

To Study the Impact of Goods and Services Tax (GST) on Bajaj Electricals Ltd.

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Abstract- *This study examines the impact of Goods and Services Tax (GST) on Bajaj Electricals Ltd., a diversified conglomerate operating in various sectors such as appliances, fans, iron, etc. 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 Bajaj Electricals 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 Bajaj Electricals 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, Bajaj Electricals Ltd., Implementation*

I. INTRODUCTION

GST stands for Goods and Services Tax. Indirect taxes including the value added tax, service tax, purchase tax, excise duty, and others were replaced by it after it was put into existence. India levies the GST tax on the sale of particular goods and services. Only one exists

that is levied in India. In the Budget Speech delivered on February 28, 2006, it was first mentioned. It established the framework for a thorough reform of India's indirect tax structure. The indirect taxation system underwent a series of modifications before being finally put into effect on July 1st, 2017, as the Goods and Services Tax Act.

The GST replaced a number of indirect taxes that were imposed on various goods and services as a result of this tax reform. The regulatory agency in charge of overseeing all modifications to this tax is the Central Board of Indirect Taxes and Customs (CBIC). A multi-step, comprehensive tax levied at each stage of value addition, the Goods and Services Tax is destination-based. It has successfully aided the Indian government in achieving its 'One Nation One Tax' agenda by replacing numerous indirect taxes throughout the nation.

II. IMPACT OF GST IN BAJAJ ELECTRICALS LTD.

Like any other firm, the effect of GST on Bajaj Electricals Ltd will depend on a number of variables, including the company's business model, product line, supply chain, and pricing strategy. The following are some broad effects.

- Streamlined Tax Structure:

GST streamlined the tax structure by getting rid of several taxes and establishing a single tax system. This simplified strategy can make Bajaj Electricals Ltd. more productive and less burdened with compliance requirements.

- Input Tax Credit (ITC)

Businesses can claim input tax credits under the GST for taxes paid on the materials used in the manufacture or delivery of products and services. For businesses

like Bajaj Electricals Ltd., this improves cash flow and lessens the cascading effect of taxes.

- **Supply Chain Optimization:**

GST eliminated interstate entrance tariffs and checkpoints and established a uniform tax framework for all states. By lowering obstacles, Bajaj Electricals Ltd. may be able to optimise its supply chain, resulting in cost savings and better logistics.

- **Pricing and Competitiveness:**

The effect of GST on pricing may change depending on the tax rates that apply to the goods of Bajaj Electricals Ltd. Tax rates may have increased for some goods and services while they may have decreased for others. To remain competitive, Bajaj Electricals Ltd would have changed its pricing tactics to reflect the increased tax rates.

- **Increased Compliance Requirements:**

Businesses must adhere to a number of rules and regulations in order to apply the GST, including timely filing of returns and maintaining accurate records. Like other businesses, Bajaj Electricals Ltd. had to modify its accounting and reporting procedures to adhere to the new rules.

It's important to note that the specific impact of GST on Bajaj Electricals Ltd may have evolved or changed since my knowledge cut-off date. Therefore, it's recommended to refer to the company's latest financial reports, statements, and official announcements for a more accurate and up-to-date understanding of the impact of GST on their operations.

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

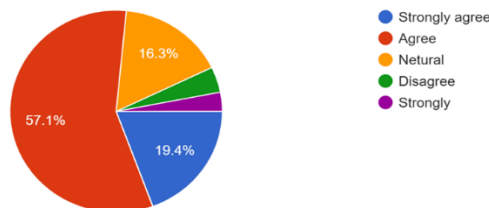
Primary and secondary data are the two categories into which information is separated. Primary data is a type of information that is gathered by the researcher using questionnaires. Data that has already been gathered by another party but is used by the researcher is known as secondary data. For the sake of analysis, the researcher in this work has used primary data. With the aid of Google Forms, a primary data questionnaire that explores the effects of GST on durable consumer items has been developed. 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 Bajaj Electricals Ltd. products.
- To understand GST more deeply

VI. ANALYSIS AND FINDINGS

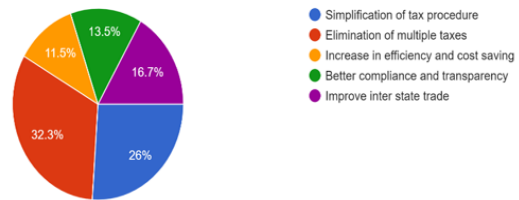
1. Classification of the respondents on the basis of their perception regarding whether GST is good for the economy.



