

**“A STUDY ON THE IMPACT OF GST ON
ELECTRONIC STORES AT EDAPPALLY”**

Dissertation submitted to

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

In partial fulfilment of the requirement for the degree of

BACHELOR OF COMMERCE

Submitted by

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B.Com COMPUTER APPLICATION



DEPARTMENT OF COMMERCE (COMPUTER APPLICATION)

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(Affiliated to Mahatma Gandhi University

Accredited by NAAC with “A+” Grade)



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BONAFIDE CERTIFICATE

This is to certify that this dissertation entitled “**A STUDY ON THE IMPACT OF GST ON ELECTRONIC STORES AT EDAPPALLY**”, has been prepared by **Muhammed Faris p.m., Amal Gopi, and Mohammed Zubair** under my supervision and guidance in partial fulfilment of the requirement for the Degree of Bachelor of Commerce of Mahatma Gandhi University. This is also to certify that this report has not been submitted to any other institute or university for the award of any degree.

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DECLARATION

We, **Muhammed Faris p.m., Amal Gopi, Mohammed Zubair** , B.Com Final year students, Department of commerce (Computer Application), Bharata Mata College Thrikkakara, hereby declare that the Dissertation submitted for the award of Bachelor's Degree is our original work. We further declare that the said work has not previously been submitted to any other University or Academic Body.

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CHAPTER - 1
INTRODUCTION

Introduction

The largest change to India's indirect tax system since the country's economy started to open up 25 years ago, the Goods and Services Tax (GST), finally appears to be on track to materialise. Rajya Sabha approved the Constitution (122nd) Amendment Bill in the end. By creating a political consensus on the GST Bill, the government was able to successfully achieve the important tax reform that will create a market of 1.25 billion people. GST will be a reform that fundamentally transforms the Indian economy by unifying the market for goods and services and reducing the cascading effect of taxes on their costs. There will be a complete reform of the current indirect tax system as a result of its implications on the Tax Structure, Tax Incidence, Tax Computation, Tax Payment, Compliance, Credit Utilization, and Reporting. According to the GST Council's proposals, the law should provide States with a five-year maximum of 100% compensation for any revenue losses brought on by the GST. In this case, each taxpayer will be given a "Goods & Service Tax Identifying Number" (GSTIN), a 15-digit common identification number based on PAN. The sale, creation, and consumption of products and services are all subject to the national consumption-based GST tax.

SIGNIFANCE OF STUDY

When a consumer purchases a good or service, they are subject to the goods and services tax (GST). The GST is intended to replace all indirect taxes imposed on products and services by the federal and state governments of India. It was supposed to be a comprehensive indirect tax levy on the production, sale, and consumption of commodities as well as services. The cascading effect of taxes on the cost of producing and distributing products and services would be eliminated by the introduction of the Goods and Services Tax (GST), which would combine all taxes into a single comprehensive tax. This study examines how the introduction of the GST will impact the electronic sector. advantages following the introduction of GST, marketing tactics used to address GST issues, how electronic store owners view GST, and suggestions offered to address difficulties encountered during GST era.

STATEMENT OF THE PROBLEM

Every major and minor business sector in India was less affected by the goods and services taxes which were launched on 1st July 2017 in India. While some industries are looking to grow as a result of lower taxes, others are experiencing a decline in sales as a result of higher tax rates. The GST has a minimally negative effect on the electronics industry because many products are still subject to high tax rates even when they are eligible for lower tax brackets. The idea that electronics are still a luxury item needs to be dispelled since many electronics devices are consumer durables that are now daily used things even in low-income families. As an illustration, consider how the government placed washing machines in the highest tax bracket, at a rate of 28 percent, which in no way justifies the taxing method.

Objectives

- To compare the changes among electronic stores in pre and post GST period.
- To identify the advantages and challenges faced by the electronic sector.
- To understand the marketing strategies adopted to overcome the challenges.

Scope of the study

The study is based on impact of GST on electronic stores at Edappally

Research methodology

This section describes the research methodology adopted to achieve the objectives of the study. The data is collected through two sources primary data and secondary data. Primary data is collected by direct interview method. For this a questionnaire is prepared and the secondary data is collected from journals, newspapers, magazines and internet. The method used for data analysis is the most convenient techniques such as selection analysis, percentage analysis and random sampling.

LIMITATIONS OF THE STUDY

- The main drawback is that there is not enough time for data collection.
- The information provided by the respondents may be skewed
- The study's target population might not be well represented by the sample size

CHAPTER - 2
REVIEW OF LITERATURE

Literature Review

Kelkar (2009) committee recommended that GST will bring qualitative change in the indirect tax system of the country and the GDP will grow due to reduction of production cost leads to enhance consumption by the consumers.

Ehtisham Ahmed and Satya Poddar (2009) suggest in “Goods and Services Tax reforms and intergovernmental consideration in India” introduction of GST will provide simple and transparent tax system leading to increase in productivity and output of economy but depends on rational design of GST.

Pinki, Supriya Kamma and Richa Verma (2014) in “Goods and Services Tax- Panacea for indirect tax system in India” concluded that the NDA government is positive towards execution of GST will benefit the government and all the stakeholder in long run but importance to be given in IT infrastructure.

Kumar (2014) studied “Goods and Service Tax - A way forward” and concluded that many indirect tax systems in India will be eliminated after the implementation of the GST, leaving only the GST, which is anticipated to promote fair taxation.

N. Kumar, 9 (2014) concluded that GST will help in eradicating economic distortion by current Indian tax system and is expected to encourage unbiased tax structures which will be indifferent to geo locations.

Nitin Kumar (2014) :in his study paper "Goods and Service Tax in India-A Way Forward" that the implementation of GST will attempt to address all the shortcomings of the country's current tax system.

Monika Sehrawat and Upasana Dhanda (2015) in “GST in India: A key tax reform” concluded that introduction of GST will undoubtedly boost the Indian economy but focus should be given on rational design of GST model and timely implementation.

Adhana (2015): The government should be absolutely clear that sufficient information technology and infrastructure development across India is necessary for the GST to operate smoothly. To implement the GST, the federal government should consult with the state governments. Additionally, every effort should be taken to include all of the things under GST in order to ensure that no item is left outside of the GST preview; otherwise, the main goal of implementing GST will be defeated.

Sehrawat ,(2015) : highlight the benefits of GST and the implementation difficulties India has faced. It also underlines the fact that its execution promotes a cogent tax structure that will largely replace the current indirect taxes and, in the long run, increase output, create more job possibilities, and support GDP growth.

S. Thowseaf, (2016): evaluated the advantages of the Goods and Services Tax for business, industry, and consumers as well as the GST implementation plan in India. it will increase revenue at the Center as the tax collection system becomes more clear, making the problem of tax avoidance go away and fostering economic growth, aiding Indians in regaining the wealth they have lost within the nation.

Rathod M (2017) in his paper “An Overview of Goods and Service Tax (GST) In India” concludes that GST will be a step towards a developed India benefiting to many parties and entire nation.

Nisa ,(2017) : Analyze how the GST would affect India's international trade. It emphasises how the growth of the shared national market will facilitate the implementation of GST for businesses in India. One obvious result would be that "Made in India" products would now be more cost competitive in the international markets, with even taxes and cost effectiveness due to reduced time and expenses in transit.

Dr. D. Amutha (2018): Discuss the effects of the introduction of GST on the Indian economy. The future outlook and challenges for the implementation of the GST are also covered in the report. It claims that GST is a wonderful idea that simplifies India's existing tax system.

Nayyar, (2018): found that GST will have an impact on all industries in India, including manufacturing, services, communications, automobiles, and small SMEs. One of the largest tax reforms, the GST, will subject the entire nation to a single rate of taxation. Experts have anticipated that GST will increase tax collections, accelerate India's economic growth, and eliminate all tax barriers between the State and Central Governments.

Bhattacharjee, (2018) : assesses the effects of the GST one year after adoption. It emphasises that experts and government officials are now thinking about the need to change the GST architecture in a number of ways, such as eliminating the 28% tax bracket and moving toward fewer tax slabs by combining the 12% and 18% rates, as well as methodically bringing electricity, the real estate sector, and petroleum products under its purview. By eliminating the submission requirement, it also makes the submission process simpler.

CHAPTER - 3
THEORETICAL FRAMEWORK

Introduction

India's comprehensive, multistage, destination-based goods and services tax law imposes a tax on each value addition. The goods and services tax (or GST for short) is an indirect tax assessed on the provision of goods and services. Numerous former indirect tax regulations in India have been replaced by the GST Law. GST is the sole indirect tax applied to the entire nation. Every point of sale will be subject to the tax under the GST system. State and Central GST will be charged for interstate sales. The Integrated GST will be charged on intrastate sales. When a committee was formed to develop the GST Law in the year 2000, the GST journey in India officially began. The law didn't change for another 17 years after then. The Lok Sabha and Rajya Sabha approved the GST Bill in 2017. The GST Law becomes effective on July 1st, 2017. The main benefits of the GST eliminate the cascading effect on the sale of goods and services. The cost of items will increase immediately if the cascading effect is eliminated. As GST has no tax on tax, the price of items should go down. GST is mostly a technological endeavour. Online completion of all tasks, including registration, return filing, refund requests, and notice response, is required via the GST portal. This will quicken the procedures.

