



BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY & MANAGEMENT STUDIES (BIITM), BHUBANESWAR

Plot No. F/4, Chandaka Industrial Estate, Infocity, Patia, Bhubaneswar-24

Approved by AICTE, Govt. of India | Affiliated to BPUT, Odisha | NAAC Accredited | ISO 9001 : 2015

SUMMER INTERNSHIP PROJECT 2024

REPORT TITLE

Impact of GST on Consumer
Durable Goods

SUBMITTED BY

Manisha Manosmita Malla

MBA Batch: 2023-25

University Regn. No.: 2306258099

Faculty Guide

Ms. Sahani Singh
Asst. Prof. (Finance)
BIITM, Bhubaneswar

Corporate Guide

CA Satyananda Routray
(Partner)
RKP Associates,
Cuttack



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CERTIFICATE OF FACULTY/INTERNAL GUIDE

This is to certify that **Ms. Manisha Manosmita Malla**, bearing university registration no. **2306258099** of 2023-25 batch, has completed her summer internship at **RKP Associates (Chartered Accountants)** from 03/06/ 2024 to 13/07/2024 under the supervision of **CA Satyananda Routray** (corporate guide) and has submitted this project report under my guidance in partial fulfilment of the requirements for award of the degree of **Master of Business Administration** at **Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar**. To the best of my knowledge and belief, this project report has been prepared by the student and has not been submitted to any other institute or university for the award of any degree or diploma.

Date:

Place : Bhubaneswar

Signature of the Faculty/Internal Guide

Name: Ms. Sahani Singh

Designation: Asst. Prof. Finance

INTERNSHIP CERTIFICATE

This is to clarify that **Ms. Manisha Manosmita Malla** student of Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar studying Master of Business Administration (MBA) has successfully completed the 6-week internship from 3rd June 2024 to 13th July 2024.

During the internship, she was exposed to accounting and compliance related tasks as per income tax, GST and audit, under the guidance of **CA Satyananda Routray (Partner)**, **RKP Associates**.

Her association with our firm has been excellent.

For RKP ASSOCIATES
Chartered Accountants
FRN-322473E



CA Satyananda Routray
Partner
Mem No:224989

Date: 30th July 2024
Place: Cuttack

DECLARATION

I, **Ms. Manisha Manosmita Malla** bearing university registration No. **2306258099** (2023-25 batch), hereby declare that the project report titled **“Impact of GST on Consumer Durable Goods”** is based on my internship at **RKP ASSOCIATES (Chartered Accountants)**, during the period 03/06/2024 to 13/07/2024 and is an original work done by me under the supervision of **CA Satyananda Routray** (Corporate Guide) and **Ms. Sahani Singh** (Internal Guide). This report is being submitted to **Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar**, affiliated to **Biju Patnaik University of Technology, Odisha**, in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration**. This project report has not been submitted to any other institute/university for the award of any degree or diploma.

Date:

Place:

Signature

ACKNOWLEDGEMENT

I extend my heartfelt gratitude to all those who have contributed to the successful completion. of my internship and the subsequent project report.

I would like to express my appreciation to my corporate guide **CA Satyananda Routray, RKP Associates** for providing me with the opportunity to be part of their team and gain valuable insights into the practical aspects.

A special thanks to my faculty guide, **MS. Sahani Singh**, Asst. Professor (Finance) BIITM for her guidance, support, and continuous encouragement throughout the internship. Her expertise and willingness to share knowledge have been instrumental in shaping my learning experience.

I am grateful to the entire team at **RKP Associates** for creating a conducive and collaborative work environment. Their cooperation and willingness to share expertise have enriched my internship journey.

Finally, I would like to thank my parents for their love, blessings, unwavering support and encouragement.

EXECUTIVE SUMMARY

The implementation of GST on consumer durable goods has simplified the tax structure by replacing multiple indirect taxes with a single tax, resulting in reduced overall tax rates for many items. This has generally led to lower prices and increased demand. However, some items are taxed at a higher rate of 28%, which can make them more expensive for consumers.

The implementation of GST has generally been positive for the consumer durable goods sector, contributing to lower prices, improved market efficiency, and increased consumer demand. Despite initial challenges and higher tax rates on certain products, the long-term outlook remains favourable, with the sector poised for sustained growth and enhanced competitiveness. The implementation of GST has largely benefited the consumer durable goods sector by simplifying the tax structure, reducing the overall tax burden, and enhancing supply chain efficiency. These changes have generally led to lower prices and increased demand for many durable goods. Despite some challenges, such as higher tax rates on specific items and initial compliance costs for small businesses, the long-term effects of GST are positive, promoting market growth and competitiveness.

This project focuses on how the GST affects to the gainfulness in the chartered firm. The study of implementation of GST by using the financial reports analysing through various ratios and graphs.

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CHAPTER-1

INTRODUCTION

❖ INTRODUCTION

Internship is an on-the-job training programmed offered to students to balance the gap between class room theories and industry expectations. It is an on-field training programme, which may last from 2 weeks to 3 months period. During the internship period, the candidate may be paid or not paid with monetary benefits for the services rendered by him, but definitely compensated with work experience and real-life learning that benefits his career in the long run.

An internship is a training opportunity which is provided to students, such as graduates or postgraduates, to seek and feel the actual work experience and corporate culture before they enter any sector as working professionals.

Internship programme is one of the types of on-job training programmed, where the student gets a chance to experience the working environment, gets trained to the practical work exposure, sees implementation of class room theories in the work field and identifying the difference, coming with an appropriate opinion to overcome such gaps which indirectly benefits the university or college to know the actual requirements of industry, and making necessary changes in academics according to the industry needs so that students benefit with better outcomes.

Internship is a great opportunity even to employers to recognize the talents in the market, as in the competitive environment and high rate of unemployment, finding a right person for a right job has become a difficult task. This indirectly makes internship programmed effective as the employer can see a candidate's potential and dedication towards his work and his skills, strengths, weakness, etc., throughout the internship period.

❖ **INTRODUCTION TO PROJECT**

- **Project Name:** Impact of GST on Consumer Durable Goods.
- **Duration of the project:** 45 Days
- **Area of project conducted:** Bhubaneswar, odisha.
- **About Project:** A study about the impact of GST on consumer durable goods, this study will help us to know more about GST, what are the effects on consumer durables. Taxes are the deciding factors which affects the price of goods. This study help the consumer to deeply understand how they are been benefited from the implication of goods and services and what are the advantages and disadvantages of the goods and services tax with the help of data analysis consumer will be able to compare the difference between the current indirect taxation system with the past indirect taxation system.

➤ **WHAT IS TAX ?**

Taxes are the compulsory payment which is imposed by the government on the general public for the welfare of the society. Taxes are the mean source of revenue for the government. Taxes cover's up to 90% of the total revenue of government. Taxes are the payment for civilized society.

