



Differential Perception Of GST Benefits Among Nano Entrepreneurs: A Sectoral Analysis Of Manufacturing, Services And Trading Enterprises In Western Maharashtra

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Abstract

India's Goods and Services Tax (GST) was designed to formalize the economy and streamline taxation for small-scale enterprises, empirical evidence suggests a lack of uniformity in how these benefits are realized. Manufacturing, services, and trading enterprises operate under distinct cost structures and market dynamics, leading to potentially heterogeneous responses to the GST regime. This study investigated the differential perception of GST benefits among nano-entrepreneurs in Western Maharashtra, specifically questioning whether sectoral differences influence the perceived utility of tax compliance. By identifying which sectors perceive lower benefits and the specific factors driving these disparities, the research seeks to address critical gaps in current fiscal policy literature regarding the nano-enterprise landscape.

The theoretical framework for this study is anchored in Icek Ajzen's Theory of Planned Behaviour (TPB), utilizing an adapted scale to measure perceived benefits across dimensions such as market access, input tax credit (ITC) eligibility, loan accessibility, and business reputation. Data were collected from 289 nano-entrepreneurs comprising sole proprietors and partners across the industrial hubs of Mumbai, Thane, Pune, Chh. Sambhajinagar and Nasik. The sample represented a balanced mix of B2B, B2C, and hybrid business models. The research instrument's reliability was rigorously validated, yielding a Cronbach's Alpha of 0.85, well above the acceptable threshold for internal consistency. The primary hypothesis posited that there would be no significant differences in perceived benefits based on the nature of the enterprise.

Statistical analysis utilizing a one-way ANOVA revealed significant differences in perceived benefits across the three sectors ($F(3, 285) = 3.367, p = .019$). Descriptive statistics indicated that service ($M = 28.95$) and trading enterprises ($M = 28.86$) reported the highest perceived benefits, whereas manufacturing enterprises reported significantly lower levels of satisfaction ($M = 25.83$). Despite a violation of the homogeneity of variance, robust testing via the Brown-Forsythe ($p = .027$) and Tukey HSD post-hoc comparisons confirmed that manufacturing entrepreneurs perceive significantly fewer advantages than their counterparts in services and trading. Consequently, the null hypothesis was rejected, with further analysis identifying access to government tenders as a primary differentiator in sectoral perceptions. The aforementioned findings were examined alongside plausible explanations from multiple perspectives.

These findings carry substantial implications for both policymakers and practitioners. The marked disparity in the manufacturing sector suggests the presence of structural barriers, such as complex input-output chains or information asymmetries regarding government procurement. To bridge this gap, targeted interventions are necessary, including sector-specific compliance training and simplified mechanisms for manufacturing-related ITC claims. For practitioners, the study underscores the importance of strategic positioning to maximize GST advantages. Ultimately, strengthening institutional mechanisms for tender awareness and conducting regular sectoral assessments are vital steps toward ensuring that the benefits of tax formalization are equitably distributed across the nano-entrepreneurial ecosystem.

Keywords: Goods and Services Tax (GST), nano entrepreneurs, perceived benefits, sectoral differences, manufacturing enterprises, services sector, trading sector, tax compliance, Theory of Planned Behavior, western Maharashtra

1 Introduction

India's transition to the Goods and Services Tax (GST) in July 2017 marked a fundamental restructuring of the country's indirect tax architecture. By subsuming a wide array of central and state levies into a unified, destination-based system, GST sought to create a seamless national market, curb cascading taxation and promote transparency and formalization in business activity. For nano-entrepreneurs, i.e., very small business owners operating with annual turnover below ₹1 crore and typically employing fewer than ten workers, this reform signalled the possibility of entering a more structured tax and financial ecosystem. In Western Maharashtra, where local manufacturing units, service providers, and trading establishments together constitute a dense network of nano-enterprises, GST holds out prospects of easier participation in inter-state value chains, stronger business reputations, and closer alignment with formal market standards.