The Indian Taxation System: Pre-GST Scenario

Any nation's progress depends heavily on its tax policies, which directly affect the economy's efficiency and equity. A strong taxation policy is one that addresses the whole income distribution while also producing tax revenues for the federal and state governments in a way that can improve the country's infrastructure, defence, public amenities, citizen security, and exports as a whole. The Indian Constitution's provisions provide the overall basis for the imposition of indirect taxes. The Central and State Governments have the authority to levy taxes and collect indirect taxes based on the exchange of goods and services, according to Article 246, Seventh Schedule. On the basis of the point of sale or the volume of imports or exports, the taxation structure differs from manufacturer to manufacturer. Systems of indirect taxation-based collection are based on origin and intended to impose tax and collect it in the event that any taxable activity occurs.

1. The products made in India were subject to the CENVAT (excise duty). But, problems started with product values. The problem with CENVAT being implemented only at the production level served as a significant roadblock to the smooth and impartial flow of tax credits. Due of this, many nations switched from using VAT to using GST.
2. The taxation system in India is divided between the Central and State Governments according to the Indian Constitution. Any kind of tax can be imposed by the state government on any activity taking place inside its borders. While the State government dominates Work Contracts, the Central government has the authority to impose tax on services. This type of structure distorts how the government generates and distributes revenue.

3. The government does not consider a number of things, including copyrights, patents, and software, in its taxation system. So, it became more difficult to categorise these items under the taxes policies.
4. Because of the increasing service industry, the central government has monopolistic authority to levy taxes. On the other hand, by not taxing the service industry, the state governments are losing money.
5. No set off was permitted when CST was applied to interstate purchases of commodities, which exacerbated the cascading impact.
6. Significant technological changes are needed for better tax administration and monitoring, which is expensive and time-consuming and needs to be rectified.
7. The failure to cross-verify returns submitted under the federal and state taxation systems resulted in several inconsistencies.
8. The Indian tax system was complex and burdensome, and the high inflation caused by varying levies on the same products in different states needed to be addressed.
9. There were more than 15 separate taxes that had to be filled out in accordance with various standards under the indirect taxation system. As a result, it called for rapid and system-wide control of tax filing and computation.

GST (Goods and Services Tax): Current Situation

- Domestic consumption was the main area of tax incidence.
- It is hoped that the Indian system can be made more equitable and efficient.
- Taxes shouldn't be exported outside of the area that collects them.
- It is necessary to unify the Indian market under a unified market.
- Support for cooperative federalism is improved.

Goods and Services Tax (GST) Overview

According to GST India.com (2016), the Goods and Services Tax (GST) is any tax imposed on the provision of commodities, services, or both, with the exception of taxes imposed on the supply of alcoholic beverages intended for human use. Everything other than goods is considered a service according to the new Article 366(26A). The definition of goods in the existing Article 366(12) encompasses all components, products, and items. In order to address the loopholes and drawbacks of the indirect taxation system, the government views the Goods and Services Tax (GST) as a "Reform" rather than an adjustment to the country's current tax structure. India was one of the 123 nations that adopted the VAT taxation system worldwide. P. Chidambaram, the finance minister, created and implemented VAT at the federal and state levels on January 17, 2005. The VAT superseded both the state and federal sales tax systems, replacing the central excise duty taxes at both the national and state levels. The Goods and Services Tax (GST) was suggested in 2014, with implementation set to begin in June 2016. The GST implementation is "dual" in that

the Center (CGST) and the States each implement a separate component (SGST). Governments at the federal and state levels would use the same tax base. GST came into effect in India on July 1, 2017. With some major modifications, the GST would now have three prime models :

- (i) Central GST : GST to be levied by the Centre.
- (ii) State GST: GST to be levied by the States.
- (iii) Dual GST: GST to be levied by the Centre and the States concurrently.

GST HISTORY

The implementation of the Goods and Services Tax (GST) in India was a wise decision because it signalled a significant roundabout assessment change in the country. Many benefits are anticipated from the consolidation of numerous fees (extracted at the federal and state levels) into a single obligation. One of the most important benefits of the change is the reduction of double taxation or the termination of the negative effects of declining tax revenue. A typical national market is what the activity is currently preparing for. Following the implementation of GST, Indian goods are also predicted to become more competitive on the domestic and international markets. From the standpoint of the buyer, the general taxes rate, which is currently in the range of 25% to 30%, would be markedly reduced. The GST is also simpler to administer on a broad scale due of its self-policing and plain character.

BENEFITS OF GST IMPLEMENTATION

1. As already mentioned, the GST structure will create a standard national market that encourages foreign investment. There will be a reduction in the impact of tax assessment.
2. Laws, tax rates, and business practises will be uniform amongst states.
3. Producing activities and fares are supported by the GST administration. As a result, more work would be generated, and the economy would grow.
4. Indian goods would compete more fiercely on international markets.
5. The GST system will probably improve India's overall business climate.
6. Tax evasion will significantly diminish with SGST and IGST rate uniformity.
7. The regular sales load that businesses endure is anticipated to decrease, increasing utilisation and enhancing the production of goods that follow.

8. The GST is a less complicated system of tax assessment with fewer exclusions.
9. Procedures like enlisting, discounts, returns, imposing installments, and so forth have been automated and decentralised.
10. The usual GSTN site will handle all collaborations.
11. As electronic coordinating will be done, the info charge credit process will be more precise and simple.
12. When tax is collected at the new GST rates, the final cost of the majority of goods will decrease. Moreover, there will be a constant information flow between the producer, retailer, and service provider.
13. Given the escalating plan, a significant part of small-scale retailers might either avoid paying taxes or benefit from cheap expense rates. Consumers will also benefit if purchases are made through these small retailers.

GST impact on Electronics

According to their use and area of application, electrical and electronic equipment is now subject to GST. While the majority of electronics are subject to an 18% sales tax, other items like dishwashing machines, digital cameras, and air conditioners are subject to a 28% GST on home appliances, showing that the government's policy is to tax luxury goods more heavily.

The GST rate for refrigerators and washing machines is 18%, which is still excessive given that every home owns essential electrical goods. As a result, producers like Samsung, Godrej, and LG would be forced to increase their prices, burdening customers.

Benefits of GST on electronic items

Farm equipment, solar, and wind-related equipment have profited from the GST, but industrial equipment has not seen much of an impact. The maximum slab of 28% was imposed, which resulted in a 2 to 3% price increase for household equipment. These things seem to be considered luxury goods by the government. Due to this GST slab, the price of household equipment has somewhat increased.

The two main categories of consumer durables are consumer electronics, sometimes known as brown goods, consumer appliances, and white goods. Those in the latter category include air conditioners (ACs), refrigerators, washing machines, sewing machines, electric fans, and other home devices. The former category includes light electronic appliances like computers, televisions, etc.

- India produced more than 12 million refrigerators during the 2020 fiscal year. In the consumer appliance sector, refrigerators accounted for 27% of the total.
- From 2021 to 2027, the Indian air conditioner market is anticipated to grow at a compound annual growth rate (CAGR) of 10.7%.
- With a CAGR of over 3.7% and a market value of over 100 billion Indian rupees in 2019, the washing machine market in India was predicted to grow rapidly during the ensuing years.

Features of GST

- The GST would replace state levies like VAT, Octroi, entry tax, luxury tax, and other central indirect taxes including excise duty and services tax.
- It will consist of two parts: a central GST imposed by the Center and a state GST imposed by
- Only the Centre may impose and collect GST on supplies in the case of interstate commerce, and the tax revenue will be split between the Centre and State.
- There will be a two-rate system used. It entails a lower charge for necessities and goods of fundamental importance as well as a uniform rate for goods in general. There will be a list of excluded items as well as a unique tariff for precious metals.
- Both goods and services are taxed in the same way along the chain of supply until they reach the consumer, eliminating over-lapping and tax-on-tax. The GST does not distinguish between them.

GST COUNCIL

1) It is set up by president under article 279-A. It is chaired by union finance minister.

2) It will constitute union minister of state in charge of revenue and minister in charge of finance or taxation or of any other field nominated by state governments. The 2/3rd representatives in council are from states and 1/3rd from union.

3) The decision of council is made by 3/4th majority of the votes cast and quorum of council is 50%. 4) It will make recommendations on

a) Taxes, surcharge, cess of central and states which will be integrated in GST.

b) Goods and services which may be exempted from GST

c) Interstate commerce – IGST- proportion of distribution between state and centre

d) Registration threshold limit for GST

e) GST floor rates

f) Special rates during calamities

g) Provision with respect to special category states specially north east states

5) It may also work as Dispute Settlement Authority for GST.