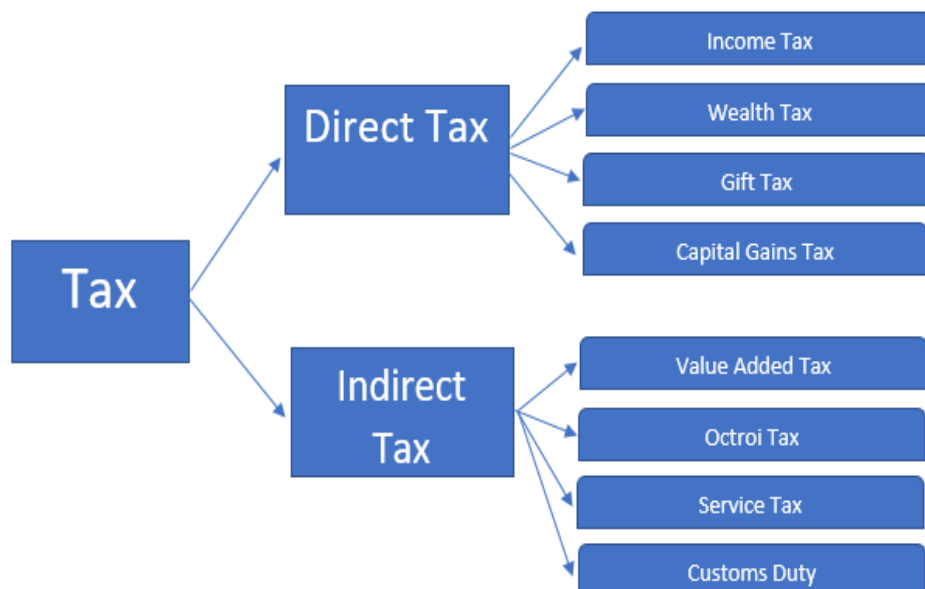
➤ **WHAT ARE THE REASONS FOR LEVYING TAXES ?**

1. Try to improve standard of living of each and every citizens of the country.
2. Try to reduce the gap between the rich and poor by applying more taxes on rich and giving the subsidies to the poor.
3. For defending the nation against the unwanted factors like terrorist and other countries which want to creates trouble for our country.

➤ TYPES OF TAXES

There are mainly two types of taxes –

- **DIRECT TAX:** Direct tax is a type of tax in each burden of the tax can't be shifted from one tax payer to other tax payer or someone. Like – corporate tax, personal income tax, capital gains tax, tax incentives.
- **INDIRECT TAX:** Indirect tax is different from the direct tax. In indirect tax burden of the tax is shifted from one taxpayer to another taxpayer. Like – goods and services tax (GST), value added tax (VAT), services tax, custom duty, excise duty.



(Fig. 1)

➤ **GOODS AND SERVICES TAX (GST)**

The idea of GST is first given by the **Kelkar task force in 2004**, but because of some reason the idea was dropped. GST idea again comes to light when the constitution (amendment) bill comes to parliament on **14 December 2014**. After taking all the suggestions GST finally becomes an Act on **September 8, 2016**, and with help of the constitution (**101st amendment act**) force this act to follow by both the state and center government.

GST stands for one nation one tax. GST is an indirect tax which made after combining **15 indirect tax**. GST is a consumption tax. GST is a value added tax levied on sales, consumption of goods and services. Goods and service tax is a destination based tax on supply of goods and services and levied at all stages. Tax is bear by the consumer in the end.

GST is governed by the GST council. Under GST, goods and services are taxed at the following rate, **0%, 5%, 12%, 18%, and 28%** and there is some special case in which the tax rate is **0.25%** on precious stones and 3% on gold. For the luxuries goods, GST charged rate is more than the other goods and the rate is **28%**. Goods which fall under the 28% tax rate slab are small cars, AC and refrigerator, premium cars, tobacco, and aerated drinks.

➤ **HISTORY OF TAX**

1. Vijay kelkar task force 2004 was the first ones to recommend the GST concept in India.
2. On 2006-07 union government was come up with the budget which also included GST. This budget stated that GST will be applicable form 1st April 2010.
3. Committees of state finance minister after various meeting agreed on implementation of GST in India.

4. Government issued first discussion paper in November 2009.
5. Finance minister said that the GST will be coming on April, 2011.
6. On 6th May, 2015 constitution (122nd Amendment) has passed the lok sabha.
7. On June 14, 2016, finance minister released a draft in public domain for views and suggestions.
8. On 3rd August, 2016 the constitution (122nd Amendment bill), 2014 was passed by rajya sabha.
9. (122nd) amendment bill, 2014 become an act after the Hon'ble president of India gives his final assent on September 8, 2016. 101st amendment bill also being pass which force the state and central government to levy this tax.
10. GST become fulfilled tax after replacing complex multiple indirect tax on 1 July, 2017.