GST while providing a lot of benefits also involves compliance, primarily digital in nature. Monthly filing of returns, invoice reconciliation and frequent rule amendments, imposes heavy burdens on resource-poor nano and micro firms lacking accounting expertise or reliable internet. (Nagoor & Chinnu, 2025, Mishra, 2024). Manufacturing nano-units in Western Maharashtra face disrupted input chains and ITC refund delays; small service providers confront uncertainty in classification and continuous reporting; trading entities encounter cash-flow pressures due to upfront tax payments and delayed credits (Nagoor & Chinnu, 2025). These compliance frictions can overshadow the formalization benefits, threaten business continuity, and even incentivize partial or complete reversion to informality among the smallest enterprises, thereby undermining GST's inclusive objectives. For many of these firms, GST is experienced less as a straightforward pathway to formalization and more as an additional layer of vulnerability that can threaten survival and discourage voluntary compliance.

Within this complex environment, how nano-entrepreneurs perceive the benefits of GST compliance becomes critical. Beyond objective calculations of tax liability or transaction costs, owners form judgments about whether GST meaningfully improves their business prospects through better access to customers, smoother dealings with suppliers, greater eligibility for loans and tenders, or more reliable record-keeping. These perceptions are unlikely to be uniform. A manufacturing entrepreneur may focus on the value of input tax credits and supply chain integration, a service provider may emphasise the credibility and traceability conferred by formal invoices, while a trader may prioritise the ease or difficulty of operating across state borders. Such sector-specific

evaluations shape not only day-to-day compliance behaviour but also longer-term decisions about investment, scaling, and whether to remain within or outside the formal tax net.

Despite the centrality of these perceptions, nano-entrepreneurs' views of GST compliance benefits especially across manufacturing, services and trading segments in Western Maharashtra remain poorly documented and insufficiently understood. Policy debates and empirical analyses have tended to focus on aggregate outcomes, larger firms or generic implementation challenges, offering limited insight into the nuanced ways in which the smallest businesses interpret and respond to GST. This disconnects risks, blunting the effectiveness of reforms aimed at inclusion and formalization. The present study therefore addresses the problem of inadequate evidence on sector-specific perceived benefits of GST among nano-entrepreneurs in Western Maharashtra, seeking to systematically examine how these beliefs differ across key sectors and how they influence the willingness of these enterprises to engage with and sustain GST compliance.

2 Review of Literature

2.1 Conceptualising Perceived Benefits in GST Compliance

Perceived benefits represent individuals' or stakeholders' subjective evaluation of advantages gained from engaging in a behaviour or adopting a system, based on their personal experience and understanding rather than objective metrics alone. They reflect what someone believes they have gained from an action or system (Rosenstock, 1974). Conceptually, perceived benefits operate within expectancy value frameworks, shaping perception, attitudes, intentions and compliance. This idea fits inside the expectancy-value theory, which states that attitudes shapes intentions and intentions shape behaviour (Ajzen, 1991; Kahneman & Tversky, 1979). It ranges across domains, across domains from health behaviours to complex institutional arrangements such as tax systems.

The construct was first formalised in the Health Belief Model (HBM) in the 1960s, where scholars such as Hochbaum, Rosenstock and Kegeles framed perceived benefits as an individual's subjective evaluation or personal belief of the positive outcomes (e.g., reduced risk of disease) expected from engaging in preventive or health-promoting actions, such as screening and vaccination (Hochbaum, 1958; Rosenstock, 1974; Becker, 1974). By the late 1970s and 1980s, perceived benefits (often termed response efficacy) were integrated into Protection Motivation Theory (PMT), where they were linked to adaptive coping responses to

perceived threats (Rogers, 1975, 1983).

In the 1990s, perceived benefits also became central in the Theory of Planned Behavior (TPB), where beliefs about favourable outcomes shape attitudes towards behaviour and, indirectly, behavioural intentions (Ajzen, 1991). Around the same time, the Prospect Theory added a new angle. It highlighted how individuals do not weigh potential gains and losses equally when making risk-laden decisions (Kahneman & Tversky, 1979). From the 2000s onward, the construct gained prominence in technology adoption research (e.g., extensions of the Technology Acceptance Model), consumer behaviour, environmental practices and financial and tax-related innovations, including India's GST introduced in 2017 (Davis, 1989; Venkatesh & Davis, 2000).

In the GST context, perceived benefits can be defined as business owners' subjective evaluations that complying with GST has positively contributed to the growth, financing, and formalisation of their enterprises. Empirically, this can be operationalised as a composite score from Likert-scale items capturing the extent to which GST has : (a) improved access to markets and customers; (b) enhanced cost savings via the Input Tax Credit (ITC) mechanism; (c) streamlined and formalised record-keeping; (d) facilitated access to formal finance; (e) supported expansion into other states; (f) improved business credibility and reputation; (g) enabled participation in government tenders and contracts; and (h) benefitted the business overall.

