

To Study the Impact of GST on Godrej and Boyce Co. Ltd.

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Abstract- *This study examines the impact of Goods and Services Tax (GST) on Godrej and Boyce Co. Ltd., a diversified conglomerate operating in various sectors such as appliances, furniture, locks, and security solutions. GST, implemented in July 2017, aimed to streamline the indirect tax system in India, promote a unified market, and drive economic growth. Assessing the effects of GST on specific industries is crucial for understanding its overall implications and identifying potential opportunities and challenges. The study utilizes a mixed-methods approach, combining qualitative and quantitative analyses. Qualitative data is gathered through primary data in questionnaire. The quantitative analysis is gathered through primary data and operational data of Godrej and Boyce Co. Ltd. before and after the introduction of GST. Key financial indicators such as revenue, profitability, and tax liabilities are analysed to evaluate the direct impact of GST on the company's financial performance. Preliminary findings suggest that the implementation of GST has had both positive and negative effects on Godrej and Boyce Co. Ltd. On the positive side, GST has simplified the tax compliance process, reduced the burden of multiple taxes, and eliminated cascading effects, leading to improved cash flows and cost savings. However, challenges such as initial implementation costs, changes in pricing strategies, and adjustment to new compliance procedures have been observed.*

Indexed Terms- *GST, Godrej and Boyce Co. Ltd., Impact, Implementation.*

I. INTRODUCTION

The term "Goods and Services Tax" (GST) is used. The value added tax, service tax, purchase tax, excise duty, and other indirect taxes were all replaced by it when it was put into existence. India charges a tax

known as GST on the supply of some goods and services. There's just one a tax that India imposes. It was originally mentioned in the Budget Speech that was delivered on February 28, 2006. It set the stage for an extensive overhaul of India's indirect tax system. The indirect taxation system has undergone a series of modifications since its beginnings, with the most recent one being the Goods and Services Tax Act, which was finally put into effect on July 1, 2017.

Multiple indirect taxes that were imposed on various products and services were replaced by the GST as a result of this tax reform. All modifications and adjustments pertaining to this tax are regulated by the Central Board of Indirect Taxes and Customs (CBIC). The destination-based, multi-stage, all-inclusive Goods and Services Tax is imposed at each level of value addition. The country's numerous indirect taxes have been replaced, and this has enabled the Indian government carry out its 'One Nation One Tax' objective.

II. IMPACT OF GST IN GODREJ AND BOYCE COOPERATION LTD.

Godrej and Boyce Co. Ltd. is a large conglomerate company in India with diverse business interests, including appliances, furniture, security solutions, industrial engineering, and more. The implementation of the Goods and Services Tax (GST) in India has had both positive and negative impacts on the company. Here are some potential effects of GST on Godrej and Boyce Co. Ltd.:

- Streamlined Tax Structure:

By consolidating several indirect taxes into a single tax, the GST implementation sought to streamline the tax system. Godrej and Boyce Co. Ltd. has benefited from this since it makes tax management and compliance simpler.

- **Improved Supply Chain Efficiency:**

The old tax system had a lot of checkpoints and state borders, which caused delays and more money to transfer things. The removal of interstate barriers brought about by the introduction of GST has increased Godrej & Boyce Co. Ltd.'s supply chain efficiency.

- **Increased Compliance and Documentation:**

GST requires detailed documentation and compliance with specific regulations. Initially, this transition posed some challenges for businesses, including Godrej and Boyce Co. Ltd., as they needed to adapt their systems and processes to comply with the new requirements.

- **GST created distinct tax bands for various items and services, which had an impact on pricing and profitability. Tax rates may have increased for some goods while they may have decreased for others. This might have affected Godrej and Boyce Co. Ltd.'s pricing and profitability depending on their product lineup.**

- **Enhanced Competitiveness:**

GST aimed to create a level playing field by removing the cascading effect of taxes and allowing businesses to claim input tax credit. This has potentially enhanced the competitiveness of Godrej and Boyce Co. Ltd. in the market.