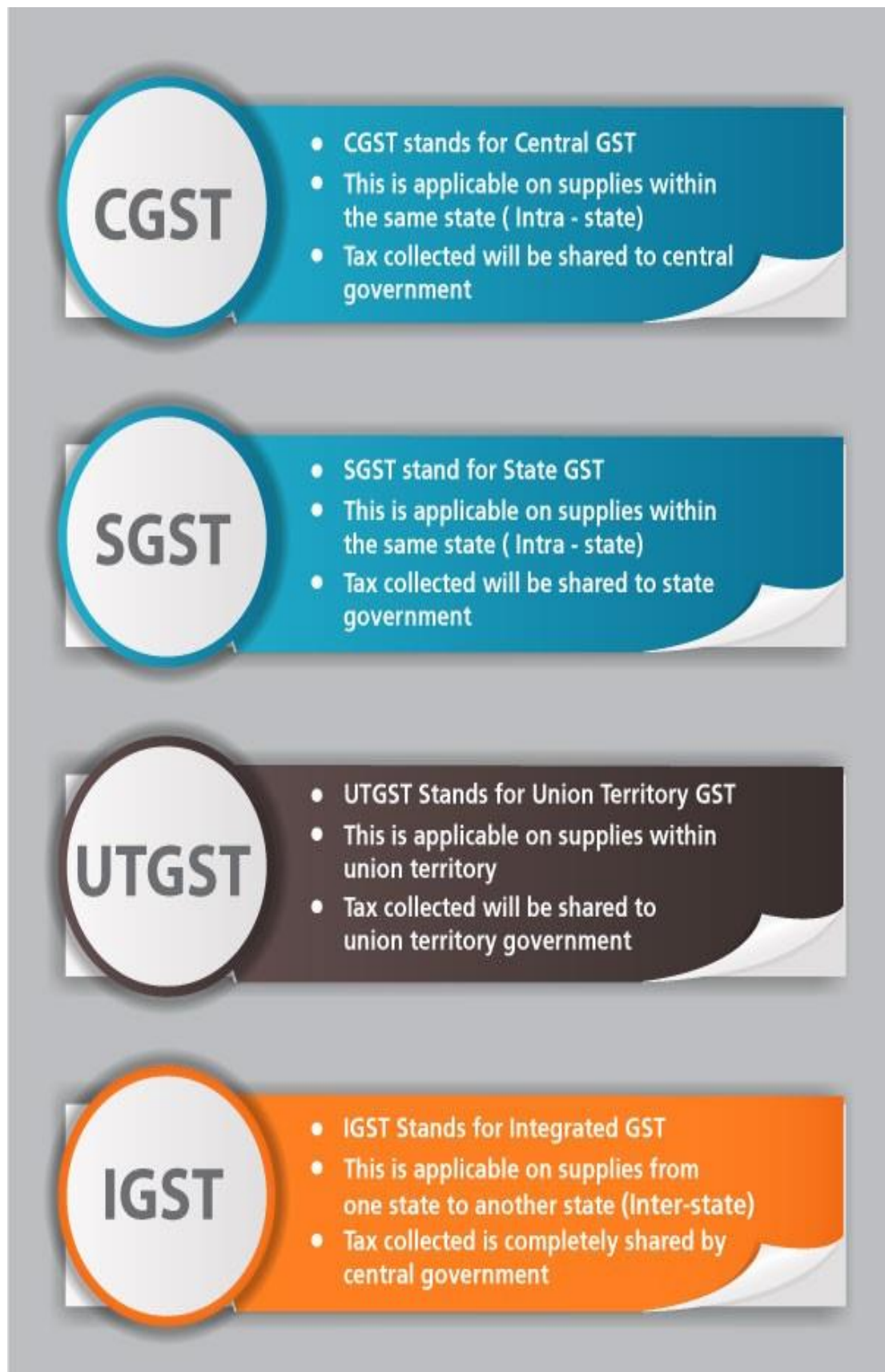
➤ **DIFFERENT TYPES OF GST TAXES**

CGST stands for central goods and services tax this tax is levied by the central government. CGST is applicable within the state only, tax revenue goes to the central government and no addition cares if the limit does not exceed 40 lakhs.

SGST stands for state goods and services tax this tax is levied by the state government. SGST is applicable within one state only tax revenue goes to the state government and care only if the limit exceeds 40 lakh.

IGST stands for integrated goods and services tax this tax is combined levied by both central and state government. Applicable within intra- state supplies and import. Tax revenue is shared between the state and central government.

UGST stands for union territory goods and services tax It is one of the components of the GST regime in India, along with the CGST, SGST, and IGST. UTGST is applicable on the supply of goods and services within the Union Territories of India, which are regions that are directly governed by the Central government.



(Fig. 2)

➤ **SALIENT FEATURES OF GST**

- Destination based principle: - GST is a destination based tax because tax revenue is collected by that state in which the goods and service is consumed by the consumer.
- Dual GST: - In India we follow dual GST with CGST which is levied by the central government and SGST which is levied by the state government. Union territories without legislature are levy union territory GST (UTGST).
- Inter-state supply: In this tax is collected by the central government for the purpose of not breaking the credit chain.
- GST on import: - In this tax is collected on import goods and tax while be levied on this bases of inter-state supplies and should be subjected to IGST with the In the case of service, tax is levied on the base of inter-state supplies and subject to IGST.
- Items kept out of GST: - GST is not applicable on Alcohol for consumption and GST is not applicable on petroleum product (crude, petrol, diesel, ATF, natural gas).
- Taxation on tobacco: - GST is applicable on tobacco product and Centre will also going to charge central excise duty.

- Threshold exemption: - threshold exemption applies to both CGST and SGST.
- Exports are zero-rated: - In export GST is not charged and GST is levied on export at zero rates.
- GST has multiple tax rates: - 0%, 3%, 5%, 12%, 18% and 28%.

➤ **ADVANTAGES OF GST**

GST is good for the economic. Its benefits government, consumer, stakeholders of industry. GST help in reduce the price of goods and services. GST helps in making tax structure more simplified. When the tax structure becomes simplified it attracts the MNC to our country.

- One nation one tax: Aim of the GST is to simplify the taxation system and remove economic barriers which will attract more MNC to the Indian market.
- Exports from India are zero rated: government does not charge any GST on export thus it will lead to making product more competitive in global market and which lead to boost in the economy.
- Tax payer's friendly: the Aim main of the GST is to remove complexities and make it more simplified for the tax payer's to pay their GST.

- GST is based on IT: GST is filled online which require less time compare to manual taxpaying.
- Boost to the economic growth: GST help in boosting the exports and manufacturing activities generation for more employment which lead to increase in Indian economy.
- Eradication of check post: e-bill leads to removal of check-post at the states boundaries. Now, the flow of raw material and final product has become free, fast
- Boost to make in India product: GST have provided a boost to the made in India products by making goods and services produce in India more competitive in the nation market as well as in international market.

➤ **DISADVANTAGES OF GST**

These are the drawback of the good and services tax in India:

- Transition proved complex: when the marketer shifted to the new tax rate it produce many problem to the marketer which leads to relaxations by the GST council
- Change in software: marketer have to shift their accounting which is ESP software to GST software. Purchasing of new software lead to increase in the cost.

- Multiple tax rate: GST have 5 tax slab rate 0%, 5%, 12%, 18% and 28%.
- Multiple state registrations: business now needs to register for GST in every state they are doing or operating their business.
- Professional needed: GST creates a need for a professional body in small business and new formed business also need to Heir professional for GST works.
- Increase in operational cost: by employing professional for GST complaint lead to increase in the operation cost of the business.
- Computerized GST: GST has to be filled online with the help of a computer but some business does have computer on their small shops and many people do not know how computer works which lead to many problem.

❖ **CONSUMER DURABLES GOODS**

Consumer durables, also known as durable goods. are goods that do not need to be purchased very often and last for at least three years. Economists keep a close eye on the consumption of consumer durables, as it is considered a good indicator of the economy's strength.

Are a type of consumer product that does not wear out easily and therefore does not require regular replacement, they are classified as "durable goods" and they are expected to last at least three years without breaking. Consumer durables goods are divided into three parts.

Classification of Consumer Durables

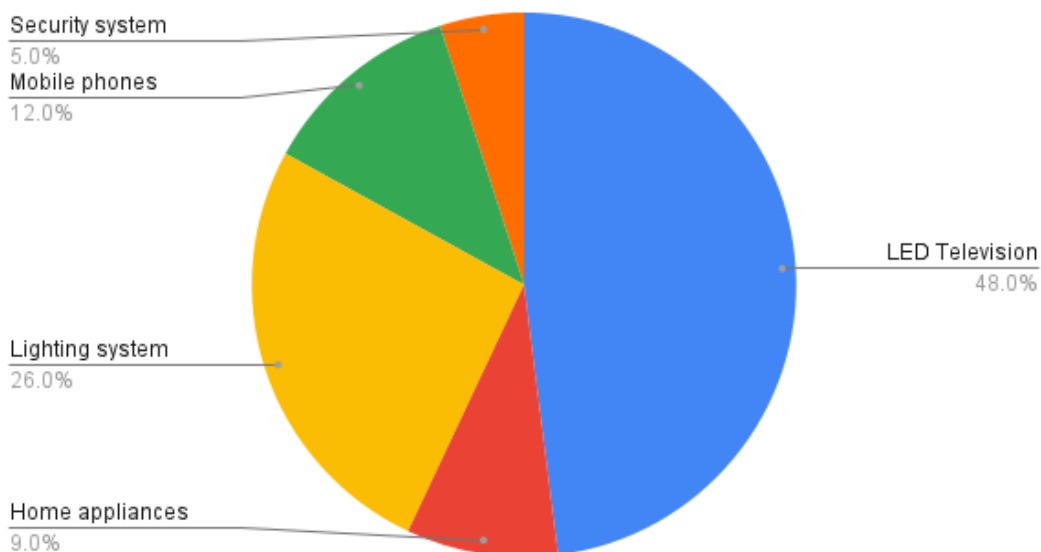
WHITE GOODS	BROWN GOODS	CONSUMER ELECTRONICS
<ul style="list-style-type: none">• AIR CONDITIONER• REFRIGERATORS• WASHING MACHINE• WATCHES AND CLOCKS• CLEANING EQUIPMENT• OTHER DOMESTIC APPLIANCES	<ul style="list-style-type: none">• MICROWAVE OVEN• COOKING RANGE• CHIMNEYS• MIXER• GRINDER• ELECTRONIC FANS• IRONS	<ul style="list-style-type: none">• TVs• AUDIO-VIDEO SYSTEMS• ELECTRONIC ACCESSORIES• PCs• MOBILE• DIGITAL CAMERAS• CAMCORDERS