2.2 Business Perceptions of GST

The introduction of GST in India in 2017 aimed to create a unified indirect tax structure, reduce cascading taxes, and improve transparency in business transactions (Pandit, 2017). Early research on GST primarily focused on macroeconomic outcomes, revenue implications, and operational challenges. However, subsequent research has increasingly examined how businesses perceive the reform.

Mohan and Ali (2018) found that MSMEs perceptions regarding GST depended upon the sector and the awareness levels and firms' ability to adapt to the new compliance regime. They found that firms that understood GST well saw more benefit in it. Firms that struggled with compliance viewed it less favourably.

Kundhadia (2025) similarly observed that GST has had a mixed impact on small and medium enterprises, with benefits such as greater tax transparency and formalization being accompanied by increased compliance responsibilities, documentation requirements and operational adjustments for smaller firms.

Bhalla et al. (2023) surveyed 404 registered MSMEs. They found that GST improved operational efficiency and the ease of doing business. But compliance costs remained a real concern. Similarly, Mishra (2024), reported similar findings among Ahmedabad business owners: GST simplified compliance and improved financial management through ITC contributing to cost reductions and improving financial management through the ITC mechanism. The study also highlighted the importance of the GST portal's usability in shaping positive compliance experiences. The literature also identifies ITC as one of the most salient perceived benefits of GST for smaller enterprises. ITC is described as reducing tax burden, supporting liquidity and improving working-capital conditions when firms are able to claim it effectively (Sureka & Bordoloi, 2024). Industry and professional assessments broadly support these findings. KPMG's GST Survey (2018) reported that businesses expected GST to improve formalisation, input tax credit utilisation, and tax transparency, while FICCI (2018) found that a majority of surveyed firms viewed GST as having a positive impact on their business operations and noted that the government had been relatively responsive to industry feedback and concerns. GST-compliant firms can issue tax invoices, establish greater trust with B2B customers, maintain verifiable turnover records, and improve their ability to access bank finance (Sureka & Bordoloi, 2024).

A significant body of literature views GST as an instrument of business formalisation. Formal registration can enhance participation in organised supply chains, inter-state trade, e-commerce platforms, and institutional procurement systems (Pandit, 2017). Ghosh (2022) showed that GST encouraged improved record-keeping, registration, and transparency among MSMEs, thereby integrating many informal enterprises into the formal economy. However, these benefits are not uniformly realised. Smaller enterprises often lack dedicated accounting personnel, digital infrastructure, and procedural knowledge, which limits their ability to translate GST registration into tangible business gains (Ghosh, 2022; Jowardar, 2025).

2.3 Compliance Burden and Digital Challenges

Despite its objective of simplification, GST introduced substantial digital compliance requirements, including online registration, invoice uploading, return filing, reconciliation, and periodic regulatory updates. Research indicates that these requirements disproportionately affect smaller firms.

Vishnuhadevi and Hima Bindu (2022) found that GST compliance costs were relatively higher for small enterprises in Tamil Nadu, with professional fees, software expenses, and return preparation costs constituting a significant financial burden.

Shacheendran (2024) similarly identified inadequate IT infrastructure, lack of skilled manpower, and technology-related compliance obligations as major barriers influencing taxpayer attitudes toward GST.

At the same time, digital systems can improve compliance experiences when entrepreneurs possess adequate technological capability. Mishra (2024) reported that perceived ease of using the GST portal was associated with smoother filing and more favourable compliance perceptions. Deloitte's GST@7 survey (2024) also noted increasing satisfaction with GST-related IT systems, although MSMEs continued to face challenges relating to audits and refund processing. These findings suggest that GST perceptions are shaped by a combination of expected business benefits and the practical realities of managing digital compliance obligations.

2.4 Sectoral Differences in GST Perceptions

The impact of GST is unlikely to be uniform across manufacturing, services, and trading enterprises because these sectors differ in their inventory intensity, supply-chain structure, working-capital requirements, and customer relationships. Nandal and Diksha (2018) reported significant differences between traders' and manufacturers' perceptions on several GST-related dimensions, including market expansion, material costs and compliance burden. Traders were generally more likely to perceive benefits associated with market integration, whereas manufacturers expressed greater concern regarding increased compliance costs.

