

# A Study on Perception of Goods and Services Tax on Facilitate Management Companies

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## ABSTRACT

India's implementation of the Goods and Services Tax (GST) was aimed at maximizing the system of indirect taxation for more administrative control and economic efficacy. The thrust of this GST research lies in understanding, deployment and satisfaction of facility management companies as employees serving providers in the SST ecosystem. The research evaluates their understanding of the laws, efficacy of their deployment methods, and satisfaction level. As became apparent through surveys and interviews, although most viewed GST as a move towards simplification and more transparency, continuous policy changes, technical issues, and higher compliance costs created important gaps. The study's result shows that there is a greater requirement for post-implementation training, more active government support, and better technological solutions.

Besides, cooperation between the tax authorities and the employees must be enhanced to safeguard employees from undue compliance burdens. Several report to the reengineered processes that the GST has raised overall operating productivity; nonetheless, the systems must be updated constantly. Such studies further observe that big companies acclimatize easily to the changes, whereas small companies face financial and technical impediments. Generally this study

**Keywords:** Goods and Service Tax (GST), indirect taxation, Economic efficiency

## 1. INTRODUCTION

Goods and services tax is one single tax levied on supply of goods and services right from the producer to the consumer and it is manifold indirect in nature. GST was enforced to simplify the sophisticated tax framework used in several countries by amalgamating various taxes such as excise duty, VAT, and service tax into one singular tax. Creation of a common national market without cascading effect of taxation is the primary aim of GST alongside ease of doing business, compliance, and promoting taxation. Central GST (CGST), State GST (SGST), and Integrated GST (IGST) are the three levels of GST tax. CGST and SGST are applicable to intra-state transactions while inter-state transactions attract IGST which credits back freely between states. The implementation of Goods and Services Tax has created many economically positive changes like increased revenue through taxation, higher levels of visibility, and a more streamlined tax administration. Adopting GST signifies a change in tax policy which aims towards economic growth and development due to shifts in economic strategy globally.

## Components of GST

### 1. Central Goods and Services Tax (CGST):

- Levied by the Central Government on intra-state (within the same state) transactions.
- The revenue from CGST goes to the central government.

### 2. State Goods and Services Tax (SGST):

- Levied by the State Government on intra-state transactions.
- The revenue from SGST is shared between the central and state governments.

### 3. Integrated Goods and Services Tax (IGST):

- Levied on inter-state transactions (transactions between different states) and imports.
- The revenue from IGST is shared between the central and the destination state governments.

### 4. Compensation Cess (Optional):

- In some cases, a **cess** is levied on specific goods (like luxury items, tobacco, etc.) to compensate for the loss of revenue to states after GST implementation

## 2. OBJECTIVES OF THE STUDY

1. To assess how GST affect the Financial operations of companies in the view of Finance employees
2. To Evaluate GST related challenges and benefits on perception of employees
3. To explore the insight of finance employees on compliance, paperwork, and procedures to GST Notice and Order from GST department
4. To explore suggestions for better claim of ITC on employees sense

## 3. SCOPE OF THE STUDY

This research is focused on investigating the perception of Goods and Services Tax (GST) among facility management companies in India. It examines the effect of GST on business management from tax accounting, taxation of services, business procurement, and input tax credit claiming processes. The study aims to collect opinions from industry professionals holding the role of finance, operations management, and compliance management. Both large and mid-sized facility management firms are chosen to guarantee proper representation based on various scales of business. The research also examines whether GST has made taxation easier or created complexities for such businesses. It involves examination of financial and operational information for periods before and after the introduction of GST to gauge impacts comprehensively. There is further emphasis on urban and peri-urban regions where facility services demand is greatest. The data collected is expected to help industry players strategically position their operations within the GST regime while allowing regulatory agencies to understand the requirements imposed by the industry. This study is exploratory and meant to prompt other researchers working on the subject to further study and policy analysis.