(Fig. 3)

☞ What is CAGR?

- ✓ **CAGR** stand for **Compound Annual Growth Rate**.
- ✓ It is a way to measure how an investment or business has grown over a specific period of time. It takes into account the effect of compounding, which means that the growth builds upon itself.
- ✓ Consumer durables goods has a market of Rs 76,400 crore in FY'19 and in the year 2019 ecologist estimated that the consumer durable market will grow up to Rs. 1.48 lakh crore (US\$ 21.18 billion) by 2025. Rural area generate 1/3 of total revenue of consumer durables goods and urban area generates 2/3 of total revenue of consumer durables goods.

Revenue Contribution



(Fig. 4)

Rural area and sub rural area will start show increase in the demand for TV, AC and other consumer durables goods in the near future, which will lead to increase in 25% revenue. It's predicted the in the near future demand for the AC and Laptops will increase in the urban area.

➤ **WHITE GOODS**

The white goods market was worth \$ 635.4 billion in 2019 and is expected to cross \$ 1,031.0 billion by 2027, expanding at a CAGR of 7.8% over that period. Products which come under the white goods are washing machine, Refrigerators and Air conditioner (AC). Washing machine hold 40% of the white goods, refrigerators hold 28% of the white goods and AC hold 32% share of white goods.

▪ **WASHING MACHINE**

Some salient feature of the washing machine is as follow:-

1. Washing machines are divided into two categories: semi-automatic and fully-automatic. Semi-automatic machines account for 70% of the washing machine

market. Top loading machines are semi-automatic machines.

2. GST tax rate on washing machine have been reduce form 28% to 18%.
3. GST tax rate redaction lead to price drop for washing machine, which makes the washing machine more affordable and this lead to create more demand for washing machine into the market for a period of time.
4. Fully automatic can be divided into two categories: front load and top load. Top-load machines are favored because they are less expensive.
5. Big washing machine manufacturers in India include LG, Samsung, IFB, Whirlpool, Videocon, and Godrej.
6. Washing machine targeted customer are ladies.
7. Most revenue earned in India comes for north India and in the east is the area which buys the washing the least.

▪ **REFRIGERATOR**

Some salient features of the Refrigerator are as follow:-

1. The refrigerator industry is dominated by urban areas, which account for 75% of the market.
2. GST charged on the Refrigerator is 28% and this 28% lead to create price inflation for refrigerator.
3. Direct cool and frost free refrigerators are the two types of refrigerators on the market. Single-door direct-cool refrigerators must be manually defrosting the fridge.
4. Indian customers favor direct-cool refrigerators with a capacity of 170-190 liters.
5. Frost-free refrigerators don't need to be defrosted and electric fans maintain even

air circulation. Frost-free refrigerators have two doors.

6. There are three types of frost-free refrigerators: standard top-mounted, bottom-mounted, and side-by-side.

7. Top companies for refrigerators are as follows Samsung, LG, and Godrej.

▪ **AIR CONDITIONERS (ACs)**

Some salient feature of the Air conditioners are as follow:-

1. North India accounts for 38% of revenue, 30% in the south, 20% in the west, and 12% in the east.
2. Voltas leads the room air conditioner industry with a 22 percent share, followed by LG (16%), Lloyd Electric (16%), Daikin (13%) and Hitachi (13%) each, Blue Star (12%), Samsung (8%), and others (3%).
3. 28% GST is charged on the air conditioners because they are treated as a luxurious.
4. There are two types of air conditioners: fixed speed and variable speed (invertors ACs)
5. The majority of air conditioner makers use outsource and assembly model.

➤ **BROWN GOODS**

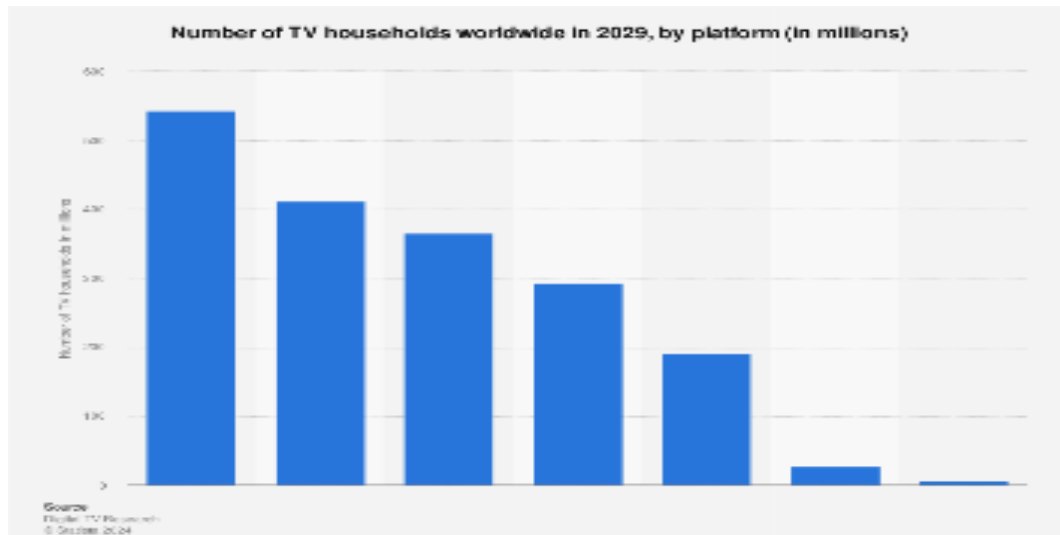
Home and kitchen appliances make up the majority of the brown products category. Silent feature

1. In terms of market share, the top five competitors dominate 45% percent of the market.

2. These are the products which come under brown goods Sewing machines, Electric fans, microwave oven, mixer grinder, rice cooker, etc.
3. GST tax rate for sewing machine 12%, electric fan is 18%, microwaves oven is 18%, mixer grinder is 18%, rice cooker is 18% etc.
4. As we can observe that 90% of the brown goods are fell under 18% tax slab rate.
5. GST tax rate on brown goods when GST is been implemented is 28% but after some time later government reduce the reduce GST rate by 18%.