- **Transitional Challenges:**

Businesses all around the nation, including Godrej and Boyce Co. Ltd, faced difficulties with the first implementation of the GST. System changes, employee training, and adjusting to new compliance guidelines were some of these difficulties. The majority of these problems have, however, been resolved over time.

It's vital to remember that the precise effects of GST on Godrej and Boyce Co. Ltd. may differ based on their commercial activities, product line, and capacity to adjust to the new tax structure. For a more precise evaluation of the impact of GST on the company, a thorough review of their financial reports and statements is therefore required.

III. LITERATURE REVIEW

- (Ahmad, 2010) The author of this article addresses the government of Pakistan's plans to enact a general sales tax. Before pointing out the drawbacks and benefits of the suggested reforms, the author has discussed Pakistan's current indirect tax system, its history, and the modifications suggested by the National Taxation Reforms Commission.
- (Benedict, 2011) In order to ascertain if the Australian GST law's provisions pertaining to financial services have been correctly interpreted in light of the legislation's original meaning and how the issues presented can be handled, the author reviews these provisions.
- (Bhat, 2014) This article addresses the value added tax system's e-governance, which is based in India and gives Goa and Kerala specific consideration. India had a fairly complicated sales tax system up until 2005. A number of states made the changeover from sales tax to value added tax in 2005, including Goa and Kerala. The main advantage of VAT was the availability of ITC on imported goods.
- (Emmanuel, 2013) The author investigated the relationship between VAT, rising VAT expenses, and Nigerian economic growth and tax receipts. For this analysis, the author put forth two null hypotheses, both of which were shown to be true once the review was finished. Given their tight connection, the author draws the conclusion that the government and other authorities need to effectively inform consumers about the value of VAT so they may more easily accept rises in VAT costs.
- (Fathi, 2012) The authors looked into the connection between public value added tax evasion and the rate of value added tax using a range of experimental methods. They come to the conclusion that there is no relationship between the two because evasion rates are high in nations with low VAT rates and enforcement rates are high in many nations with high VAT rates.

- (fintapp, 2017) Consumer durable goods are the foundation of our investigation. This study discusses the several consumer durable goods businesses that exist in our nation. In India, there are three different categories of consumer durable industries: white, brown, and consumer electronic. How much revenue growth in the consumer durables sector can be anticipated in the near future.
- (Garg, 2014) This research is focused on the consequences of GST, the historical background of Indian taxation, and the challenges, opportunities, and threats that GST poses to our market economy. Based on the consequences of GST and a quick overview of Indian taxes and taxation, this article addressed the challenges, opportunities, and risks that GST may provide for enhancing our free market economy.
- (Genpact, 2011) In this article, Genpact details how a study they conducted for a manufacturing client exposed to European VAT resulted in cost savings due to changes made to the client's handling of VAT-related compliances.

IV. METHODOLOGY

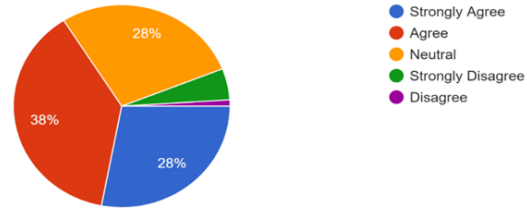
Primary data and secondary data are the two categories used to categorise information. Primary data are a sort of data that the researcher collects themselves via questionnaires. Secondary data is a kind of information that has already been gathered but is still used by the researcher. In this study, original data were collected by the researcher for analysis. With the aid of Google Forms, a primary data questionnaire centred on the subject of the impact of GST on durable consumer products was constructed. A questionnaire that took the form of a Google form was used to collect primary data. Social media apps like Facebook, WhatsApp, Instagram, and Discord are used to distribute this Google form to respondents.