GST Rates on goods

0%

Products	Tax Rates
Milk	0%
Eggs	0%
Curd	0%
Lassi	0%
Kajal	0%
Educations Services	0%
Health Services	0%
Children's Drawing & Coloring Books	0%
Unpacked Foodgrains	0%
Unpacked Paneer	0%
Gur	0%

Unbranded Natural Honey	0%
Fresh Vegetables	0%
Salt	0%
Unbranded Atta	0%
Unbranded Maida	0%
Besan	0%
Prasad	0%
Palmyra Jaggery	0%
Phool Bhari Jhadoo	0%
5%	
Products	Tax Rates
Sugar	5%
Tea	5%
Packed Paneer	5%
Coal	5%
Edible Oils	5%
Raisin	5%
Domestic LPG	5%

Roasted 5%
Coffee Beans

PDS 5%
Kerosene

Skimmed 5%
Milk Powder

Cashew Nuts 5%

Footwear (< 5%
Rs.500)

Milk Food 5%
for Babies

Apparels (< 5%
Rs.1000)

Fabric 5%

Coir Mats, 5%
Matting &
Floor
Covering

Spices 5%

Agarbatti 5%

Coal 5%

Mishti/Mithai 5%
(Indian
Sweets)

Life-saving 5%
drugs

Coffee 5%
(except
instant)

12%

Product	Tax Rate
Butter	12%
Ghee	12%
Computers	12%
Processed food	12%
Almonds	12%
Mobiles	12%
Fruit Juice	12%

Preparations of Vegetables, Nuts Fruits, or other parts	12%
Packed Coconut Water	12%
Umbrella	12%

18%

Products	Tax Rates
Hair Oil	18%
Capital goods	18%
Toothpaste	18%
Industrial Intermediaries	18%
Soap	18%
Ice-cream	18%
Pasta	18%
Toiletries	18%
Corn Flakes	18%
Soups	18%

Computers

18%

Printers

18%

28%

Products

Tax Rates

Small cars (+1% or 3% cess)

28%

High-end motorcycles (+15% cess)

28%

Consumer durables such as AC and fridge

28%

Beedis are NOT included here

28%

Luxury & sin items like BMWs, cigarettes

28%

and aerated drinks (+15% cess)

28%

IMPACT OF GOODS AND SERVICE TAX

I. Food Sector

Those who live below the poverty line would be significantly impacted by the application of the GST to food goods. Yet, there is also a full exemption for food goods.

would considerably reduce the tax base. Food comprises things like grains and cereals, meat, fish, and poultry, milk, dairy products, fruits, and vegetables, as well as beverages, prepared meals for the house, takeout, and candies. Due to the small company registration barrier, such transactions would generally stay exempt even if the food fell into the GST's purview. Since that food is exempt from CENVAT and is subject to 4% VAT, a single rate of GST would result in a doubling of the tax burden on food.

2.Housing and construction sector

Because the building industry in India significantly contributes to the national economy, it is necessary to include the sector in the GST tax base.

III. FMCG Industry

India's Fast Moving Consumer Goods (FMCG) have increased steadily over the previous three to four years, exceeding \$25 billion in retail sales despite the country's economic recession.in 2008.The projected GST's implementation and the openness of the industry to foreign direct investment (F.D.I.) are anticipated to spur growth and boost the sector's size to \$95 billion by 2018–2035.

IV. Rail Sector There have been suggestions for including the rail sector under the GST umbrella to bring about significant tax gains and widen the tax net so as to keep overall GST rate low. This will have the added benefit of ensuring that all inter – state transportation of goods can be tracked through the proposed Information technology (IT) network.

V. Financial Services In most of the countries GST is not charged on the financial services. Example, In New Zealand most of the services covered except financial services as GST. Under the service tax, India has followed the approach of bringing virtually all financial services within the ambit of tax where consideration for them is in the form of an explicit fee. GST also include financial services on the above grounds only.

VI. Information Technology enabled services To be in sync with the best International practices, domestic supply of software should also attract G.S.T. on the basis of mode of transaction. Hence if the software is transferred through electronic form, it should be considered as Intellectual Property and regarded as a service. And if the software is transmitted on media or any other tangible property, then it should be treated as goods and subject to G.S.T. 35 According to a FICCI – Technopak Report. Implementation of GST will also help in uniform, simplified and single point Taxation and thereby reduced prices.

VII. Impact on Small Enterprises There will be three categories of Small Enterprises in the GST regime. Those below threshold need not register for the GST. Those between the threshold and composition turnovers will have the option to pay a turnover based tax or opt to join the GST regime. Those above threshold limit will need to be within framework of GST Possible downward changes in the threshold in some States consequent to the introduction of GST may result in obligation being created for some dealers

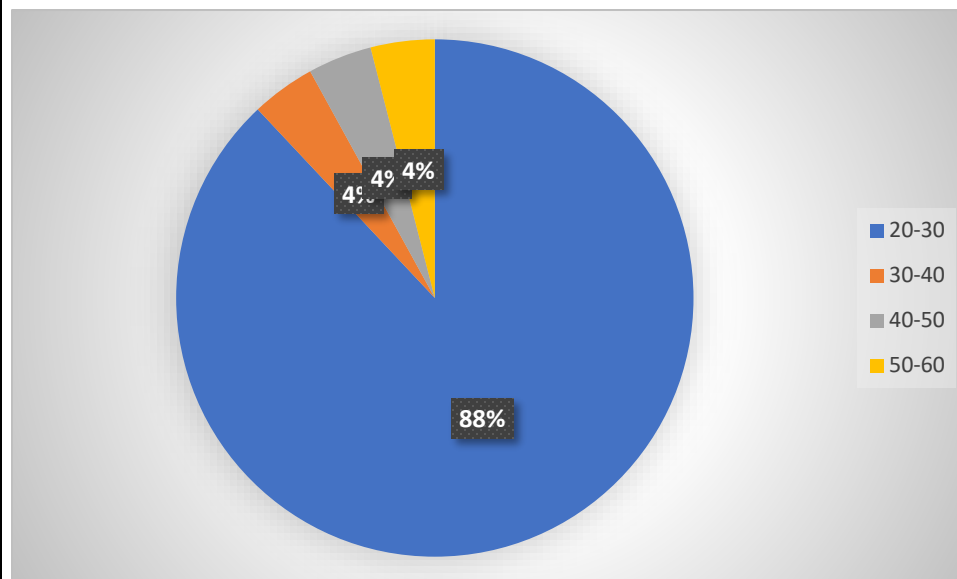
CHAPTER - 4
DATA ANALYSIS AND INTERPRETATION

TABLE4.1: AGE WISE CLASSIFICATION

AGE	NO. OF RESPONDANTS	PERCENTAGE
20-30	44	88
30-40	2	4
40-50	2	4
50-60	2	4
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES4.1: AGE WISE CLASSIFICATION



INTERPRETATION:

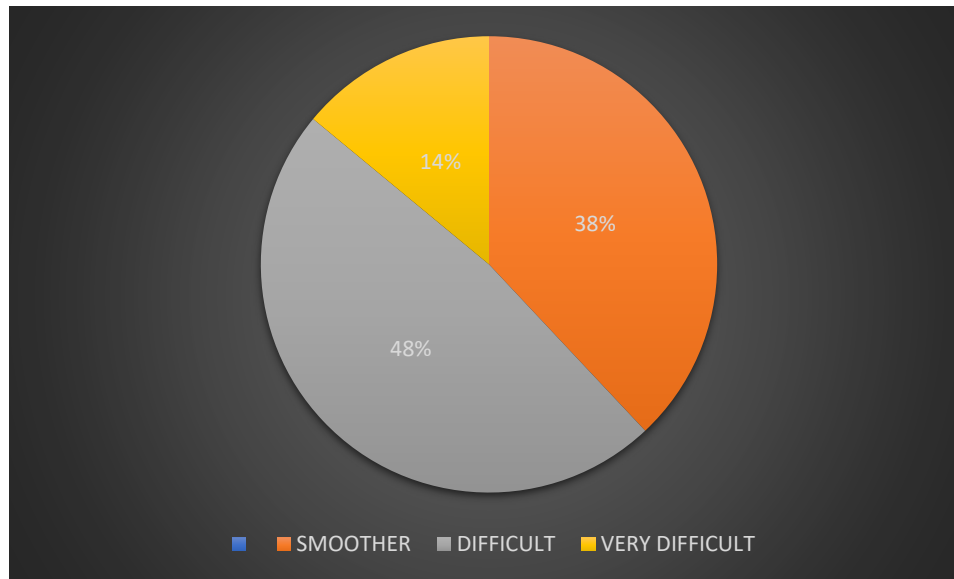
From the above table and graphical analysis, 88% of the respondents fall in between the age group 20-30, 4% of the respondents belong to 30-40, another 4% of the respondents belong to 40-50 and 4% of respondents fall in between 50-60 age group.

TABLE 4.2: CLASSIFICATION ON THE BASIS OF EFFECT OF GST

EFFECT	NO. OF RESPONDENTS	PERCENTAGE
SMOOTHER	19	38
DIFFICULT	24	48
VERY DIFFICULT	7	14
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.2: CLASSIFICATION ON THE BASIS OF EFFECT OF GST



INTERPRETATION:

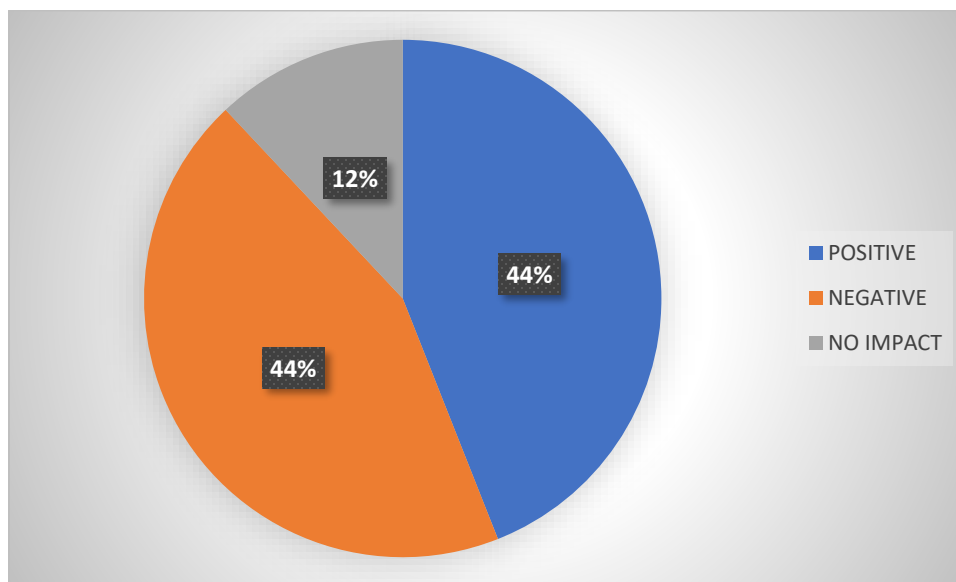
From the above table and graphical analysis, it is clear that the effect of GST was smooth for 38%, difficult for 48% and very difficult for 14% of the respondents

