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IMPACT OF GST REFORMS ON SATHYAMANGALAM HILL TRIBES LARGE SIZED MULTIPURPOSE COOPERATIVE SOCIETY IN ERODE

[*1]G. Xavier Henry, [2]Dr. S. Maheshkannan

[1]Ph.D Research Scholar, Department of Cooperation, Sri Ramakrishna Mission Vidyalaya College of Arts and Science, Coimbatore-641020.

[2]Assistant Professor, Department of Cooperation, Sri Ramakrishna Mission Vidyalaya College of Arts and Science, Coimbatore-641020.

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***Corresponding Author: G. Xavier Henry**

Ph.D Research Scholar, Department of Cooperation, Sri Ramakrishna Mission Vidyalaya College of Arts and Science, Coimbatore-641020.

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ABSTRACT

The cooperative sector plays a vital role in rural development, providing agricultural inputs, credit, marketing and consumer services to members. The introduw221`ction of goods and services tax brought significant changes in taxation, pricing, input costs, compliance procedures and operational efficiency, which indirectly affected the functioning of cooperative societies in different ways. The impact of the goods and services tax GST on cooperative society's practices has not been discussed frequently since its implementation, as it brought a significant shift in the country's indirect practices, and overall growth of all sectors. Using a combination of secondary data sources such as society annual report, research articles, government reports and published studies, the paper examines the financial performance and challenges experienced in services by particular cooperatives societies in Erode.

The study finds that GST reforms have created both opportunities and challenges for cooperative societies. On one hand, the reforms have helped improve transparency, tax compliance and uniformity in taxation. On the other hand, they have increased administrative burden, affected procurement and distribution costs. The impact was found to vary depending on the scale of operations, nature of services and level of digital adoption of the societies. Based on the analysis, the study suggests that cooperative societies need stronger digital

systems, staff training and policy support to cope effectively with GST related changes and improve long term sustainability.

KEYWORDS: GST reforms, cooperative societies, Erode District, secondary data, taxation.

INTRODUCTION

The Goods and Services Tax (GST), implemented in India on 1st July 2017, represents a landmark shift from a fragmented indirect tax regime to a dual GST structure, Central GST (CGST) and State GST (SGST) with the stated aim of creating a unified national market, reducing tax cascading, and improving compliance through digitalization. In principle, GST is expected to strengthen supply-chain efficiency by enabling input tax credit (ITC) across stages of value addition, thereby lowering hidden tax costs and improving price competitiveness. However, the actual impact of GST is uneven across firms, MSME, cooperatives segment experiences this reform in a particularly high-stakes way because of its scale, resource constraints and operational informality. Cooperatives are autonomous institutions to facilitate financial support to agriculture farming, marketing, processing, and allied business activities. Cooperatives are owned by the members voluntarily and controlled by them with democratic management. The Ministry of Cooperation was established in 6th July 2021 by the government of India. At present 8 Lakhs registered cooperative societies divided into 29 major sectors concentrating the agricultural and financial lending with 29 Crores of membership.

REVIEW OF LITERATURE

A comprehensive review of literature on GST implementation reveals diverse sectoral impacts between 2018 and 2020. Kumar et al. (2018) established that GST positively affected GDP and employment while contributing to increased inflation. In 2019, sector-specific studies emerged showing positive effects on IT growth and competitiveness (Singh 2020), benefits in the automobile sector (Gupta 2019), enhanced growth in the pharmaceutical sector (Singh 2020), and increased performance in entertainment (Verma 2020). Manufacturing showed positive growth indicators (Jain 2019), e-commerce demonstrated favorable outcomes (Kumar 2018), while real estate experienced mixed results with reduced growth but increased competitiveness (Sharma et al.). Healthcare and banking sectors both showed positive impacts from GST implementation (Jain et al.; Kumar et al.).