➤ **CONSUMER ELECTRONIC**

1. Number of television households in the financial year 2021 is approx 204 million.
2. Flat panel displays mainly consist of LED/LCD/Plasma television sets.
3. In 2021 more the 90% of the television is made up of LCD screen.
4. GST tax rate of television & monitors (32inch or below) have been reduce form 28% to 18% and this reduction in tax rate lead to increase in the demand of television.
5. GST rate on digital camera is still 28%.
6. Leading companies in LCD screen marking market are Samsung Display, LG Display, Influx Crop, CSOT, Sharp and Panasonic.



(Fig. 5)

➤ **NEW GST RATES 2020**

☞ **There are some consumer durable goods which have seen reduction in GST slab rate from 28% to 18% some of them are as follows :-**

1. Power banks of lithium-ion batteries.
2. Digital camera.
3. Video game console.
4. Video camera recorder.
5. Monitors.
6. 32-inch television.
7. Vacuum cleaner.
8. Mixer.
9. Grinder.
10. Ice cream freezer.
11. Food processor.
12. Hairdryer.
13. Water heater.
14. Water cooler.
15. Electric ironing machines.

➤ **IMPACT OF GST ON CONSUMER DURABLE GOODS**

- When GST implemented in India on 1 July 2017. Most of the consumer durables goods GST rates are very high (28%) which lead to increase in the tax burden on the common public.
- GST tax rates play a major role on price fixation of the consumer durables goods.
- GST tax rates directly affect the price of the consumer durables goods.
- GST help in simplifying the taxation system which lead to attract more MNC into the market which created competition for the consumer durables goods manufacturer thus this lead to creates more buying chooses for the consumer.
- In 2018 GST tax rate of washing machine and TV & monitor (32inch) have been reduced from 28% to 18% and this leads to create more demand for this goods in which GST rates have been reduced.
- When government observe that the demand for some consumer durables goods of the same market start losing its demand because of uncertain reason government reduce the GST rates on those goods. Government wants to create equilibrium between demand & supply.

❖ **REVIEW OF LITERATURE**

▪ **International reviews :-**

1. (Benedict, 2011) Author examines the aspects of the Australian GST law that deal with financial services in order to determine if they have been properly construed in terms of the legislation's original meaning and how the issues

raised can be addressed.

2. (Emmanuel, 2013) Author explored the correlation between VAT, increased VAT costs, and Nigerian economic development and tax revenue. The author has proposed two null hypotheses for this analysis, both of which have been confirmed after the review has been completed. Given the close relationship between the two, the author concludes that the government and authorities should properly inform the consumers about the importance of VAT so that they can more comfortably consider increases in VAT prices.
3. (Fathi, 2012) Using a variety of experimental approaches, the authors investigated the relationship between the rate of value added tax and public value added tax evasion. They come to the conclusion that there is no correlation between the two since in many countries with high VAT rates, enforcement is also high, and in countries with low VAT rates, evasion is high.
4. (Ahmad, 2010) In this article, the author discusses the Pakistani government's plans to introduce a general sales tax. The author has addressed Pakistan's current indirect tax regime, its past, and the changes suggested by the National Taxation Reforms Commission, before highlighting the problems and advantages of the proposed reforms.
5. (Roshidi, 2016) Research aims to determine the extent of GST taxpayers' understanding and interpretation in Malaysia. The participants in this sample were only 256 civil servants who worked as secondary school teachers in the kuala kangsar district of Perak. Data is collected with the help of questionnaire. The results reveal that the GST has a low to strong negative view among respondents.

▪ **National reviews:-**

1. (Sharma, 2018) In this study, the author talks about the GST and its advantages and disadvantages. History of GST in India is also explained by the researcher, study also talks about the effect of GST in India on consumer and will the GST will help the economic in the growth or not. GST is a big leap in indirect taxation

system. Study is based on proper fact and primary data is called with the help of questionnaire. The question under the questionnaire is easy to understand and with the help of this questionnaire we can make an estimate whether the consumer are satisfied with the GST tax slab or does it require some changes in it.

2. (Garg, 2014) This study is based on the effects of GST and the historical context of Indian taxes and tax system, as well as the obstacles, risks, and possibilities that GST presents to our market economy. Based on the implications of GST with a brief history of Indian taxes and tax structure, and addressed the potential obstacles, risks, and possibilities that GST presents to improve our free market economy.

3. (Fintapp, 2017) This study is based on the consumer durable goods. This study talks about the type of the consumer durable goods industries which are available in our country. There are three types of consumer durable industries in India and these industries are as follows, white, brown, consumer electronic. Revenue of consumer durables good industry and how much growth in their revenue we can expect in the near future.

4. (Bhat, 2014) This article discusses about the e-governance of India's value added tax system which is based in India and special preference is given to Goa and Kerala. Up until 2005, India had a very complex sales tax scheme. In 2005, a number of states, including Goa and Kerala, switched from sales tax to the Value Added Tax. The availability of ITC on imported products was the key benefit of VAT.

5. (Bhatia, 2020) This study is based on the impact of GST on export goods and author tell us how we can to export at 0% GST and are the ways by which we can claim this 0% GST rate on export. This study is based on the detail analysis of the data related to the export. In this study author talks about LUT methods by which we can claim 0% GST rate on exports.

6. (control, 2021) This article is based on the GST revenue collection of 31 march 2021 in this year GST revenue collection breaks all past record by collecting 1, 23,902 crore of which CGST is Rs 22,973 crore, SGST is Rs 29,329 crore, IGST is Rs 62,842 crore (including Rs 31,097 crore collected on import of

goods) and cess is Rs 8,757 crore (including Rs 935 crore collected on import of goods)," according to an official statement.

➤ **SCOPE**

During my MBA internship at a CA firm, my focus is on gaining hands-on experience in accounting, auditing, and tax practices. I aim to contribute by understanding regulatory challenges and enhancing client service. The scope of my study emphasizes flexibility to adapt to learning opportunities while adhering to ethical standards. I will deliver practical insights and recommendations that align with the firm's strategic goals, ensuring my contributions are impactful. This internship allows me to explore real-world applications of theoretical knowledge gained in my studies, preparing me for future challenges in the field of accounting.

➤ **METHODOLOGY**

☞ **Data collection tool:** - For any researcher, gathering information is crucial. Primary data and secondary data are the two categories used to categorize information. Primary data are a sort of data that the researcher collects themselves using well-structured questionnaire. Secondary data is a type of information that has already been gathered but is still used by the researcher.

- ✓ **PRIMARY DATA:** - Interviews and surveys with clients and staff of the CA firm.
- ✓ **SECONDARY DATA:** - Analysis of existing government and industry reports.

- ✓ **SOURCES OF DATA:** - Secondary data can be sourced from the **GSTIN** portal the **CBIC website**, industry reports from websites like **FICCI**, and academic resources from Google Scholar.

☞ Primary data is collected with the help of a questionnaire which was in the form of Google form. This Google form is distributed among the respondent of Bhopal with the help of social media apps like Facebook, twitter, WhatsApp, Instagram, Discord etc. this a type of a questionnaire which should be fill out by yourself and this questionnaire is divided into two section and these section are section A and section B. In section.