TABLE 4.3: CLASSIFICATION ON THE BASIS OF EFFECT ON DEMAND OF PRODUCTS

EFFECT ON DEMAND OF PRODUCTS	NO. OF RESPONDENTS	PERCENTAGE
POSITIVE	22	44
NEGATIVE	22	44
NO IMPACT	6	12
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.3: CLASSIFICATION ON THE BASIS OF EFFECT ON DEMAND OF PRODUCTS



INTERPRETATION:

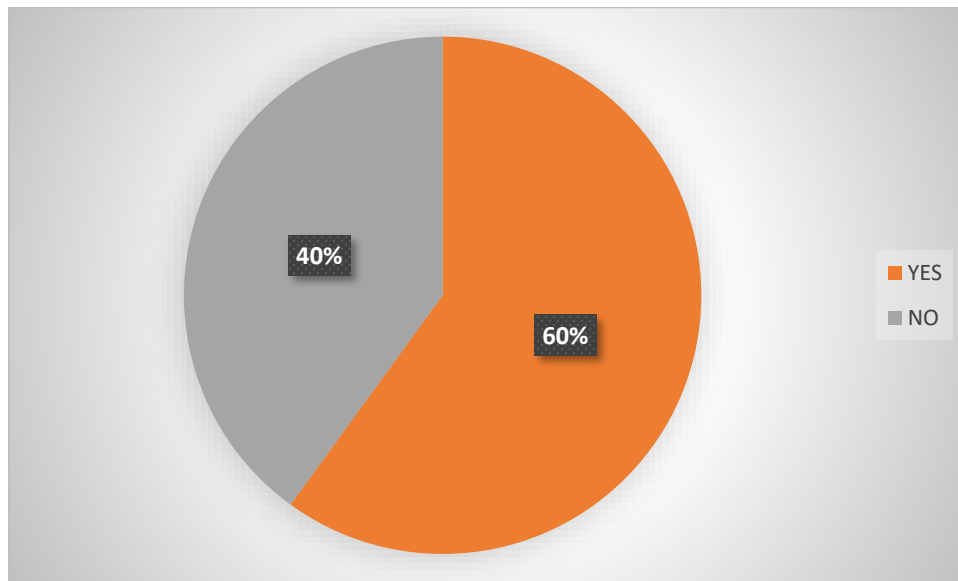
From the above table and graphical analysis, it is clear that introduction of GST have affected product demand positively for 44%, negatively for 44% and have no impact on 12%.

TABLE 4.4: WHETHER UPDATED ABOUT GST OR NOT

WHETHER UPDATED ABOUT GST OR NOT	NO. OF RESPONDENTS	PERCENTAGE
YES	30	60
NO	20	40
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.4: WHETHER UPDATED ABOUT GST OR NOT



INTERPRETATION:

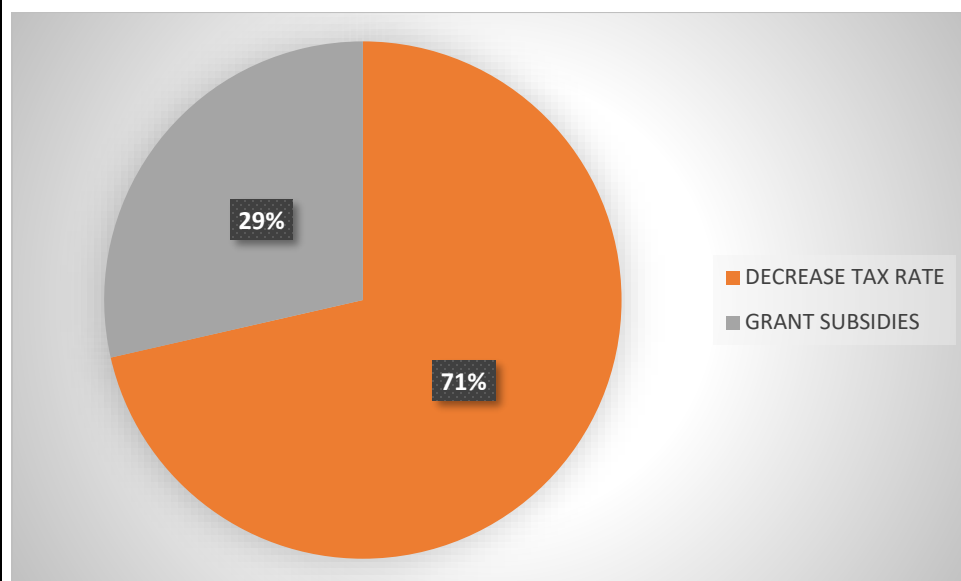
From the above table and graphical analysis, it is clear that 60% of electronic store owners are updated about GST and 40% are not

TABLE 4.5: SURVEY TO KNOW WHICH METHOD IS MOST RECOMMENDED TO REDUCE TAX BURDEN

MOST RECOMMENDED METHOD	NO. OF RESPONDENTS	PERCENTAGE
DECREASE TAX RATE	35	71
GRANT SUBSIDIES	14	29
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.5: SURVEY TO KNOW WHICH METHOD IS MOST RECOMMENDED TO REDUCE TAX BURDEN



INTERPRETATION:

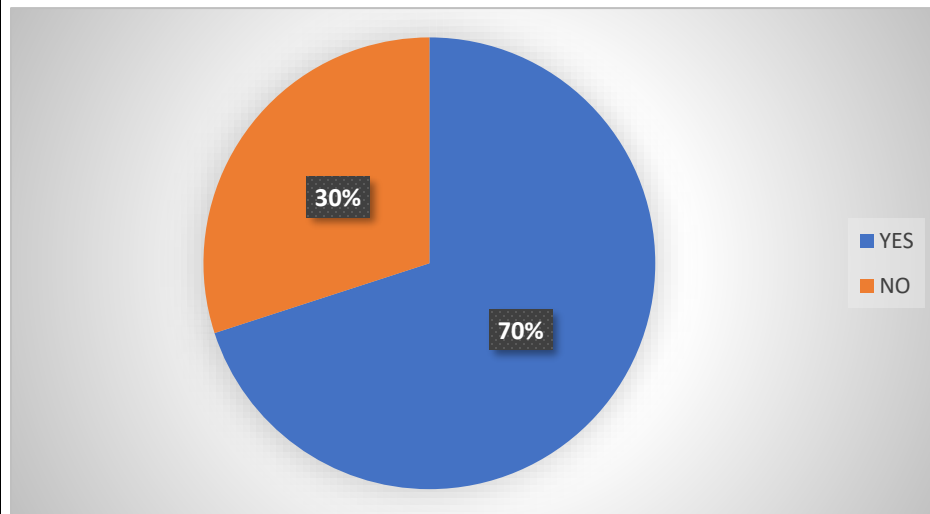
From the above table and graphical analysis, it is clear that 71% of the electronic store owners recommended the method of tax reduction and 29% of the electronic store recommended the method of granting subsidies so as to reduce tax burden.

TABLE 4.6: SURVEY TO FIND OUT WHETHER GST HAVE AFFECTED THE BUSINESS

WHETHER EFFECTED OR NOT	NO. OF RESPONDENTS	PERCENTAGE
YES	35	70
NO	15	30
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.6: SURVEY TO FIND OUT WHETHER GST HAVE AFFECTED THE BUSINESS



INTERPRETATION:

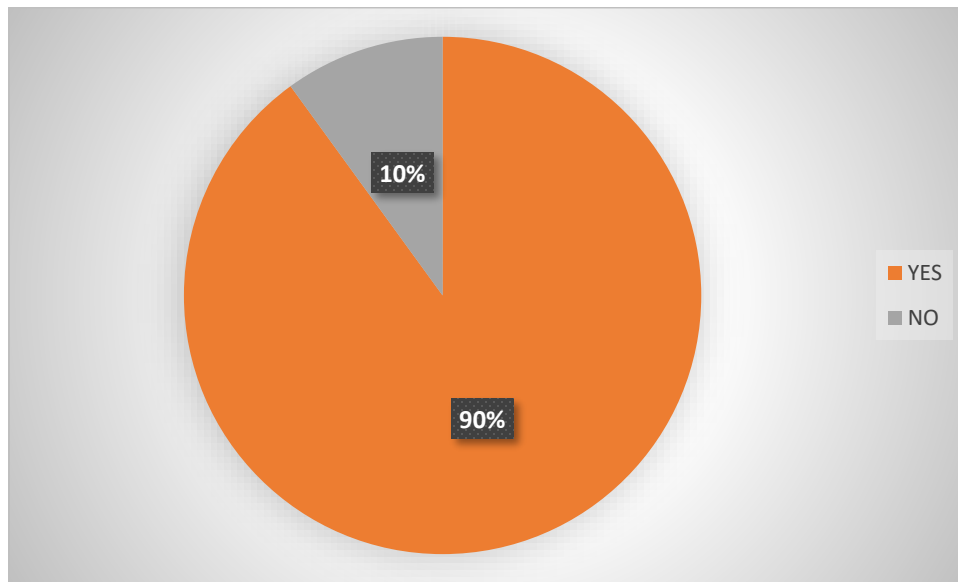
From the above table and graphical analysis, it is clear that GST have affected 70% of the electronic business and have not affected 30% of the electronic business.