Systematic reviews by Guna and Anuradha (2021) conclude that GST outcomes vary across industries and regional contexts. Manufacturing enterprises often face complex input-output relationships, inventory management issues, and delays in ITC realisation, which can create working-capital pressures. In contrast, service-sector firms typically operate with lower inventory intensity and may benefit more from enhanced credibility and traceability in B2B transactions. Trading enterprises may experience advantages from smoother inter-state movement of goods and greater integration with organised supply chains and e-commerce networks (Guna & Anuradha, 2021; Jha, 2023). These sector-specific operational characteristics suggest that entrepreneurs' perceptions of GST benefits are likely to differ systematically across manufacturing, services and trading activities.

2.5 Nano-enterprises as a distinct category

The MSME sector is not uniform internally. Within the 'micro' segment, lies the 'nano-enterprises'. This segment is characterised by a single owner, or an owner with one or two family members or hired workers (Kulkarni & Kumar, 2024). Nano-

enterprises are hyper-local and operate on very small budgets and serve a narrow customer base. The Annual Survey of Unincorporated Sector Enterprises (ASUSE) 2022-23 finds that nearly 80% of India's unincorporated enterprises are ones where the owner is the only worker (National Statistical Office [NSO], 2024). This places most nano enterprises well below the turnover threshold that defines even a "micro" enterprise under the MSME Act. According to the GST Act, the turnover exemptions are Rs. 40 lakhs for goods and Rs. 20 lakhs for services which mean that many nano enterprises fall outside the mandatory registration altogether (Kulkarni & Kumar, 2024). Those that do register, or that choose to register voluntarily to access the ITC or B2B trade, face the same compliance load as the much larger firms: portal navigation, invoice matching, return filing. According to their analysis, some of the specific barriers nano enterprises face with respect to GST compliance include complexity, unclear provisions, cash-flow strain, low awareness and limited digital skill. Therefore, nano enterprises carry a 'disproportionate' compliance cost relative to their turnover, even though potential benefit of ITC exists on paper.

2.6 GST and nano enterprises in Western Maharashtra

Western Maharashtra has a distinct and sizeable small business base. The major industrial clusters include Pune, Solapur, Kolhapur, Ahmednagar, Chhatrapati Sambhajinagar and Satara and accounts for roughly 30% to 35% of the state's micro-business landscape. Kolhapur and Sangli together host roughly 300 foundry units, making the region one of India's established casting hubs. On the GST-perception side, the literature is thinner and does not focus on the nano-tier. Gawande et al. (2024) surveyed 120 MSME traders in Pune on pressing GST implementation issues and found that nearly 84% of the respondents agreed to having issues. However, this study was restricted to only one district and was not disaggregated by enterprise size. Beyond this, most of the studies on GST in Maharashtra is either macro-level (state revenue, sector-wide rate changes) or single-firm case studies rather than structured perception research.

2.7 Research Gap

The reviewed literature demonstrates that GST has been associated with several perceived benefits, including improved transparency, operational efficiency, ITC-related savings, enhanced business credibility, and greater integration into formal market systems (Bhalla et al., 2023; Mishra, 2024; KPMG, 2018). Simultaneously, enterprise size, digital capability, compliance burden, and sectoral

characteristics significantly influence how these benefits are experienced (Vishnuhadevi & Hima Bindu, 2022; Shacheendran, 2024). Existing studies on GST predominantly examine cost structures, operational efficiencies, input tax credit (ITC) mechanics, firm-level performance, or broad implementation views. Few investigations target the subjective perceptions of GST compliance benefits among entrepreneurs. While some analyses document challenges faced by small and medium enterprises (SMEs) under GST, research specifically exploring nano-entrepreneurs' perception of compliance benefits remains scarce. The literature review shows that comparative analyses across sectors (manufacturing, services, trading) regional variations, and ownership types remain underexplored. Most of the data captures early post-2017 snapshots, missing longitudinal shifts in adapted firms. This limits insights into nano compliance drivers and policy needs. This gap leaves nano-enterprises' GST compliance perception underexplored, limiting policy insights for this key economic group.