➤ **OBJECTIVES**

- ✓ To understand the relation between GST and price inflation of consumer durable goods.
- ✓ To understand consumer durables goods more deeply.
- ✓ To find out the advantages and disadvantages of GST.

➤ **LIMITATION OF THE RESERCH**

1. This study is conducted in a limited area which is Bhopal so it's not applicable to all the cities
2. This research is conducted at a time when our country is going through a pandemic because of which it create price hike in the market which gives us misleading data regarding GST rate on consumer durables goods.
3. Data given by the primary data (questionnaire) may not be correct because its fill by my friends, family and the data collected from this questionnaire may be misleading to some reader.

CHAPTER – 2

COMPANY PROFILE AND

INDUSTRY ANALYSIS

❖ **COMPANY PROFILE**

❖ INDUSTRY ANALYSIS

☞ Threat of New Entrants

1. Low entry barriers with digital platforms.
2. Costs for technology and compliance.

☞ Bargaining Power of Suppliers

1. Limited number of tech providers.
2. Dependence on accurate tax databases.

☞ Bargaining Power of Buyers

1. High due to many service options.
2. Price sensitivity among taxpayers.

☞ Threat of Substitutes

1. Free online resources and government portals.
2. DIY tax software.

☞ Industry Rivalry

1. Intense competition among key players.
2. Need for continuous innovation.

PORTER'S FIVE FORCES

Bargaining power of suppliers

It is a long established fact that a reader will be distracted by the readable content of a page.

Threat of Substitute products or services

It is a long established fact that a reader will be distracted by the readable content of a page.



Threat of New Entrants

It is a long established fact that a reader will be distracted by the readable content of a page.

Bargaining power of buyers

It is a long established fact that a reader will be distracted by the readable content of a page.

CHAPTER – 3

COMPETITOR ANALYSIS

❖ COMPETITOR ANALYSIS

➤ **Importance of Competitor Analysis:**

Competitor analysis is a crucial aspect of strategic planning for any business. It helps organizations understand the competitive landscape, identify opportunities and threats, and make informed decisions. Here are some key reasons why competitor analysis is important:

- **Identifying Market Trends and Opportunities:** By analyzing competitors, businesses can identify market trends and potential opportunities for growth. This helps in staying ahead of the competition and adapting to market changes.
- **Benchmarking Performance:** Understanding how competitors are performing allows businesses to benchmark their own performance. This helps in setting realistic goals and identifying areas for improvement.
- **Understanding Customer Preferences:** Competitor analysis provides insights into customer preferences and behavior. This helps businesses tailor their products and services to meet customer needs more effectively.
- **Improving Strategic Planning:** Knowledge of competitors' strategies, strengths, and weaknesses enables businesses to improve their own strategic planning. This includes identifying potential threats and developing strategies to mitigate them.
- **Enhancing Competitive Advantage:** By understanding what competitors are doing well and where they are lacking, businesses can enhance their own competitive advantage. This involves capitalizing on competitors' weaknesses and differentiating their offerings.

➤ **Steps to Know Your Competitor**

To conduct a thorough competitor analysis, businesses can follow these five steps:

- **Identify Your Competitors:**
 - Determine who your direct and indirect competitors are. Direct competitors offer similar products or services to the same target market, while indirect competitors offer alternative solutions.
 - Use market research, customer feedback, and industry reports to identify key competitors.
- **Analyze Competitors' Products and Services:**
 - Examine the features, benefits, pricing, and quality of competitors' products and services.
 - Understand their value proposition and how they meet customer needs.
 - Identify any gaps or weaknesses in their offerings that you can exploit.
- **Study Competitors' Marketing and Sales Strategies:**
 - Analyze competitors' marketing campaigns, advertising channels, and promotional tactics.
 - Understand their sales process, distribution channels, and customer engagement methods.
 - Assess the effectiveness of their marketing and sales strategies.
- **Evaluate Competitors' Financial Performance:**
 - Review competitors' financial statements, revenue, profit margins, and market share.
 - Identify their cost structure, pricing strategies, and investment in research and development.
 - Use financial ratios and benchmarks to compare their performance with your own.
- **Assess Competitors' Strengths and Weaknesses:**
 - Conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) for each competitor.
 - Identify what they do well and where they are vulnerable.
 - Use this information to inform your own strategic decisions and improve your competitive positioning.

CHAPTER – 4

CUSTOMER ANALYSIS

❖ CUSTOMER ANALYSIS

➤ **Who is Your Customer?**

- **Current Customers:** These are individuals or businesses currently using your tax advisor and income tax-related services. They might include salaried individuals, business owners, freelancers, and high-net-worth individuals.
- **Potential Customers:** These include people who might need tax services in the future, such as young professionals, startups, and expanding businesses.
- **Competitors' Customers:** Customers currently using services from competitors like Clear Tax, H&R Block, and Taxman.
- **Non-Customers of Product Category:** People who manage their taxes independently without professional help, often using free online resources or government portals.

➤ **Who Buys, Influences, and Consumes the Product?**

- **Buyers:** Individuals responsible for purchasing tax advisory services, usually heads of households or business owners.
- **Influencers:** People who influence the buying decision, such as financial advisors, accountants, and peers.
- **Consumers:** The end-users of the tax services, who could be individuals or business entities.

3. Types of Customers?

- **Economic:** Customers focused on cost and value, looking for affordable yet reliable tax services.
- **Cognitive:** Customers who seek detailed information and understand the complexities of tax laws before making a decision.
- **Passive:** Customers who are indifferent and may not actively seek tax services but use them due to necessity.
- **Impulsive:** Customers who make quick decisions, often based on convenience or immediate needs.

➤ **Specific Factors Influencing Consumer Behavior**

- **Cultural:** Influence of cultural norms and practices on financial management and tax compliance.
- **Social:** Impact of family, friends, and professional networks on decision-making.
- **Personal:** Individual financial goals, income levels, and education affecting tax service choices.

➤ **What Customers Buy?**

- **Need-Satisfying Characteristics:** Customers buy tax services to ensure compliance with tax laws, minimize tax liabilities, and avoid penalties. They seek accuracy, reliability, and ease of use.

➤ **How Customers Buy? (AIDA Model)**

- **Attention:** Attracting potential customers through advertisements, social media, and educational content.
- **Interest:** Engaging customers by highlighting the benefits and features of your tax services.
- **Desire:** Creating a desire for your services by showcasing customer testimonials, case studies, and success stories.
- **Action:** Encouraging customers to purchase through easy-to-use platforms, special offers, and promotions.

➤ **Buying Decision-Making Process**

- **Customer Involvement:** Level of involvement varies; high for complex tax situations, low for simple tax returns.
- **Habitual Buying:** Regular customers who use the same tax service every year.
- **Dissonance-Reducing Buying:** Customers who seek reassurance after purchase to avoid regret, common in complex tax decisions.

➤ **Post-Purchase Behavior**

- **Satisfaction:** Ensuring customers are happy with the service provided.
- **Feedback and Reviews:** Collecting and responding to customer feedback to improve services.
- **Customer Support:** Providing ongoing support to address any post-purchase issues or questions.