By 2020, research expanded to additional sectors. FMCG experienced reduced growth but enhanced competitiveness (Sharma et al.), small-scale enterprises showed similar patterns

(Jain et al.), and retail displayed positive growth (Kumar et al.). The textile sector demonstrated reduced profitability but improved competitiveness (Sharma et al.). Both agriculture and education sectors benefited from GST (Gupta et al.), while logistics, service, tourism, and insurance sectors all exhibited growth following implementation (Singh et al.; Verma et al.).

OBJECTIVES OF THE STUDY

1. Analyze GST's impact on financial condition of the particular cooperative society.
2. Examine GST's effect on business profitability and competitiveness.
3. Identify key drivers and challenges of society growth.
4. Assess GST's impact on deposits, investment, and profit of the society.
5. Provide recommendations to optimize GST benefits and address challenges.

STATEMENT OF THE PROBLEM

The implementation of the Goods and Services Tax (GST) in India has had a significant impact on various sectors, especially in the Cooperative sector the changes and cases were directly and indirectly affected the members. While GST aimed to simplify the tax structure and increase efficiency, its effects on cooperative sectors have been diverse and multifaceted. This study seeks to investigate and analyze the impact of GST on the selected cooperative society, identifying areas of growth, challenges, and opportunities for improvement.

RESEARCH QUESTIONS

- How has the introduction of GST influenced the system of the cooperative society?
- What impact has GST had on economic efficiency in the particular society?
- How has GST affected the previous work culture in the society?
- What challenges have emerged after the implementation of GST?

RESEARCH METHODOLOGY

The study employs a descriptive and analytical research design, utilizing quantitative analysis of secondary data to examine the impact of GST across selected sectors.

SOURCES OF DATA

The study relies on secondary data collected from authorised and institutional sources. These include:

✓ Annual Reports of the particular society

- ✓ Government reports and policy documents
- ✓ Economic surveys of India
- ✓ Research articles and academic journals
- ✓ Books and scholarly publications.

These sources provide relevant information about the implementation and economic consequences of GST.

PERIOD OF STUDY

The study covers a five-year period from 2013-14 to 2022-23.

STATISTICAL ANALYSIS

- ❖ Growth Index
- ❖ Growth Rate
- ❖ Average
- ❖ Standard Deviation
- ❖ Coefficient of Variation

RESULTS AND DISCUSSION

Financial Efficacy of the Sathyamangalam LAMPS

1. Membership Position

S. No	Year	Members	GI	GR
1	2013-14	2134	100	-
2	2014-15	2134	100	0
3	2015-16	2134	100	0
4	2016-17	2134	100	0
5	2017-18	2134	100	0
6	2018-19	2134	100	0
7	2019-20	2169	102	1.64
8	2020-21	2167	102	-0.09
9	2021-22	2237	105	3.23
10	2022-23	3499	164	56.41
	AVG	**2288**	**107**	**6.119**
	SD	**427**	**20**	**18.64**
	CV	**18.7**	**18.7**	**304.6**

The membership position It is evidence from the above table shows that the membership position the selected LAMPS had increased from 2134 members in 2013-14 to 3499 members in 2022-23:on an average membership is about 2288 maintained by the society the average growth rate of the society is 6.1 during the study period. The growth percent of the

society is increased 64 by during the study period.

2. Share Capital Position

S. No	Year	M	GI	GR
1	2013-14	31.4	100	-
2	2014-15	44.2	141	41
3	2015-16	48.1	153	8.9
4	2016-17	57.3	183	19
5	2017-18	62.5	199	9.1
6	2018-19	57.7	184	-7.7
7	2019-20	60.5	193	4.9
8	2020-21	60.6	193	0.2
9	2021-22	72.8	232	20
10	2022-23	94.1	300	29
	AVG	**58.9**	**188**	**12**
	SD	**16.8**	**53.6**	**15**
	CV	**28.5**	**28.5**	**121**

The share capital of the society has increased from Rs. 31.4 lakhs in 2013-14 to Rs.94.1 lakhs in 2022-23:on an average increase of about 12 percent during the Study period. The growth percent show the enormous increase i.e, 200 percent the during the study Period. The gradual increase was noticed from the beginning: but in the last three years i.e., 2020-21 to 2022-23 showed the highest share capital position due to enrolment of new members in the society. The projection value calculated for the year Shane Capital is calculated for the year 2032-33. Hence the share capital performance in this respect is table good.