TABLE 4.7 : SURVEY TO FIND OUT WHETHER GST INCREASED TAX BURDEN ON ELECTRONIC STORE

WHETHER INCREASED TAX BURDEN	NO. OF RESPONDENTS	PERCENTAGE
YES	45	90
NO	5	10
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.7 : SURVEY TO FIND OUT WHETHER GST INCREASED TAX BURDEN ON ELECTRONIC STORE



INTERPRETATION:

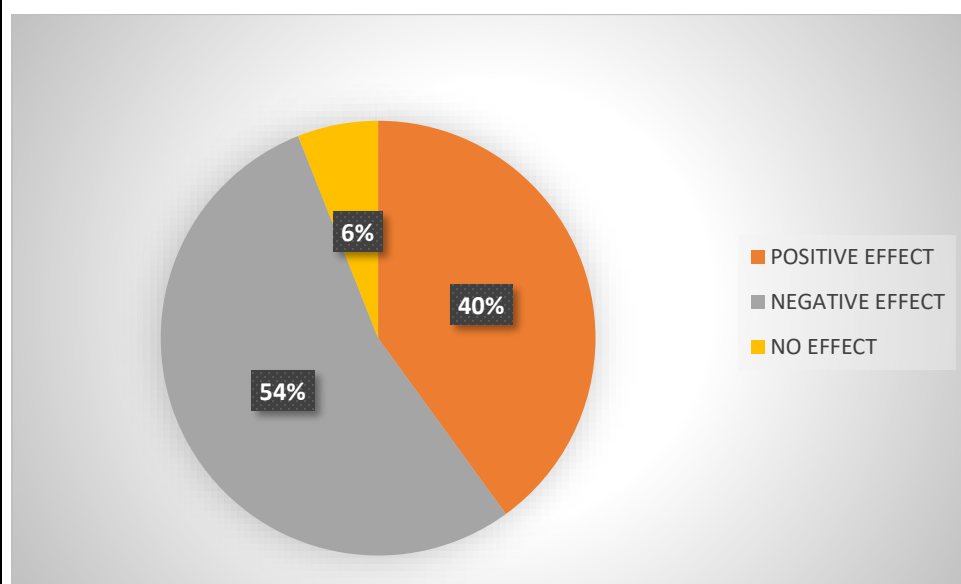
From the above table and graphical analysis, it is clear that GST have increased tax burden for 90% of the electronic stores and have not increased tax burden for 10% of the electronic store.

TABLE 4.8: CLASIFICATION ON THE BASIS OF NATURE OF EFFECTIVENESS

NATURE OF EFFECTIVENESS	NO. OF RESPONDENTS	PERCENTAGE
POSITIVE EFFECT	20	40
NEGATIVE EFFECT	27	54
NO EFFECT	3	6
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.8: CLASIFICATION ON THE BASIS OF NATURE OF EFFECTIVENESS



INTERPRETATION

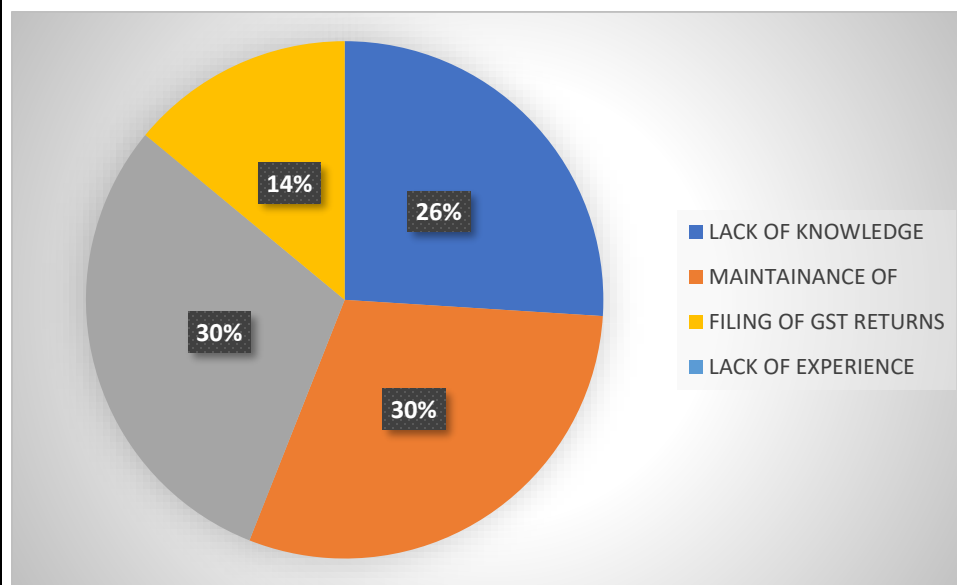
From the above table and graphical analysis, it is clear that GST have a positive effect on 40% of the electronic business, a negative effect on 54% of the electronic business and 6% have no effect on the electronic business.

TABLE 4.9: CLASSIFICATION ON THE BASIS OF ISSUES FACED

ISSUE FACED	NO. OF RESPONDENTS	PERCENTAGE
LACK OF KNOWLEDGE	13	26
MAINTAINANCE OF PROPER RECORD	15	30
FILING OF GST RETURNS	15	30
LACK OF EXPERIENCE	7	14
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.9: CLASSIFICATION ON THE BASIS OF ISSUES FACED



INTERPRETATION:

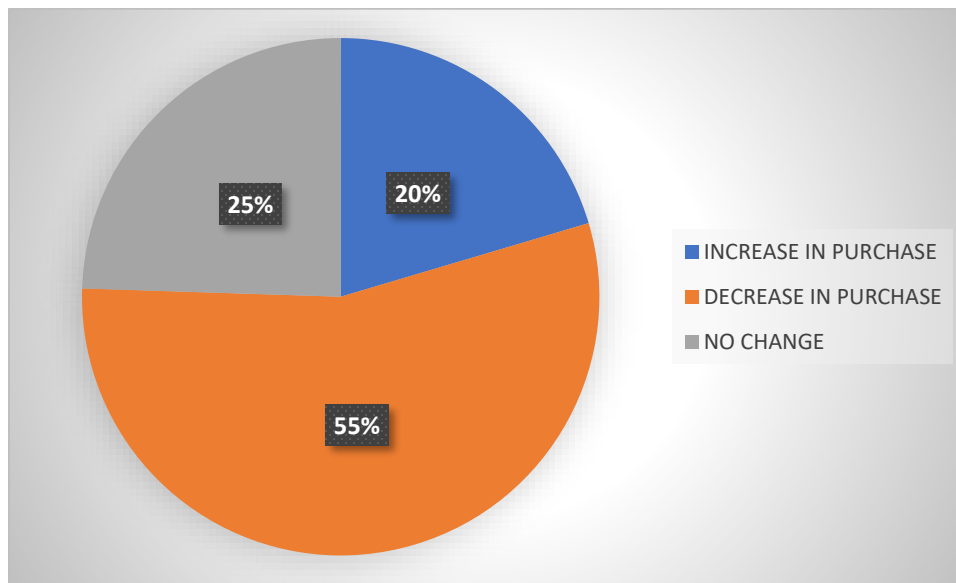
From the above table and graphical analysis, it is clear that 26% face the issue of lack of knowledge, 30% face the issue of maintenance of proper records, 30% face the issue of filing of GST returns and 14% face the issue of lack of experience. Therefore, filing of GST was the major issue faced by the electronic business.

TABLE 4.10 CLASSIFICATION ON THE BASIS OF CUSTOMERS REACTION

CUSTOMER'S REACTION	NO. OF RESPONDENTS	PERCENTAGE
INCREASE IN PURCHASE	10	20
DECREASE IN PURCHASE	27	55
NO CHANGE	12	25
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.10 CLASSIFICATION ON THE BASIS OF CUSTOMERS REACTION



INTERPRETATION:

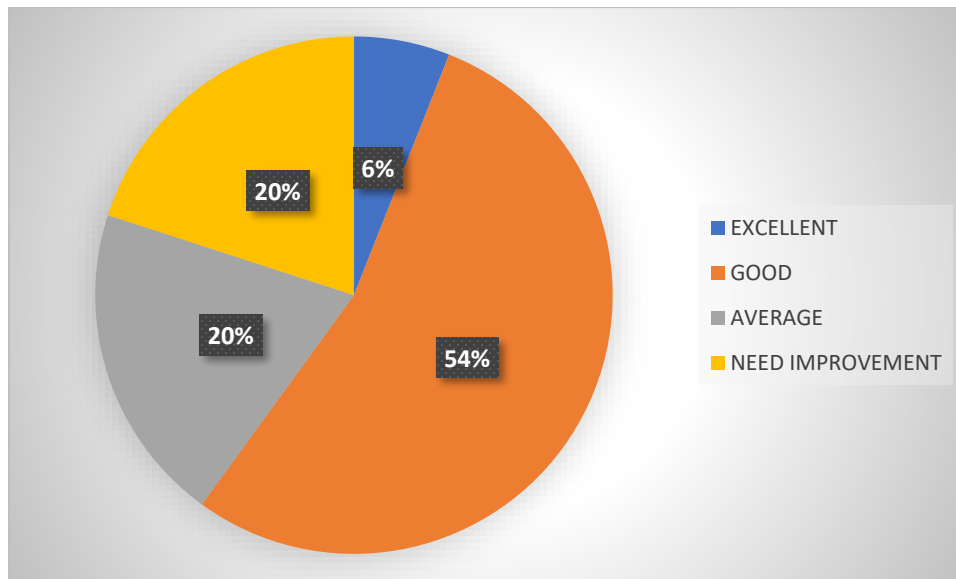
From the above table and graphical analysis, it is clear that 20% of customers have an increase in purchase, 55% have a decrease in purchase and 25% have no change in purchase.