Nevertheless, three important gaps remain. First, most GST studies focus on operational outcomes and compliance costs rather than entrepreneurs' subjective evaluation of GST benefits. Second, nano enterprises are rarely examined as a distinct analytical category, with many studies aggregating them within broader MSME samples. Third, comparative evidence across manufacturing, services, and trading enterprises within specific regional ecosystems such as Western Maharashtra remains limited.

Accordingly, the present study addresses this gap by examining the differential perception of GST benefits among nano entrepreneurs across manufacturing, services, and trading enterprises in Western Maharashtra, thereby contributing region-specific and sectorally disaggregated evidence to the emerging literature on GST and small-business formalisation.

Most importantly, no existing study combines all the three dimensions, namely, the nano tier specifically rather than the MSMEs, perceived benefit as a structured, multi-item construct, rather than compliance cost or registration behaviour alone, and a sectoral comparison – manufacturing, services and trading – set within a defined region – Western Maharashtra. Accordingly, the present study addresses this gap by examining the differential perception of GST benefits among nano entrepreneurs across manufacturing, services, and trading enterprises in Western Maharashtra, thereby contributing region-specific and sectorally disaggregated evidence to the emerging literature on GST and small-business formalisation.

3 Research Methodology

3.1 Research Design and Philosophical Framework

The research adopted a positivist paradigm, emphasizing objective measurement of perceptions through standardized instruments and statistical analysis to test predefined hypothesis. Further study followed by a quantitative, cross-sectional research design employing a survey method to examine the differential perception of GST benefits among nano entrepreneurs across manufacturing, services, and trading sectors.

3.2 Objective of the Study

3.2.1 To assess the level of perceived benefits in GST compliance among nano entrepreneurs in western Maharashtra.

3.2.2 To compare the level of perceived benefits in GST compliance among nano entrepreneurs across manufacturing, services and trading enterprises operating in western Maharashtra.

3.3 Hypothesis of the Study

'There is no statistically significant difference in the mean level of perceived benefits of GST compliance across manufacturing, services and trading enterprises'.

3.4 Sampling Framework and Technique

The study's target population comprised nano entrepreneurs operating GST registered businesses in western Maharashtra, specifically concentrated in five major urban industrial and commercial centres: Mumbai, Thane, Pune, Nashik and Chh. Sambhajinagar. These cities were strategically selected to represent diverse economic profiles within the region Mumbai as India's financial capital with a strong services sector, Thane as an emerging industrial and residential hub, Pune as a major manufacturing and IT services centre, Nashik and Chh. Sambhajinagar as a traditional industrial city with strong manufacturing presence. Nano entrepreneurs were operationally defined as business owners with enterprises having financial turnover up to ₹1 crore. A non-probability purposive sampling technique was employed to identify eligible respondents.

3.5 Research Instrument Development

The research instrument employed to quantify the perceived benefits of GST compliance was developed through a rigorous multi-stage process involving theoretical synthesis, a systematic literature review, and contextual adaptation. The primary conceptual

framework is anchored in Icek Ajzen's Theory of Planned Behaviour (TPB) (1985, 1991), which posits that individual behaviour is driven by intentions rooted in specific cognitive evaluations. This study specifically operationalizes the "behavioural beliefs" component of the TPB, focusing on how nano-entrepreneurs' perceptions of favourable outcomes - the perceived benefits influence their compliance behaviour within the GST regime. While the instrument's structural design was informed by the scale developed by Forsythe, Liu, Shannon, and Gardner (2006), which originally measured perceived benefits and risks in e-commerce and technology adoption, substantial modifications were required. Given that the original scale focused on digital adoption rather than fiscal policy, the items were systematically adapted to align with the socio-economic realities of tax formalization. This contextual refinement ensured that the instrument accurately captured variables specific to the GST framework such as ITC accessibility, market reputation, and regulatory streamlining while maintaining the psychometric integrity of the original TPB-based constructs. After the stage of initial pool of items, the final eight-item scale was administered using a 5-point Likert response format ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), allowing respondents to express varying degrees of agreement with each benefit statement. A Cronbach's Alpha of 0.85, confirmed the robust internal consistency and justified the use of

composite scores for hypothesis testing.