3. Reserve fund position

S. No	Year	M	GI	GR
1	2013-14	3.48	100	-
2	2014-15	3.48	100	0
3	2015-16	3.48	100	0
4	2016-17	3.48	100	0
5	2017-18	3.44	98.851	-1.15
6	2018-19	3.48	100	1.163
7	2019-20	3.48	100	0
8	2020-21	3.48	100	0
9	2021-22	3.48	100	0
10	2022-23	3.48	100	0
	AVG	**3.48**	**99.885**	**0.001**
	SD	**0.01**	**0.3635**	**0.578**
	CV	**0.36**	**0.3639**	**43251**

The reserve fund position of the selected Lamps has no change during the study period.

Hence, the society should take steps to reserve the funds to meet the enforce a losses of the society. It is only for the statutory reserve not included all other reserves respectively.

4. Deposits Position

S. No	Year	M	GI	GR
1	2013-14	29.6	100	-
2	2014-15	34.6	116.91	16.91
3	2015-16	22.9	77.511	-33.7
4	2016-17	34.5	116.81	50.7
5	2017-18	21	71.153	-39.1
6	2018-19	20	67.738	-4.8
7	2019-20	17.8	60.23	-11.1
8	2020-21	17	57.525	-4.49
9	2021-22	22.6	76.361	32.75
10	2022-23	25.8	87.149	14.13
	AVG	**24.6**	**83.138**	**2.132**
	SD	**6.4**	**21.638**	**29.38**
	CV	**26**	**26.026**	**1378**

The deposits position of the LAMPS has increased from Rs.83.138 lakhs in 2013-14 to Rs.427 lakhs in 2022-23, on average increase of about 2.132 percent during the study period. The growth percent of the society is only -13 percent increased during the period under Study; The SD value shows that the nearest deviation with the mean value i.e., 6.4 and CV value is showed the acceptable value i.e., 26. The highest deposit has received during the year 2021-22 is Rs. 76.361 lakhs respectively. The requiring Results is calculated for the your 2022-23.

5. Borrowings position

S. No	Year	M	GI	GR
1	2013-14	241	100	-
2	2014-15	290	120.48	20.48
3	2015-16	281	116.54	-3.27
4	2016-17	255	105.78	-9.23
5	2017-18	299	124.1	17.32
6	2018-19	266	110.37	-11.1
7	2019-20	116	48.202	-56.3
8	2020-21	117	48.492	0.602
9	2021-22	254	105.43	117.4
10	2022-23	427	177.04	67.91
	AVG	**255**	**105.64**	**14.38**
	SD	**89.5**	**37.114**	**50.27**
	CV	**35.1**	**35.131**	**349.4**

The Borrowings Position of the selected society has increased fromRs.241 lakhs in 2013-14 to Rs.427 lakhs in 2022-23: on average growth rate is 14.38 percent during the period under study. The growth index percent shows that the increasing trend i.e.,77 percent. The current yeari.e.,2022-23is recorded the highest borrowing of Rs.427 respectively. The SD Value shows the median deviation with mean value i.e., 89.5 and CV value 35.1. Hence the overall performance of the borrowings in this respect is satisfactory.