➤ **Where Customers Buy**

- **B2B:** Business customers seeking professional tax services.
- **B2C:** Individual customers using services for personal tax filings.

- **Online:** Majority of services are purchased and accessed online through websites and apps.
- **Brick and Mortar:** Traditional tax advisory offices.

➤ **When They Buy**

- **Timing of Requirement:** Peak periods during tax filing seasons, end of financial quarters, and financial year-end.
- **Customer Life Cycle:** New entrants to the job market, mid-career professionals, retirees.
- **Seasonal:** Increased demand during tax season and fiscal year-end.

➤ **How They Choose**

- **Multi-Attribute Models:** Evaluating services based on multiple attributes like cost, reliability, user experience.
- **Perceptual Mapping:** Positioning tax services based on customer perceptions relative to competitors.
- **Conjoint Analysis:** Understanding the trade-offs customers make between different service features.

➤ **Why They Prefer a Product?**

- **Competitive Advantage:** Differentiating factors such as ease of use, comprehensive features, customer support.
- **Value Comparison:** Comparing cost versus benefits offered by different tax services.

➤ **How They Respond to Company's Marketing Programs**

- **Sensitivity Test:** Assessing customer responsiveness to various marketing campaigns, discounts, and promotions.

➤ **Will They Buy Again?**

- **Satisfaction and Delight:** Ensuring high levels of satisfaction to encourage repeat purchases.
- **CRM Methods:** Utilizing Customer Relationship Management tools to maintain and enhance customer relationships, including personalized communication and loyalty programs.

➤ **Emerging Trends**

- **Changes in Customer Profile:** Increasing number of tech-savvy, younger customers.
- **Cultural Changes:** Shifts in attitudes towards tax compliance and financial planning.
- **Demographic Shifts:** Growing middle class, urbanization, and increasing number of freelancers and gig workers.

✓ **Sources**

- **Books:**
 - **"Principles of Marketing" by Philip Kotler**
 - **"Consumer Behavior" by Leon G. Schiffman and Leslie Lazar Kanuk.**

CHAPTER – 5

ACTUAL WORK DONE

AND FINDINGS

❖ ACTUAL WORK DONE

1. Table 1- Gender wise classification:

Gender	Frequency	Percentage (%)
Male	50	50
Female	50	50
Total	100	100

Interpretation: 50% of respondents are men, and 50% are women.

2. Table 2 – Marital status:

Age	Frequency	Percentage (%)
Married	72	72
Unmarried	28	28
Total	100	100

Interpretation: 28% of respondents are single, compared to 72% who are married.

Most respondents were married people.

3. Table 3 – Occupation wise classification:

Occupation	Frequency	Percentage (%)
Businessmen	60	60
Student	25	25
Professional	10	10
Others	5	5
Total	100	100

Interpretation: The majority of respondents (60%) are businessmen.

4. Table 4 – Qualification:

Qualification	Frequency	Percentage (%)
Graduate	65	65
Postgraduate	30	30
Any other qualification (Undergraduate)	5	5
Total	100	100

Interpretation: Graduate respondents make up 65% post graduate

respondents 30%, and respondents with any other qualification (undergraduate) makeup 5%.

5. Table 5 - Perception regarding whether GST is good for the economy:

Perception	Frequency	Percentage (%)
Yes	90	90
No	10	10
Total	100	100

Interpretation: The majority of respondents believe that good and service taxes are beneficial to the economy. 90% of respondents support the GST, while only 10%.

6. Table 6 – GST increase the various legal formalities:

Opinion	Frequency	Percentage (%)
Strongly agree	30	30
Agree	50	50
Neutral	10	10
Disagree	5	5
Strongly disagree	5	5
Total	100	100

Interpretation: The majority of respondents agree with the statement; hence it can be concluded that GST will result in more legal requirements.

7. Table 7 – GST increases the tax burden on the common people:

Opinion	Frequency	Percentage (%)
Strongly agree	23	23
Agree	46	46
Neutral	16	16
Disagree	10	10
Strongly disagree	5	5
Total	100	100

Interpretation: The majority of respondents agree with the statement; hence it can be said that the tax burden placed on average people by GST has increased.

8. Table 8 – GST increases the tax burden on the businessmen:

Opinion	Frequency	Percentage (%)
Strongly agree	19	19
Agree	36	36
Neutral	12	12
Disagree	20	20
Strongly disagree	13	13
Total	100	100

Interpretation: The majority of respondents agree with the statement, which indicates that the GST puts more pressure on businessmen.

9. Table 9 – GST hard to understand:

Opinion	Frequency	Percentage (%)
Strongly agree	20	20
Agree	35	35
Neutral	25	25
Disagree	10	10
Strongly disagree	10	10
Total	100	100

Interpretation: The majority of responders concur with the statement, supporting the claim that GST is complex.

10. Table 10 – GST is beneficial in long run:

Obstacles	Frequency	Percentage (%)
Yes	78	78
No	22	22
Total	100	100

Interpretation: As a result, the majority of respondents agree with the statement, which shows that GST is advantageous over the long term.

11. Table 11 – GST is a good method to replace the sales and service tax:

Opinion	Frequency	Percentage (%)
Strongly agree	10	10

Agree	20	20
Neutral	24	24
Disagree	36	36
Strongly disagree	10	10
Total	100	100

Interpretation: The majority of respondents disagree with the claim; hence it is not as mart idea store place the sales and service taxes with the GST.

12. Table 12 – GST led to increase in the friendly competition of the firm:

Opinion	Frequency	Percentage (%)
Strongly agree	20	20
Agree	50	50
Neutral	13	13
Disagree	13	13
Strongly disagree	4	4
Total	100	100

Interpretation: The majority of respondents agree with the statement, which leads to the statistic that asks whether GST will boost the firm's friendly competition.

13. Table 13 – GST impacts the consumer durable goods:

Opinion	Frequency	Percentage (%)
Strongly agree	20	20
Agree	52	52
Neutral	12	12
Disagree	10	10
Strongly disagree	6	6
Total	100	100

Interpretation: The majority of respondents (52%) are agreed with GST impact the consumer durable goods.

14. Table14 - Satisfied with current GST slab rates:

Responses	Frequency	Percentage (%)
Yes	79	79
No	21	21
Total	100	100

Interpretation: majority of the respondents are with the statement hence people are satisfied with the current GST slab rate which is imposed on the consumer durable goods.

15. Table 15 – More MNC centers the market as a result of GST:

Opinion	Frequency	Percentage (%)
Strongly agree	20	20
Agree	48	48
Neutral	12	12
Disagree	10	10
Strongly disagree	10	10
Total	50	100

Interpretation: The majority of respondents agree with the statement, which leads to the statistic that the GST will draw more MNCs to the market and increase competition, which will lower prices for consumer durables.

Testing hypotheses:

The chi square test is used in this study to assess the hypothesis.

Chi square formula:

Here,

χ^2

C = the chi-square value

O_i = Variables that were really observed

E_i = Anticipated variables

i = Variables' positions in number

Variables that were really observed:

These are the variables that the researcher measures, and the data for them is stored in data files

(Measured and recorded data). Discrete and continuous variables are the two categories into

Which variables fall?