## 4. REVIEW OF LITERATURE

### A study on auditor's perception towards goods and services tax in Madurai city- Maheswari P, Vellaichamy, Dinesh R, Raja Lakshmi J (2020)

GST is a new tax regime came into effect on July 1, 2017. It is a Major tax reform, imposed on all goods and services produced in India as well as those imported from other countries moreover GST enhance output and production efficiency of the Indian economy. Hence, GST is a hallmark to our nation when it is properly followed by all stakeholders in India with this background in the study this research paper

seeks to find out the auditor's perceptions towards Goods and Service Tax based in the economic variables like compliance in different slab rate system filing procedures, E-Way bill mechanism and input credit system. A quantitative analysis was carried out to identify the key issues and level of satisfaction.

### **An analysis of GST barriers faced by business owners in India: an ISM approach-Shacheendran V (2024)**

The goods and services tax (GST) is a key reform introduced in the indirect tax system of India. This strategic reform aims to improve the revenue performance of the Indian economy through enhanced tax compliance. However, several roadblocks are standing against the effective implementation of GST in India. Thus, the present study aims to identify the prominent barriers faced by business owners while complying with the rules and regulations stated under the GST law. The study employs an interpretive structural modelling approach with the MICMAC technique to examine the association among the GST-related barriers. The smooth and successful GST implementation requires a better taxpayer attitude and tax acceptance, which is essential for voluntary tax compliance. However, the rise in non-compliance indicates that the GST reform has not met the expectations of the tax-paying community. The study's outcome shows that the lack of skilled manpower and lack of IT

## **5. RESEARCH METHODOLOGY**

### **RESEARCH DESIGN**

Research design is the framework of research methods and techniques chosen by a researcher to conduct a study. The type of research design used is Descriptive Research design

### **DATA COLLECTION**

Data collection is the process of collecting and analysing information on relevant variables in a predetermined, methodical way so that one can respond to specific research questions, test hypotheses, and assess results. In this study, the data are collected through Primary data through Surveys (Close ended questions)

### **SAMPLING METHOD**

Sampling is a technique of selecting individual members or a subset of the population to make statistical inferences from them and estimate the characteristics of the whole population. The sampling method used in this study is Probability Sampling.

### **SAMPLING TECHNIQUE**

The sampling technique used in this study is Simple Random Sampling

### **SAMPLE SIZE DETERMINATION**

The sample size is defined as the number of observations used for determining the estimations of a given population. The sample size for this study is 100, which is derived from the total number of Finance employees i.e., population (N) of 120.

## **6. DATA ANALYSIS AND INTERPRETATION**

### **6.1 PERCENTAGE ANALYSIS**

**Table 1: Demographic profile of investors**

Categories	Sub Categories	No. of respondents	Percentage (%)
Age	18 - 24	22	22
	25 - 34	41	41

	35 - 44	20	20
	45 - 54	17	17
	55 - 60	0	0
<b>Gender</b>	Male	60	60
	Female	40	40
<b>Education Qualification</b>	UG	60	60
	PG	40	40
<b>TOTAL</b>		100	100