4 Data Analysis and Results

4.1 Profile of Participating Enterprises

The study surveyed a diverse cohort of 289 nano-enterprises across various operational models, including Business-to-Business (B2B), Business-to-Consumer (B2C) and hybrid formats. In terms of sectoral distribution, the sample was dominated by the service sector (44%), followed by trading (24%), manufacturing (14%) and other miscellaneous sectors (18%). The miscellaneous sector includes enterprises which were into both trading and service. The majority of the respondents demonstrated significant market stability, with 47% having operated for over a decade. Structurally, 73% of the enterprises were organized as sole proprietorships. The sample characterized the "nano" segment accurately, with 92% of businesses reporting an annual turnover of less than ₹1 crore and maintaining a workforce of fewer than 10 employees.

4.2 Descriptive Analysis of Perceived GST Benefits

The descriptive statistics for the perceived benefits of GST compliance across different sectors are summarized in the table below. The analysis utilizes mean scores to gauge the intensity of perception, where higher scores reflect a more positive outlook toward the GST regime.

Table 1: Descriptive Statistics for Perceived Benefits by Sector / Enterprise

SR No.	Nature of Enterprises	Mean	Std. Deviation	Level of perception
1	Manufacturing	25.8250	7.33411	Moderate Level
2	Services	28.9528	6.07344	Moderate Level
3	Trading	28.8571	4.12938	Moderate Level
4	Miscellaneous	27.5577	6.12745	Moderate Level
5	Total	28.2457	5.94698	Moderate Level

Source: Compiled by the Authors'

The aggregate mean score ($M = 28.25$, $SD = 5.95$) suggests a generally moderate level of perception regarding GST benefits across the entire sample. However, a comparative look at the sectoral means reveals a notable disparity. Service-oriented enterprises ($M = 28.95$) and trading firms ($M = 28.86$) reported the highest levels of perceived benefit. In contrast, manufacturing enterprises recorded the lowest mean score ($M = 25.83$), indicating that while the perception remains within the "moderate" range, manufacturers perceive fewer advantages from GST compliance compared to their counterparts in services and trade. The higher standard deviation in

the manufacturing sector ($SD = 7.33$) further points to a greater variance in opinions within that specific group.

4.3 Inferential Analysis of Perceived GST Benefits

To evaluate the research objective, the study formulated a null hypothesis (H_0) stating that 'there is no statistically significant difference in the mean level of perceived GST compliance benefits across the various business sectors or enterprise types'. This hypothesis was tested using a one-way Analysis of Variance (ANOVA), a robust parametric procedure

suitable for comparing mean scores across multiple independent groups to determine if sectoral variations significantly influence entrepreneurial perceptions.

The Levene's test revealed a significant violation of the homogeneity of variances assumption ($F = 4.725$, $p = .003$), indicating unequal variances across business sectors. To address this violation, robust tests were conducted, yielding mixed results: the Welch test approached but did not reach statistical significance ($F(3, 112.749) = 2.561$, $p = .058$), while the Brown-Forsythe test confirmed significant differences ($F(3, 154.288) = 3.149$, $p = .027$). The discrepancy between these robust tests suggests the findings are at the threshold of statistical significance. Overall, the Brown-Forsythe test's confirmation of significant differences ($p = .027$) provides adequate

evidence to support that perceived GST benefits vary meaningfully across manufacturing, services, and trading enterprises.

The one-way ANOVA revealed statistically significant differences in perceived GST benefits across business sectors, $F(3, 285) = 3.367$, $p = .019$, indicating that at least one sector ie manufacturing differs significantly from the others. The effect size, calculated as eta-squared ($\eta^2 = 348.667/10185.557 = 0.034$), suggests that approximately 3.4% of the variance in perceived benefits is explained by business sector/ enterprise type, representing a small but meaningful effect. These results provide sufficient evidence to reject the null hypothesis and conclude that manufacturing, services and trading enterprises perceive GST benefits differently.

Table No. 2: One-way Analysis of Variance

ANOVA					
Perceived Benefits					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	348.667	3	116.222	3.367	.019
Within Groups	9836.890	285	34.515		
Total	10185.557	288			

Source: Compiled by the Authors'

4.4 Findings of the Study

Addressing the scarcity of evidence on GST perceptions among nano-entrepreneurs in Western Maharashtra, this study analyzed 289 stable enterprises to move beyond broad, aggregate policy views. While the overall cohort displayed a moderate perception of compliance benefits, statistically significant disparities emerged across sectors, challenging the notion of a uniform GST experience. Service and trading firms reported higher perceived benefits, whereas the manufacturing sector recorded the lowest mean scores and highest internal disagreement. Robust testing of ANOVA confirmed these differences are significant, rejecting the null hypothesis and highlighting a specific disconnect in the manufacturing segment. The findings, supported by a small effect size demonstrate that business sector significantly influences compliance outlooks, underscoring the necessity for targeted rather than generic policy interventions to improve inclusion.