Observed Value Two-Square Table				
Satisfied	Educational Qualification			
	Post-graduate	Graduate	Under Graduate	Total
Yes	15	35	15	65
No	10	10	2	22
Maybe	5	3	5	13
Total	30	48	22	100

Anticipated variables: The predicted variable's formula is (Row Total*Column Total)/Grand

Total.

Thus,

The anticipated value of 15 is: $E_i = (\text{row total} * \text{column total}) / \text{Grand total}$
 $= (30 * 65) / 100 = 19.5$

The table will look like this once all the expected values have been located: - **Anticipated value**

Observed Value Two-Square Table				
Satisfied	Educational Qualification			
	Post-graduate	Graduate	Under Graduate	Total
Yes	19.5	31.2	14.3	65
No	6.6	10.56	4.84	22
Maybe	3.9	6.24	2.86	13
Total	30	48	22	100

We can determine the chi square value after learning the observed value and the predicted value.

Making the chi square calculation X^2

$X^2 = ((\text{Value Observed} - \text{Value Expected})^2 / \text{Value anticipated})$

The first value's X^2 value would be:

$X^2 = (15 - 19.5)^2 / 19.5$

$$= (-4.5)^2 / 19.5$$

$$= 20.25 / 19.5$$

$$= \mathbf{1.0384}$$

Measured value	Anticipated value	M-A	(M-A) ²	(M-A) ² /A
15	19.5	-4.5	20.25	1.0384
10	6.6	3.4	11.56	1.7515
5	3.9	1.1	1.21	.3102
35	31.2	3.8	14.44	.4628
10	10.56	-.56	.3136	.0296
3	6.24	-3.24	10.4976	1.6823
15	14.3	.7	.49	.03426
2	4.84	-2.84	8.0656	1.6664
5	2.86	2.14	4.5796	1.6012
				8.5766

$$X^2 = 8.5766$$

$$\text{Calculated value} = 8.5766$$

$$\text{Degree of freedom} = (C-1) * (R-1)$$

$$= (3 - 1) * (3-1)$$

$$= 2*2 = 4$$

The predicted Chi square value at degree of freedom 4 and 0.05 level of significance is as follows:

$$\text{Table value} = 9.488$$

$$\text{Calculated value} = 8.5766$$

Interpretation: The null hypothesis H_0 is accepted since the calculated chi square value (8.5766) is lower than the expected chi square value (**9.488**)

❖ **FINDINGS**

- 50% of respondents are men, and 50% are women.
- 28% of respondents are single, compared to 72% who are married.
Most respondents were married people.
- The majority of respondents (60%) are businessmen.
- Graduate respondent's makeup 65%, postgraduate respondents 30%, and respondents with any other qualification (undergraduate) makeup 5%.
- The majority of respondents believe that good and service taxes are beneficial to the economy. 90% of respondents support the GST, while only 10% opposes it.
- The majority of respondents agree with the statement; hence it can be concluded that GST will result in more legal requirements.
- The majority of respondents agree with the statement; hence it can be said that the tax burden placed on average people by GST has increased.
- The majority of respondents agree with the statement, which indicates that, the GST puts more pressure on businessmen.
- The majority of responders concur with the statement, supporting the claim that GST is complex.
- As a result, the majority of respondents agree with the statement, which shows that GST is advantageous over the long term.
- The majority of respondents disagree with the claim; hence it is not a smart idea to replace the sales and service taxes with the GST.
- The majority of respondents agree with the statement, which leads

to the statistic that asks whether GST will boost the firm's friendly competition.

- The majority of respondents (52%) are agreed with GST impact the consumer durable goods.
- Majority of the respondents are with the statement hence people are satisfied with the current GST slab rate which is imposed on the consumer durable goods.
- The majority of respondents agree with the statement, which leads to the statistic that the GST will draw more MNCs to the market and increase competition, which will owner prices for consumer durables.

CHAPTER - 6

CONCLUSION AND SUGGESTION

❖ CONCLUSION

This is based on the overall highlight of good and service tax and its impact on consumer durable goods. Government must make different information platform in which information regarding GST can be collected easily and this information must be in a format in which it can be easily understood by the consumer.

Goods and services understanding among the consumer must be good and this good understanding will help in creating a positive perception towards GST.

Custom department must spread awareness regarding impact of GST on consumer durables goods. Custom department must aware people about the positive of GST and this will lead to create goods perception of consumer towards GST.

The implementation of the Goods and Services Tax has had a significant impact on consumer durable goods. here are the key points in the conclusion :

- ☞ Price Rationalization.
- ☞ Increased Transparency.
- ☞ Boost to Consumption.
- ☞ Simplified Compliance.
- ☞ Market Expansion.
- ☞ Challenges.

GST on consumer durable goods has led to lower prices and increased affordability due to a streamlined tax structure. Additionally due to simplified tax compliance for businesses, enhancing market efficiency and boosting consumption.

Having a positively influenced the consumer durable goods sector. Overall, GST has contributed to greater market efficiency, enhanced access to durable goods, and promoted economic growth.

❖ **SUGGESTIONS**

- The respondent/consumer suggested that there should be simple, transparent and easy to understand provision in GST.
- Government should try to reduce the slab rate of consumer durables goods if possible, because some people are very poor and for them to purchase a consumer durable goods are like a dream which they can only fulfill once in a lifetime.
- For some middle class businessmen who are computer illiterate government must provide training program in which their doubts related to GST can completely be cleared.
- The government must make sure that the GST revenue is properly managed.
- Government must provide incentive/subsidies for small scale domestic manufacture of consumer durable goods.
- Government must reduce the GST tax rate on energy-efficient products/eco-friendly like 4 star, 5 star, and inverter air conditioners and refrigerators and this will lead to create more demand for these consumer durables goods.
- Given that some people are really impoverished and that buying a consumer durable is like fulfilling a once-in-a-life time fantasy for them, the government should attempt to lower the slab rate for such things.
- The government must offer training courses where computer-illiterate middle-class businessmen may clear up all of their GST-related questions.
- The government is responsible for ensuring efficient management of the GST revenue.
- The government must offer incentives or subsidies to encourage small-scale domestic production of consumer durables.

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ANNEXURE / QUESTINARIES:-

A STUDY ON GST AND ITS IMPACT ON CUSTOMERS DURABLE GOODS

SECTION – A

Please ‘Tick’ your choice

AGE: (A) Below 25 (B) 25-40 (C) Above 40

GENDER: (A) Male (B) Female (C) Other

MARITAL STATUS: (A) Married (B) Unmarried

QUALIFICATION: (A) Under Graduation (B) PG (C)

Any Other Qualification

OCCUPATION: (A) Businessman (B) Serviceman

(C) Professional (D) Any Other

SECTION B

Kindly Tick your perception regarding Goods and Services

Tax

Sr. no.	Statements	Yes	No	Maybe
1	GST is a very good tax reform for India			
2	GST has increased various legal formalities			
3	GST has increased the tax burden on common man			

4	GST is very difficult to understand			
5	implementation of GST has caused higher price of goods and services			
6	GST is beneficial in long run			
7	GST has increased the tax collection of GOVT			
8	GST is impacting the customer's			