TABLE 4.11: CLASSIFICATION ON THE BASIS OF RATING

RATING OF EXCELLENCE	NO. OF RESPONDENTS	PERCENTAGE
EXCELLENT	3	6
GOOD	27	54
AVERAGE	10	20
NEED IMPROVEMENT	10	20
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.11: CLASSIFICATION ON THE BASIS OF RATING



INTERPRETATION:

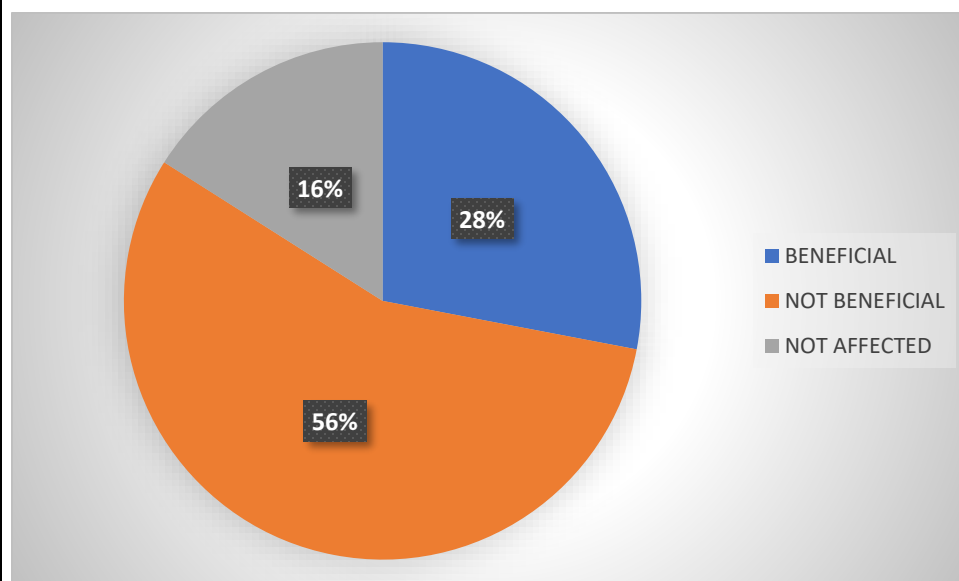
From the above table and graphical analysis, it is clear that 6% rated GST as excellent, 54% as good, 20% as average and 20% as need improvement.

TABLE 4.12: CLASSIFICATION ON THE BASIS OF BENEFITS

BENEFICIAL OR NOT	NO. OF RESPONDENTS	PERCENTAGE
BENEFICIAL	14	28
NOT BENEFICIAL	28	56
NOT AFFECTED	8	16
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.12: CLASSIFICATION ON THE BASIS OF BENEFITS



INTERPRETATION:

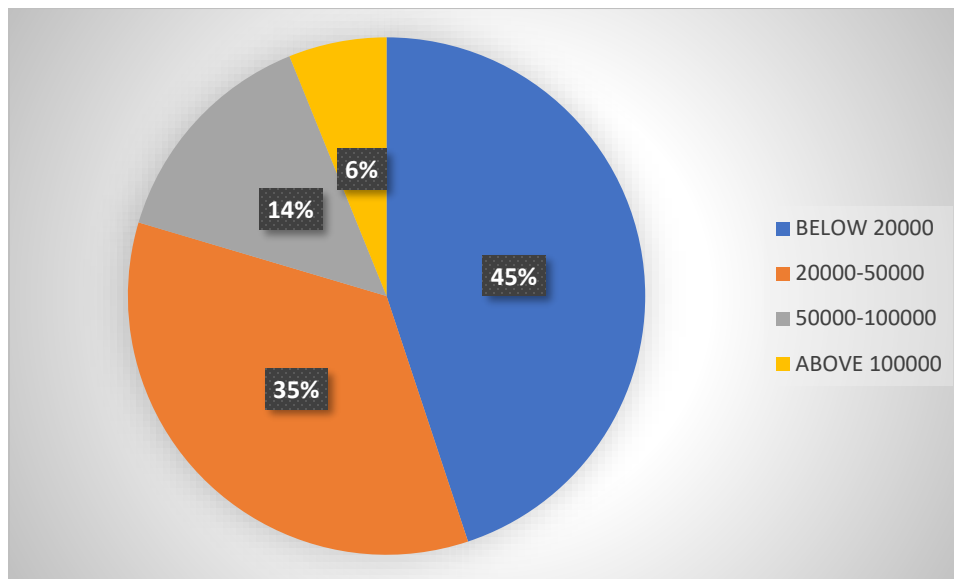
From the above table and graphical analysis, it is clear that GST is beneficial to 28% of the respondents, non-beneficial to 56% and 16% are not affected by GST

TABLE 4.13: CLASSIFICATION ON THE BASIS OF AVERAGE MONTHLY SALES BEFORE GST

MONTHLY SALE BEFORE GST	NO. OF RESPONDENTS	PERCENTAGE
BELOW 20000	22	45
20000-50000	17	35
50000-100000	7	14
ABOVE 100000	3	6
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.13: CLASSIFICATION ON THE BASIS OF AVERAGE MONTHLY SALE BEFORE GST



INTERPRETATION:

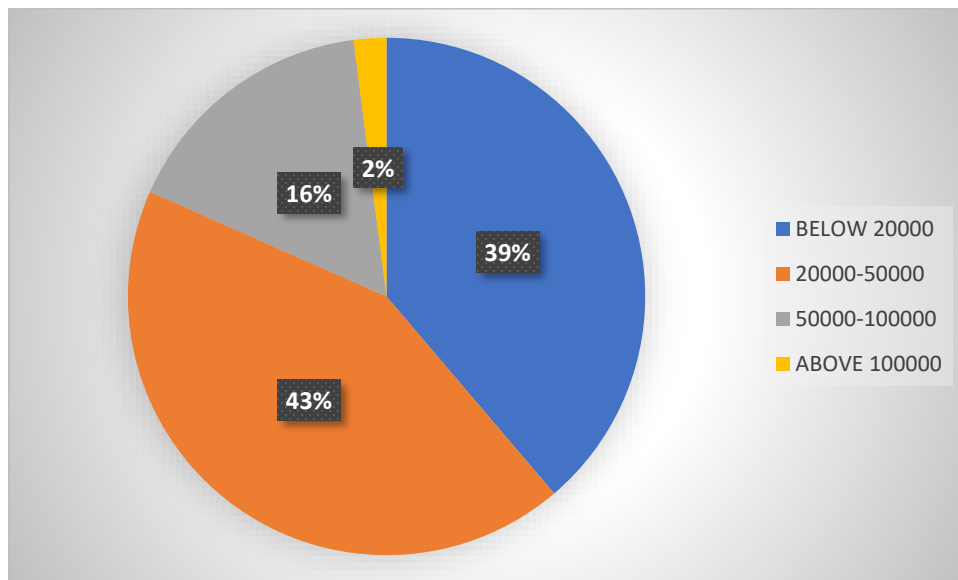
From the above table and graphical analysis, it is clear that 45% are having monthly sales below 20000,35% are having sales between 20000-50000,14% are having sales between 50000-10000 and 6% are having monthly sales above 100000.

TABLE 4.14: CLASSIFICATION ON THE BASIS OF AVERAGE MONTHLY SALE AFTER GST

MONTHLY SALE AFTER GST	NO. OF RESPONDENTS	PERCENTAGE
BELOW 20000	19	39
20000-50000	21	43
50000-100000	8	16
ABOVE 100000	1	2
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.14: CLASSIFICATION ON THE BASIS OF AVERAGE MONTHLY SALE AFTER GST



INTERPRETATION:

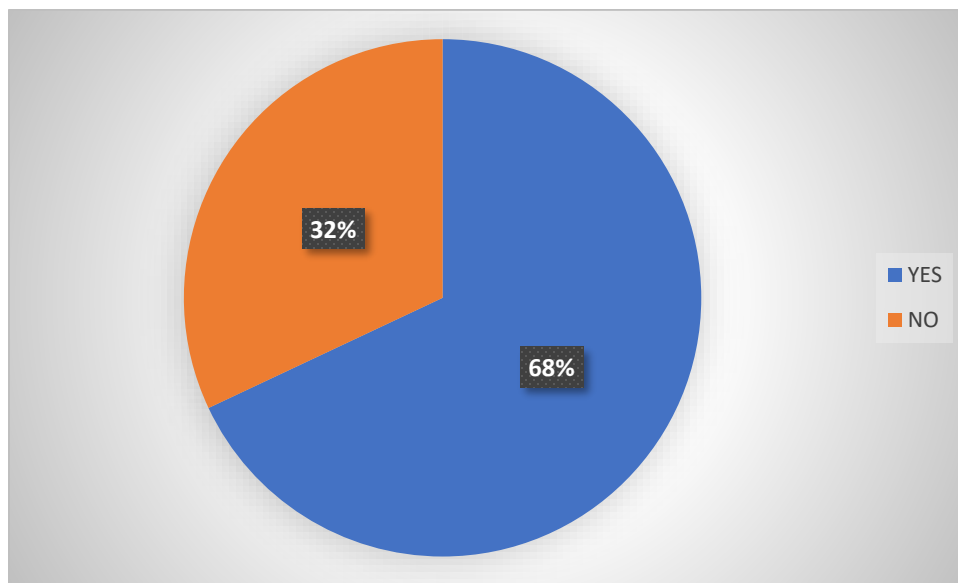
From the above table and graphical analysis, it is clear that 39% are having monthly sales below 20000, 43% are having monthly sales between 20000-50000, 16% are having monthly sales between 50000-10000 and 2% are having monthly sales above 100000.