5 Discussion on Findings

The GST Act marked an important and transformative shift in indirect taxation, primarily aiming to unify multiple taxes into a single harmonized framework and streamline compliance across enterprises. Nano enterprises characterized

by minimal capital investment, limited workforce and local markets occupy a critical space in India's business ecosystem. The study, examined the variations in the perceived benefits of GST based on the nature of enterprise, employing the behavioural belief component of the Theory of Planned Behaviour to interpret the findings. The findings reveal how structural reforms have interacted with enterprise realities in the manufacturing, services and trading sectors.

Overall, the findings indicate that the perception of GST compliance benefits among the nano enterprises was moderate, indicating that the enterprises did not perceive great value nor did they reject the benefits of GST compliance. This ambivalent stance highlights that while GST has formalized the tax environment, the benefits varies substantially across the various sectors. The aggregate mean score (Mean = 28.25) suggests that enterprises recognize certain benefits such as legitimacy and market integration but also, perceive significant costs, particularly in compliance burden and procedural complexity. These results align with the results of existing literature noting that small enterprises often experience tax reforms through the dual lens of opportunity and constraint. In the Indian context, the GST tax reforms has offered enhanced market access and heightened

administrative demands.

A key finding of the study is the difference in the perceived benefits across sectors which proved to be statistically significant. The service and trading enterprises reported a higher mean as compared to manufacturing. This was further confirmed by one way ANOVA highlighting the role of sector-specific characteristics in determining behavioural GST outcomes. This small but significant effect signals that, while the core GST structure is uniform, yet its impact is affected by the operational contours of each sector.

Service enterprises registered a comparatively high perception of GST benefits. There are several factors that may explain this: service businesses often engage in B2B transactions where GST compliance enhances trust and professionalism, particularly with corporate clients. Service enterprises also are less capital intensive with fewer input tax credits and simpler supply chains.

Trading enterprises also reported high perceived benefits of GST registration and compliance. This is due to the fact that traders operate in supply chains where GST compliant invoices are essential for the smooth movement of goods and also helps in maintaining relationships with both customers and suppliers. The availability of ITC has reduced the cascading of taxes and the opportunities for interstate trade has positively influenced their perceptions towards GST.

In contrast, manufacturing enterprises showed lower perceived benefits from GST compliance. This is one of the most critical findings of the study. Manufacturing nano enterprises have working capital constraints, and higher compliance costs. The delays in ITC refunds, frequent changes in GST rules and procedural complexities adversely affects nano enterprises who lack dedicated accounting support.

An important qualitative insight from the study is the role of access to government tenders to businesses that are GST compliant. The results show that the manufacturing enterprises are less able to translate compliance to opportunities. This may be due to stringent tender requirements, or scale-related disadvantages.

6 Conclusion and Implication of the Study

The study strengthens the applicability of the Theory of Planned Behaviour in understanding tax compliance behaviour among nano entrepreneurs. The results show that where advantages are visible, compliance is viewed favourably; however, when the advantages are ambiguous or delayed, the attitude is lukewarm.

The present study means a meaningful contribution

to the understanding of GST compliance from the perspective of nano entrepreneurs in Maharashtra. By grounding the analysis in the Theory of Planned Behaviour, the research captures the experiences of manufacturing, services and trading enterprises. The findings clearly establishes that sectoral context matters in shaping entrepreneurial attitude towards GST compliance. The study also concludes that perceived benefits plays a crucial role in shaping compliance attitudes. Nano entrepreneurs are more likely to view GST positively if they are able to link compliance with the perceived benefits. Where such linkages are weak or unclear, compliance is viewed more as an obligation rather than an advantage. From a policy perspective, the findings suggest that targeted support in the form of sector-focused GST training and support could significantly improve the manufacturing enterprises' ability to realize the intended benefits of GST compliance. The study also contributes to the limited empirical research on nano enterprises by focusing on perceptions rather than on financial or compliance metrics.

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