Interpretation

By analyzing 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 57.1% respondent are Agree, 19.4% respondent are Strongly agree of the GST and 16.3% are natural so they are going in favour of GST,3.6%, respondent are disagree and 3.6% respondent are strongly disagree, These respondent are not 100% sure about the GST but they think maybe GST is good for the economy.

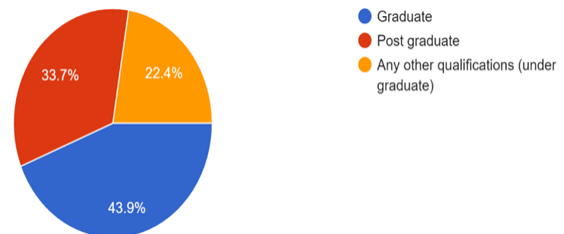
2. In this we are trying to classify respondent thought regarding whether In there opinion, what are the major advantage of GST for the company?



Interpretation

By analyzing 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. 32.3% respondent are saying that elimination of multiple taxes and 26 % respondent are saying that simplification of tax procedure, 16.7% respondent are saying that improve in interstate trade and 13.5% respondent are saying that better compliance and transparency, 11.5% respondent are saying that increase efficiency and cost saving.

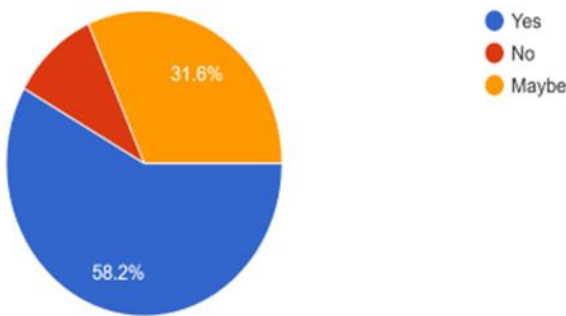
3. In this respondent has been differentiated on the bases of Qualification.



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.

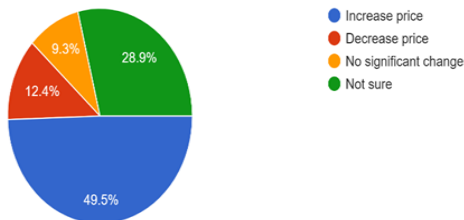
- Classification of the respondents on the basis of their perception regarding whether “Do you think that adoption of GST is good for long run?”



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 agree 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

- Classification of the respondents on the basis of their observation regarding what changes, is observed in price changing of Bajaj products after implantation of GST.



Interpretation

After seeing the chart and table we can say that the most of the respondent are observed increased priced in Bajaj electrical ltd. 49.5% respondent are saying that increase in price, 28.9% are not sure and 12.4% are saying that decrease in price, 9.3% are saying that there is no significant changes, Thus majority of the respondents are saying that there is increase in price and some are bit confused but they with the statement.

VII. CHI SQUARE TEST

Qualification * GST Adoption Crosstabulation

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

From the above cross tabulation and contingency table, it is clear that the no. Of respondents who are undergraduate 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 may 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.

- Mainly 55.7% respondent are male,43.3% are female so, Majority of the respondent are male.
- It is inferred that 74.2% respondent belong to 18-25 age group, 18.6% respondent belongs to 25-35 age group, 3.6% respondent belongs to 35-45 age group and 3.6% respondent belongs to above 45 age group. Majority of the respondent belongs to age group of 18-28.
- It is inferred that 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 56.7% respondent are Student, 17.5% respondent are Professional, 14.4% respondent are professional and 11.3% respondent have selected Any other option which are consumer. Majority of the respondent are Students.
- The respondent has a favourable opinion of the GST and believes that it is beneficial to the economy.
- Perception of the 33.4% 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.
- 40% respondent agrees that the GST is a good method to replace the sales and service tax.
- The existing GST slab rates that are applied to consumer durables are very well received by consumers.
- 40.2% respondent agrees that the implementation of GST, affected the overall operations of the Bajaj electricals Ltd.
- After the implementation of GST, 49.5 % respondents have observed that there is a increase in price of the product of Bajaj electicals Ltd.
- 45.9% respondent have a positive impact on the implementation of GST on Bajaj electricals Ltd.
- 51.1% respondent are responded that GST is been imposed on consumer durables good which lead to create price inflation for consumer durables goods.
- 32.2% respondent says that the elimination multiple taxes are the major advantage of GST for the company.

CONCLUSION

This is based on the overall highlight of good and service tax and its impact on consumer durable goods of Bajaj electricals 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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