TABLE 4.15 WHETHER BENEFITS RECEIVED OR NOT

BENEFITS RECEIVED OR NOT	NO. OF RESPONDENTS	PERCENTAGE
YES	34	68
NO	16	32
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.15 WHETHER BENEFITS RECEIVED OR NOT



INTERPRETATION:

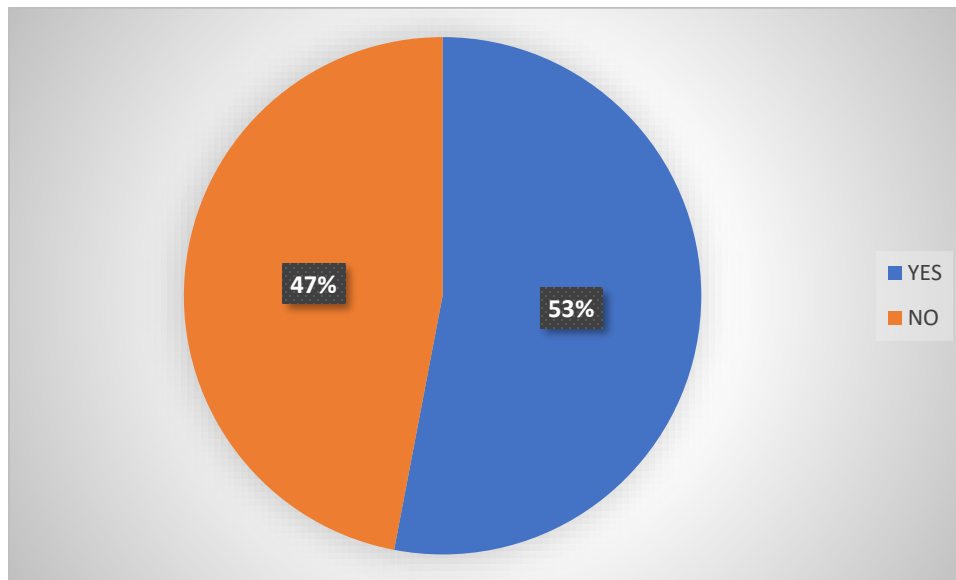
From the above table and graphical analysis, it is clear that 32% have not received benefits of GST and 68% have received any benefits.

TABLE 4.16 WHETHER GST POSITIVELY INFLUENCED OR NOT

POSITIVELY INFLUENCED	NO. OF RESPONDENTS	PERCENTAGE
YES	26	53
NO	23	47
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.16 WHETHER GST POSITIVELY INFLUENCED OR NOT



INTERPRETATION:

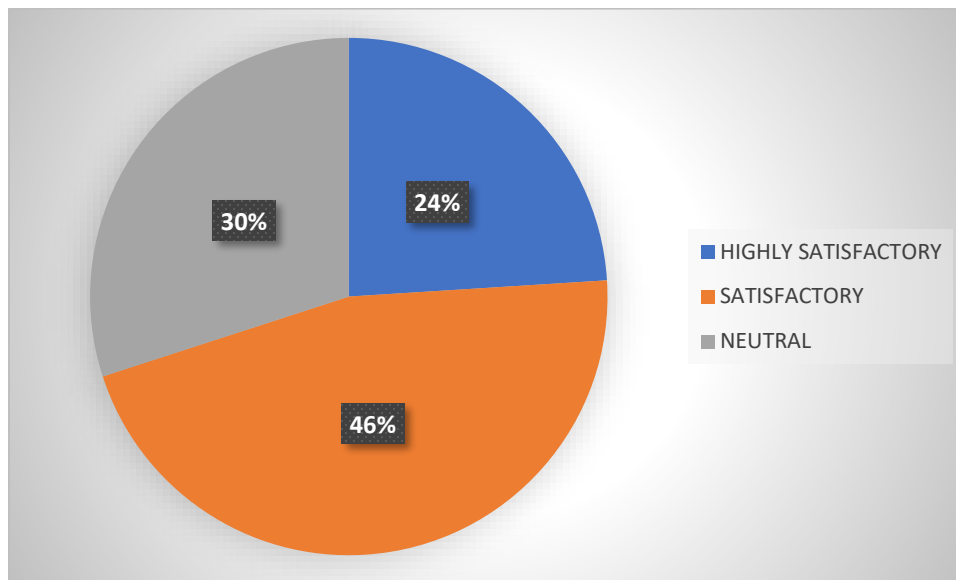
From the above table and graphical analysis, it is clear that 53% have a positive influence from GST and 47% did not have a positive influence from GST.

TABLE 4.17 RATING ON THE BASIS OF OVERALL EXPERIENCE ABOUT GST

OVERALL EXPERIENCE	NO. OF RESPONDENTS	PERCENTAGE
HIGHLY SATISFACTORY	12	24
SATISFACTORY	23	46
NEUTRAL	15	30
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.17 RATING ON THE BASIS OF OVERALL EXPERIENCE ABOUT GST



INTERPRETATION:

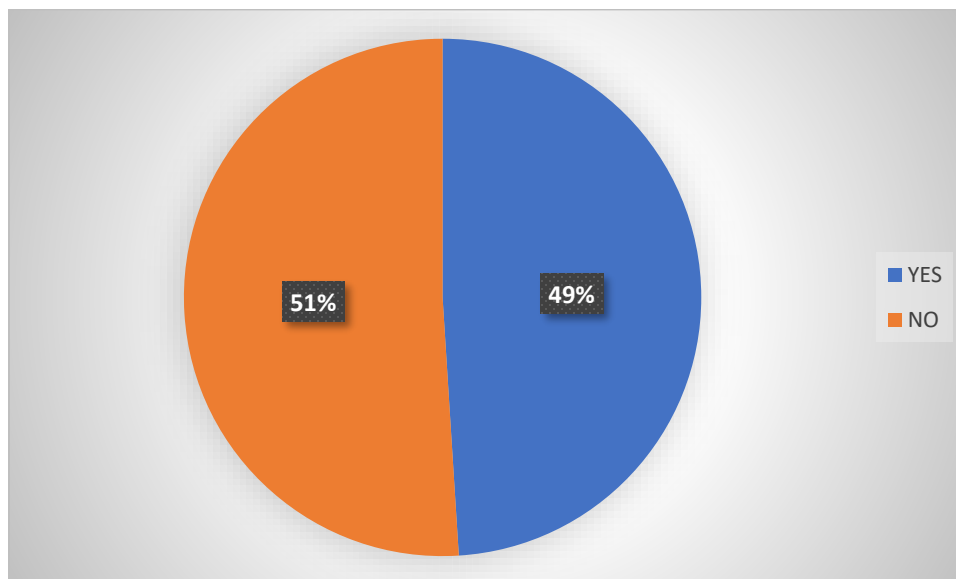
From the above table and graphical analysis, it is clear that 24% rated GST as highly satisfactory, 46% as satisfactory and 30% rated GST as neutral.

TABLE 4.18: WHETHER FORMULATED ANY SPECIFIC STRATEGY OR NOT

FORMULATED ANY SPECIFIC	NO. OF RESPONDENTS	PERCENTAGE
YES	24	49
NO	25	51
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.18: WHETHER FORMULATED ANY SPECIFIC STRATEGY OR NOT



INTERPRETATION:

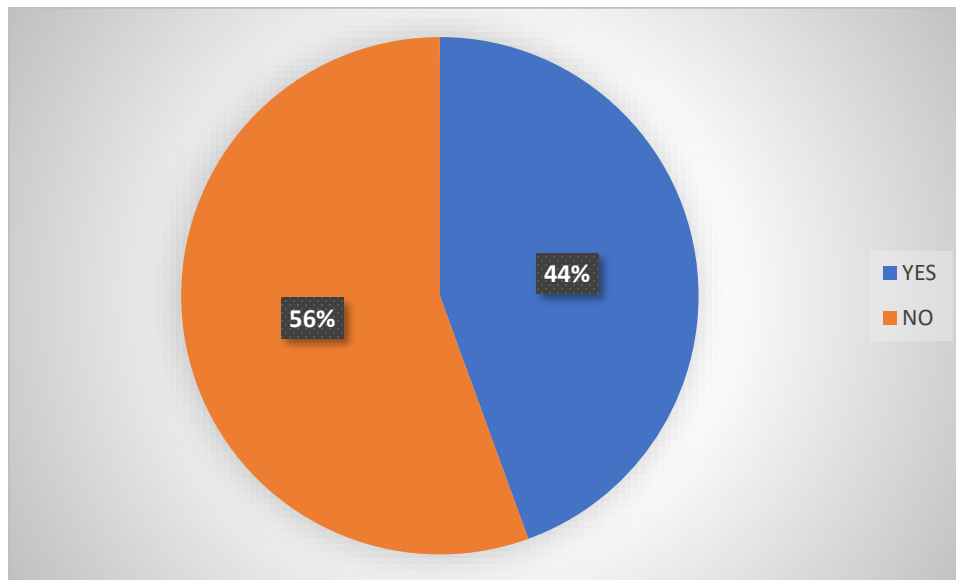
From the above table and graphical analysis, it is clear that 49% of the electronic stores have formulated specific strategies and 51% have not formulated any strategies.

