medium traders.

Social Economic Profile

- Majority 56(56%) of the respondents are male
- Majority (40%) of the respondents are the age group of 40-50 years.
- Majority (45%) of the respondents' family income is above Rs.1,00,000.
- Majority (48%) of the respondents are residing in the urban area.
- Majority 61% of the respondents are living in nuclear family.

10. Suggestions of the Study

Based on the small-scale medium concern suggestions and data analyzed in this study as follows;

- The impact of GST has highly effect on the small-scale industries
- It is suggested that give prior intimation about the late fee collection.
- The tax payers suggested that the provisions for collection of late fees need to be relaxed.
- GST statement return on filing of frequency should be reduced to Single Return Per Quarter.
- Also suggested that the tax payers are login status will automatically logout.
- To create more awareness about RCM.

11. Conclusion

Introduction to the GST the most crucial form in Indian taxation system it simplified tax structure in India consumer good segment delivery cost is reduced and tax rates are changed in the implementation of the GST where the companies whom tax is increased has to increase the price of the goods. GST has simplified tax compliance system and have a positive influence at overall industry by creating single unified market. For small scale medium traders and startups, GST has benefited by increasing threshold limit, decreasing cost of logistics and tax payment simplification.

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