6. Working Capital Position

S. No	Year	M	GI	GR
1	2013-14	18.6	100	-
2	2014-15	15.1	81.186	-18.8
3	2015-16	16.4	88.41	8.898
4	2016-17	19.2	103.56	17.13
5	2017-18	20.7	111.59	7.756
6	2018-19	21.1	113.75	1.932
7	2019-20	23.2	125.01	9.905
8	2020-21	23.5	126.47	1.164
9	2021-22	26.2	141.35	11.76
10	2022-23	46.7	251.75	78.11
	AVG	**23.1**	**124.31**	**11.78**
	SD	**8.96**	**48.282**	**26.42**
	CV	**38.8**	**38.841**	**224.2**

The working capital position of the LAMPS Society has increased from Rs.18.6 lakhs in 2013-14 to Rs.46.7 lakhs in 2022-23; on an average increase of about 11.78 percent during the study period. The growth rate shows the fluctuating trend and also the show the negativity trend in the study period. The growth index of the society is increased about 151 percent during the study period. The highest working capital was recorded year 2022-23 is Rs.46.7. The SD Value shows the nearest mean deviation with the mean value shows i.e., 8.96 and the CV value is 38.8. The working capital performance respect is satisfactory.

7. Investment Position

S. No	Year	M	GI	GR
1	2013-14	18.6	100	-
2	2014-15	15.1	81.186	-18.8
3	2015-16	16.4	88.41	8.898
4	2016-17	19.2	103.56	17.13
5	2017-18	20.7	111.59	7.756
6	2018-19	21.1	113.75	1.932
7	2019-20	23.2	125.01	9.905
8	2020-21	23.5	126.47	1.164
9	2021-22	26.2	141.35	11.76
10	2022-23	46.7	251.75	78.11
	AVG	**23.1**	**124.31**	**11.78**
	SD	**8.96**	**48.282**	**26.42**
	CV	**38.8**	**38.841**	**224.2**

The investment position of the selected LAMPS had showed that increasing trend. During the study period i,e.,. 2013 14 to 2022-23 is about Rs. 18.6 lakhs and 46.7 lakhs. The growth rate showed the negative trend is the beginning of the year later it has increased. The average growth of the Investment is 11.78 percent. The overall increase of the society in the growth index is 203 percent. The SD Value nearest deviation with the mean value i,e., 8.96 and the CV value is 38.8. Hence the Investment performance is this respect is satisfactory.

8. Net profit Position

S. No	Year	M	GI	GR
1	2013-14	0.8	100	-
2	2014-15	-5.9	-740	-840
3	2015-16	-0.4	-45	-93.9
4	2016-17	-0.1	-17.5	-61.1
5	2017-18	-95	-11919	68007
6	2018-19	308	38468	-423
7	2019-20	331	41324	7.425
8	2020-21	-29	-3631	-109
9	2021-22	-7.9	-992.5	-72.7
10	2022-23	18.6	2330	-335
	AVG	**51.9**	**6487.6**	**6608**
	SD	**144**	**18039**	**22751**
	CV	**278**	**278.06**	**344.3**

The net profit position of the society has increased from Rs.0.8 lakhs in 2013-14 to 18.6 lakhs to 2022-23,on an average increase was noticed 51.9 percent during the Study period, the highest net profit amount was recorded in the your 2018-19 is Rs.308 lakhs due to proper repayment of the loans bythe members. Theups and down variation also of reflect the growth Index percentage. The SD value is also equal with mean value i.e., 144 and CV value in not match with the value of SD is 278. The net profit of the society is not satisfactory.

CONCLUSION

The study demonstrates that the implementation of the Goods and Services Tax (GST) has brought a dual outcome of opportunities and structural challenges for the Sathyamangalam Hill Tribes Large Sized Multipurpose Cooperative Society. On one hand, the policy shift enhanced transparency, streamlined tax compliance, and established tax uniformity across operations. On the other hand, it introduced notable operational hurdles, including increased administrative burdens and higher procurement and distribution costs.

Because cooperative societies operate under resource constraints and localized member services, the precise impact of GST varies based on their scale of operations, digital

readiness, and nature of services. To overcome these challenges and secure long-term financial sustainability, the society requires targeted policy support, upgraded digital infrastructure, and comprehensive staff training to navigate post-GST compliance efficiently.

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