TABLE 4.19: PARTICIPATED IN ANY AWARENESS PROGRAMS

WHETHER PARTICIPATED IN ANY AWARENESS PROGRAMS	NO. OF RESPONDENTS	PERCENTAGE
YES	22	44
NO	27	56
TOTAL	49	100

SOURCE: PRIMARY DATA

FIGURES 4.19: WHETHER PARTICIPATED IN ANY AWARENESS PROGRAMS



INTERPRETATION:

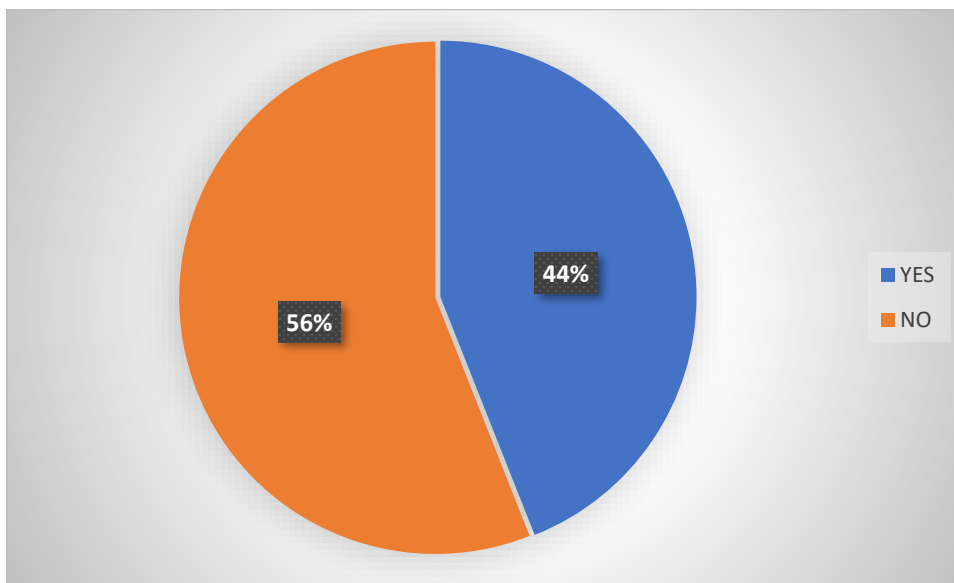
From the above table and graphical analysis, it is clear that 44% have participated in awareness programs and 56% have not participated.

TABLE 4.20: WHETHER YOU GOT ANY INCREMENT IN YOUR PROFIT LEVEL AFTER IMPLEMENTATION OF GST

WHETHER YOU GOT ANY INCREMENT IN YOUR PROFIT LEVEL	NO. OF RESPONDENTS	PERCENTAGE
YES	22	44
NO	28	56
TOTAL	50	100

SOURCE: PRIMARY DATA

FIGURES 4.20: WHETHER YOU GOT ANY INCREMENT IN YOUR PROFIT LEVEL AFTER IMPLEMENTATION OF GST



INTERPRETATION:

From the above table and graphical analysis, it is clear that 44% have got increment after implementation of GST and 56% have not.

CHAPTER - 5
FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS: -

- 1) Majority (88%) of the respondents fall in the age group of 20-30 years of age, 4% of respondents are between 30-40 years , 4% of the respondents fall in between 40-50 years and the rest 4% fall in between 50-60 years.
- 2) It is clear that the effect of GST was smooth for 38%, difficult for 48% and very difficult for 14% of the respondents.
- 3) It is clear that introduction of GST have affected product demand positively for 44% of the respondents, negatively for 44% and have no impact on 12%.
- 4) It is clear that 60% of the electronic stores are updated about GST and 40% are not aware of it.
- 5) 71% of the electronic store owners recommend the method of tax reduction and 29% of the electronic owners recommend the method of granting subsidies.
- 6) It is very clear that GST have affected 70% of the electronic business and have not affected 30% of the electronic business.
- 7) We can understand that GST have increased tax burdens for 90% of the electronic store owners and have not increased tax burdens for 10% of the electronic store owners.
- 8) We can understand that GST have a positive effect on 40% of the electronic business, a negative effect on 54% of the electronic business and have no effect on 6% of the electronic business.
- 9) Majority (30%) face the issue of filing of GST returns, 30% face the issue of maintenance of proper records, 26% face the issue of lack of knowledge and remaining 14% face the issue of lack of experience.
- 10) It is clear that 55% of the customers have a decrease in purchase, 20% have an increase in purchase and 25% have no change in purchase.
- 11) It is clear that 6% rated GST as excellent, 54% rated as good, 20% rated as average and 20% as need improvement.
- 12) It is clear that GST is beneficial to 28%, non- beneficial to 56% and 16% are not affected by GST.
- 13) In terms of average monthly sales before GST 35% are having monthly sales between the group of 20000- 50000, 14% are having monthly sales between 50000-100000, 45% are having monthly sales below 20000 and remaining 6 % are having sales above 100000.
- 14) In terms of average monthly sales after GST 43% are having monthly sales between the group of 20000-50000,16% are having monthly sales between 50000-100000, 39% are having monthly sales below 20000 and remaining 2% are having sales above 100000.

15) Majority (68%) of electronic stores received the benefits of GST and 32% have not received any benefit, it will affect the tax performance of nation.

16) It is very clear that 53% have a positive influence from GST and 47% did not have a positive influence from GST.

17) We can understand that 24% rated GST as highly satisfactory, 46% as satisfactory and 30% rated as neutral.

18) Majority (49%) of the electronic stores owners have formulated specific strategies and 51% have not.

19) From the analysis it is clear that 44% have participated in awareness programs and remaining 56% have not participated.

20) From the analysis it is clear that 44% have got increment after implementation of GST and 56% have not.

5.2 SUGGESTIONS

- Adequate awareness programmes should be given to electronic store owners regarding GST.
- Reduction in Number of Tax Slabs Rates.
- Standardization of system and procedures.
- Well defined procedures in case of billing.
- The government should remove the small electronic stores from the preview of GST.
- The software used in GST system should be made available at suitable rate.
- Provide technical knowledge about GST to public.
- Adequate training programmes for the tax payers and tax forces.

5.3 CONCLUSION

The research is on the topic "A study on the impact of GST among electronic stores at Edappally "The study primarily focuses on identifying the advantages and challenges faced by the electronic store owners after adopting GST application and to understand the marketing strategies adopted to overcome the challenges. The study is conducted at Edappally city based on electronic stores and the analysis was mainly collected on the basis of primary data through well-structured questionnaire and secondary data include journals, magazines, articles etc.

As we all know consumers are the king of the market. Consumers are the one who determines the marketing life of product. With the effect of GST on 1st July 2017 in India. It is well designed and attractive method to get rid of information of existing process of multiple taxation

GST will improve tax compliance and widen all the taxes bases, remove the existing unhealthy tax system among states and restructure the tax burden. Through this study it is clear about the problem which has been affected by GST to the electronic store. Lack of knowledge,experience and limited time period for return submission are the major problems faced by them during the VAT to GST.

Goods and Service Tax is negatively affected to most of the electronic store owners due to their increased tax burden and it can be further concluded that GST have a positive impact with existing exception from central excise duty.

Implementation of GST requires concentrated efforts of all stakeholders namely Central and State Government, trade and industry. The Government has introduced a GST system to smoothen tax processes and bring businesses into the formal economy. Being GST-compliant, businesses can experience the merits of having a unified tax system and easy input credits.

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BIBLIOGRAPHY

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<https://cleartax.in>. Goods and Service Tax Council Meeting-GST

2. History of GST

<https://www.coverfox.com/personal-finance/tx/goods-and-services-tax-ga/>

3 Tax rates under GST

<https://www.paisabazaar.com> Taxes in India

BOOKS REFERRED:

1 Goods and Services Tax by DrA.P. Philip

2. International Journal of Management Research and Social Science by Pratibha

publication

ANNEXURE

QUESTIONNAIRE

Name of respondent:

1.Age

- 20-30
- 30-40
- 40-50
- 50-60

2.Do you think transition to GST regime was ?

- Smoother
- Difficult
- Very difficult

3.Do you feel the introduction of GST in india has affected the demand for the product/services?

- Positively
- Negatively
- No impact

4.Do you have enough updation about GST?

- YES
- NO

5. Which of the following measures will you recommend to reduce tax burden?

- Decrease tax rate
- Grant subsidies

6.Did GST affect your Business?

- YES
- NO

7.Did GST increase tax burden on electronic items?

- YES

- NO

8. Choose the nature in which business is affected?

- Positively affected
- Negatively affected
- Not affected

9. What issue have you faced on account of the change over from VAT to GST?

- Lack of knowledge
- Maintenance of proper records
- Filling of GST returns
- Lack of experience

10. Customers reaction on purchase due to GST?

- Increase in purchases
- Decrease in purchases
- No change

11. Rating on introduction of GST?

- Excellent
- Good
- Average
- Need improvement

12. Have GST benefited your business?

- Beneficial
- Non-beneficial
- Not effected

13. Choose your average monthly sale before GST?

- Below 20000
- 20000-50000
- 50000-100000
- Above 100000

14. Choose your average monthly sales after GST?

- Below 20000

- 20000-50000
- 50000-100000
- Above 100000

15. Have your electronic store received benefits of GST application?

- YES
- NO

16. Does application of GST positively influence your electronic store performance in the market?

- YES
- NO

17. How would you rate your overall experience about GST application in your electronic store?

- Highly satisfactory
- Satisfactory
- Neutral

18. Have you formulated any specific strategies for the post GST situation?

- YES
- NO

19. Have you participated in any programs conducted by the Government for the awareness of GST?

- YES
- NO

20. Have you got any increment in your profit level after implementation of GST?

- YES
- NO