V. OBJECTIVE

- To understand the relation between GST and price inflation of Godrej and Boyce Co. Ltd. products.
- To understand GST more deeply

VI. ANALYSIS AND FINDINGS

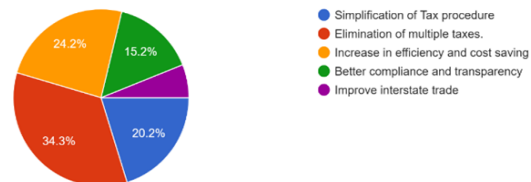
1. Classification of the respondents on the basis of their perception regarding whether GST is good for the economy.



Interpretation

By analysing the above chart and tables we can say that the most of the respondent are in favour of good and service tax is good for the economic. 38% respondent are Agree, 28% are strongly agree, 28% are neutral, 5% strongly disagree and 1% Disagree. These respondents are not 100% sure about the GST but they think maybe GST is good for the economy.

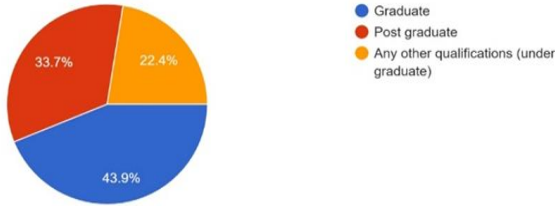
2. In this we are trying to classify respondent thought regarding whether, In their opinion, what are the major advantage of GST for the company



Interpretation

By analysing the above chart and tables we can say that the most of the respondent are observed that the elimination of multiple taxes are the major advantage of GST for the company. 34.3% respondent is saying Elimination of multiple taxes, 24.2% respondents are saying that there is increase in efficiency and cost saving, 20.2% respondents are saying that there is simplification of Tax procedure, 15.2% respondents are saying Better compliance and transparency and 6.1% respondents are saying that there is improve in interstate trade.

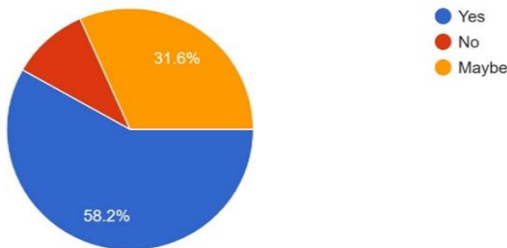
3. In this respondent has been differentiated on the bases of Qualification.



Interpretation

After seeing the above chart and table we can say that majority of the respondents are graduate. Graduate respondents are 43.9%, post graduate respondents are 33.7% and any other qualification respondents (under-graduate) are 22.4%. Thus it can be concluded that majorities of the respondents are graduate and post-graduate.

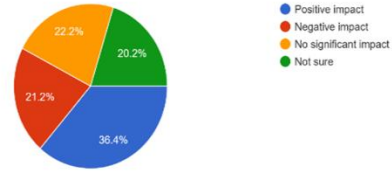
4. Classification of the respondents on the basis of their perception regarding whether “Do you think that adoption of GST is good for long run.



Interpretation

After seeing the chart and table we can say that the most of the respondent are satisfied with the statement that adoption of GST is good for long run. 58.2% respondent are agreeing with the statement, 10.2% respondent does not agree with the statement and 31.6% are bit confused but they are with the statement. Thus, majority of the respondents are with the statement hence which stats that adoption of GST is good in long run.

5. In this we are trying to classify respondent thought regarding whether the implementation of GST has had a positive or negative impact on Godrej and Boyce Cooperation Ltd.



Interpretation

By analysing the above chart and tables we can say that the most of the respondent are observed the positive impact after implementation of GST in Godrej and Boyce Cooperation Ltd. 36.4% respondent are saying positive impact, 22.2% says that there are no significant changes, 21.2% respondent says negative impact and 20.2% respondent are not sure. Thus, majority of the respondents are saying that there is positive impact.