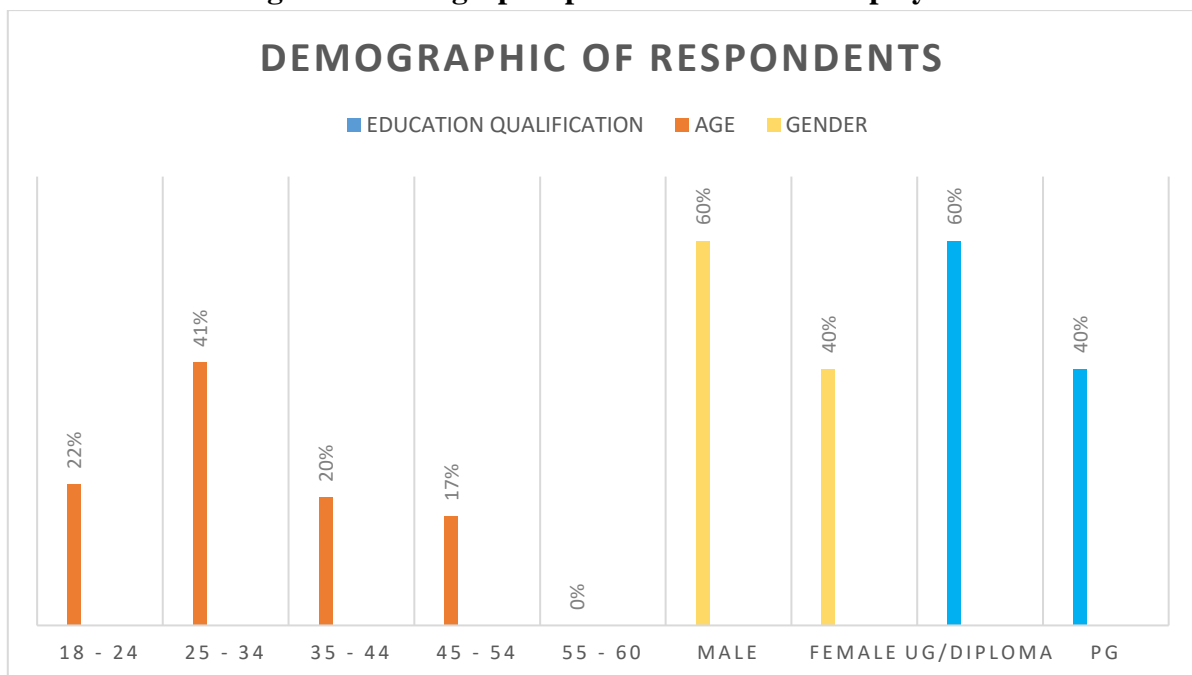
**6.1.1 FINDINGS**

From the age category it is found that 22% of respondents are comes under the age of 18 – 24 41% of respondents are comes under the age of 25 - 34, 20% of respondents are comes under the age of 35 – 44 and 17% of the respondents comes under the age of 45 - 54 and 0% respondents are comes under 55 – 60. From the gender category it is found that 60% of the respondents are male and 40% of respondents are female and from the educational qualification it is found that the 60% of respondents has completed UG, 40% of respondents has completed PG.

**6.1.2 INFERENCE:**

1. The majority of the respondents are the age are at the age of 25 – 34 (41%)
2. The majority of the respondents are Male (60%)
3. The majority of the respondents completed UG / DIPLOMA (60%)

**Figure 1: Demographic profile for Finance employees**



Source: Author generate

### 6.2 KRUSKAL WALLIS H TEST

Hypothesis:

H0: There is no significant difference between the mean ranks of the employee’s age with respect to the variables (GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures)

H1: There is a significant difference between the mean ranks of the employee’s age with respect to the variables. (GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures)

**Table 2: showing Kruskal Wallis**

	GST AFFECT THE FINANCIAL OPERATIONS OF COMPANIES IN THE VIEW OF FINANCE EMPLOYEES	GST RELATED CHALLENGES ON PERCEPTION OF EMPLOYEES	INSIGHT OF FINANCE EMPLOYEES ON GST NOTICES AND ORDERS	SUGGESTIONS FOR BETTER CLAIM OF ITC
Chi-Square	5.200	5.688	1.151	8.003
df	3	3	3	3
Asymp. Sig.	.158	.128	.765	.046
Kruskal Wallis Test				
Grouping Variable: AGE Source: Author generated				
<b>6.2.1 INTERPRETATION</b>				

Since p-values are greater than 0.05, we fail to reject the null hypothesis. There is no significant difference in GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures, Better ITC claim

### 6.3 MANN WHITNEY TEST

Hypothesis:

H0: There is no significant difference between the mean rank of male & female with respect to the variables. (GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures)

H1: There is a significant difference between the mean rank of male & female with respect to the variables. (GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures)

**Table 3: Mann Whitney test**

	GST AFFECT THE FINANCIAL OPERATIONS OF COMPANIES IN THE VIEW OF FINANCE EMPLOYEES	GST RELATED CHALLENGES ON PERCEPTION OF EMPLOYEES	INSIGHT OF FINANCE EMPLOYEES ON GST NOTICES AND ORDERS	SUGGESTIONS FOR BETTER CLAIM OF ITC
Mann-Whitney U	1043.000	987.500	940.500	1123.500
Wilcoxon W	3059.000	3003.500	1643.500	1826.500
Z	-.880	-1.278	-1.626	-.312
Asymp. Sig. (2-tailed)	.379	.201	.104	.755

a. Grouping Variable: GENDER  
Source: Author generated

### 6.3.1 INTERPRETATION

Since the p-value is greater than 0.05, we fail to reject the null hypothesis. There is no relationship between the gender and GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures

### 6.4 SPEARMAN RANK CORRELATION

Hypothesis:

H0: The variables are not correlated with each other. (GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures)

H1: The variables are correlated with each other. (GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures)

**Table 4: Spearman’s Rank correlation**

Correlations						
			GST AFFECT THE FINANCIAL OPERATIONS OF COMPANIES IN THE VIEW OF FINANCE EMPLOYEES	GST RELATED CHALLENGES ON PERCEPTION OF EMPLOYEES	INSIGHT OF FINANCE EMPLOYEES ON GST NOTICES AND ORDERS	SUGGESTIONS FOR BETTER CLAIM OF ITC
Spearman's rho	GST AFFECT THE FINANCIAL OPERATIONS OF COMPANIES IN THE VIEW OF FINANCE EMPLOYEES	Correlation Coefficient	1.000	.454**	-.085	-.175
		Sig. (2-tailed)		.000	.400	.082
		N	100	100	100	100
	GST RELATED CHALLENGES ON PERCEPTION OF EMPLOYEES	Correlation Coefficient	.454**	1.000	-.004	-.184
	Sig. (2-tailed)	.000		.971	.066	
	N	100	100	100	100	
	INSIGHT OF FINANCE EMPLOYEES ON GST NOTICES AND ORDERS	Correlation Coefficient	-.085	-.004	1.000	.175
	Sig. (2-tailed)	.400	.971		.081	
	N	100	100	100	100	
	SUGGESTIONS FOR BETTER CLAIM OF ITC	Correlation Coefficient	-.175	-.184	.175	1.000
	Sig. (2-tailed)	.082	.066	.081		
	N	100	100	100	100	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

SOURCE: Author generated

### 6.4.1 INTERPRETATION

Since the p-value is greater than 0.05, the correlation is not statistically significant. The correlation coefficient is less than the p-value, thus it has relationship between GST affect the financial performance, GST related challenges, Insight of finance employees on compliance paperwork and procedures

## 7. SUMMARY OF FINDINGS

1. The majority of the respondents are the age are at the age of 25 – 34 (41%)
2. The majority of the respondents are Male (60%)
3. The majority of the respondents completed UG / DIPLOMA (60%)
4. There is no significant difference in financial literacy, behavioural bias and satisfaction among different annual investment amount in ELSS tax saver funds.
5. There is no relationship between the gender and satisfaction level of investors.
6. There is a relationship between financial literacy and annual investment amount invested in ELSS tax saver fund.

### 1. SUGGESTIONS

- Since Utilization of ITC (Input Tax Credit) had the greatest impact on financial performance, facility management companies should invest in advanced automated GST software to ensure efficient and timely ITC claims, thereby improving cash flow and financial stability.
- Frequent internal GST audits are needed to ensure compliance and to quickly detect errors that could negatively affect profit margins and compliance costs.
- Employees felt compliance burden is high. Companies should adopt user-friendly compliance management tools and offer regular training to reduce stress and errors.
- Since delays in tax refunds were a major issue, companies should allocate a dedicated team to track refunds and follow-up with GST authorities.
- Employees highlighted that staff resource allocation is a major burden. Companies should appoint specialized GST compliance teams or outsource compliance to reduce workload on finance teams.
- Since vendors' timely filing affects ITC claims, companies must implement a vendor rating and compliance tracking system to ensure vendors file GSTR-1 properly and on time.

### 2. CONCLUSION

The study revealed that the introduction of GST has had a significant influence on the financial operations and compliance activities of facility management companies. Finance employees recognize that while GST has improved transparency and ITC utilization, it has also increased the compliance burden and operational workload, especially due to frequent government notices and the complexity of documentation processes. Overall, the findings suggest that while GST has brought about financial discipline and benefits in the facility management sector, continuous improvements in compliance processes, technological adoption, and employee upskilling are essential to fully leverage its advantages.

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