CHI SQUARE TEST

Qualification * GST Adoption Crosstabulation Count

		GST Adoption			Total
		Maybe	No	Yes	
Qualification	Any other qualifications (under graduate)	9	4	10	23
	Graduate	18	4	23	45
	Post graduate	8	2	22	32
Total		35	10	55	100

From the above cross tabulation and contingency table, it is clear that the no. Of respondents who are under graduate and adopted GST is 10 and not adopted is 4 and maybe is 9. The no. Of respondents who are graduated and adopted GST is 23, not adopted is 4 and maybe is 8. The no. Of respondents who are post graduate and adopted GST is 22, and not adopted is 2 and maybe is 8

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.889 ^a	4	.299

Likelihood Ratio	4.780	4	.311
N of Valid Cases	100		

Interpretation

From the above table, it can be seen that the p-value is 0.299 which is greater than 0,05 therefore we reject the null hypothesis.

- Both Male and Female are equal respondents.
- It is inferred that 59% respondent belong to 18-25 age group, 35% respondent belongs to 25-35 age group ,3 % respondent belongs to 35-45 age group and 2% respondent belongs to above 45 age group, and 1% other. Majority of the respondent belongs to age group of 18-28
- It is inferred that most of the respondents are graduate. Graduate respondents are 43.9%, post graduate respondents are 33.7% and any other qualification respondents (under-graduate) are 22.4%. Thus, it can be concluded that majorities of the respondents are graduate and post-graduate
- It is inferred that 21% respondent are Businessmen, 40% respondent are student, 31% respondent are professional and 8% respondent have selected Any other option which are consumer. Majority of the respondent are students.
- The respondent's perception of the GST is favourable, and they believe that it benefits the economy.
- Perception of the 42% respondent towards the GST is that the GST wills increases the tax burden on the common people.
- Perception of the 58.2% respondent towards the impact of GST in long run will be beneficial for the economy.
- The present GST slab rates placed on consumer durables goods are well-liked by consumers.
- 52% respondent agrees that the GST is a good method to replace the sales and service tax.
- 41.8% respondent are agreed that the implementation of GST affected the overall operations of Godrej and Boyce Cooperation Ltd.
- 36.4% respondents have a positive impact on the implementation of GST on Godrej and Boyce Cooperation Ltd.

- After the implementation of GST, 41.8% respondents have observed that there is a increase in price of the product of Godrej and Boyce Cooperation Ltd.
- 42.9% respondents are responded that GST is been imposed on consumer durable goods which lead to create price inflation for consumer durable goods.
- 34.3% respondents says that the Elimination of multiple taxes are the major advantage of GST for the

CONCLUSION

This is based on the overall highlight of good and service tax and its impact on consumer durable goods of Godrej and Boyce Cooperation Ltd. The new GST for electrical goods has replaced multiple tax structures, including VAT and service tax. It has been put in place to increase tax system transparency and make it simpler for consumers to pay their taxes. However, every new development has both advantages and disadvantages. The two criteria are also included in this new tax slab. A number of indirect taxes were imposed on a variety of goods and services before to the implementation of the GST, including Value Added Tax (VAT), Swachh Bharat Cess, Krishi Kalyan Cess, Service Tax, Central Excise Tax, etc. These have all been replaced by Centra GST and State GST, according to the government. Since the introduction of the GST, India has become a unified market, making it a desirable location for foreign investment. GST is split into two categories, governed by the state and federal governments, and the planned GST rates are higher on some commodities than the former VAT rates, increasing the cost of these goods. Prior to GST, several industries received an excise duty fee instead of additional taxes. As GST is added, these industries may now experience losses. Government must create several platforms for information collection that make it simple to gather GST-related data and present that data in a way that consumers can easily understand. Understanding of goods and services among consumers must be sound, and a sound understanding will aid in forming a favourable opinion of the GST.

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