

## A COMPARTIVE ANALYSIS OF PRE & POST GST AND ITS IMPICATION AND EFFECT ON TURNKEY PROJECT COMPANY & WORKS CONTRACT.

**Prof. Santanu Mallick**

Assistant Professor in Management Department, International Institute of management & Sciences,  
Affiliated with West Bengal University of Technology, India  
Email - santanu\_9231588422@yahoo.com

**Abstract:** *In today's scenario of India we pay various taxes i.e. Direct and Indirect taxes, which are felt as burden with complex tax structure on us and due to these taxes the corruption is increasing gradually. So now we need has been raised to make it a concise as well as a crystal clear and easy tax structure with taking all the important taxes and combined it to form a one stand point tax system. GST includes all Indirect Taxes which will help in the growth of our economy and proves to be more beneficial than the existing tax structure or system. GST will also help to accelerate the overall Gross Domestic Product (GDP) of the country. It is now accepted all over the world and countries are using it for sales tax system.*

*This paper will help to show that, what will be the impact of GST after its implementation, in case of Contracting or works contract company's difference between pre GST and post GST scenario on their value of goods and price fluctuations of their purchase of materials as well as fluctuation on overall cost and so as to profit volatility as well as on their overall financial performance of business.*

**Key Words:** *Central, State, Indirect Tax, GST, Direct Tax, VAT, Works contract, Pvc.*

### 1. INTRODUCTION :

Over the last five decades, there has been rapid up gradation and modification took place of the Goods and Services Tax (GST) or the Value Added Tax (VAT) systems in both developed and developing countries in the world. This broad based approach to taxing consumption or value added has resulted substantial and significant tax revenues for governments, thus making it an attractive weapon for generating additional tax revenues. In recent times, more or less over 140 countries have adopted the GST/VAT systems compared to less than 10 countries in the late 1960s. The idea of a Goods and Services Tax (GST) for India was first mooted sixteen years back, after that having various ups and downs The GST Council approved the Central Goods and Services Tax Bill 2017 (The CGST Bill), the Integrated Goods and Services Tax Bill 2017 (The IGST Bill), the Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill), the Goods and Services Tax (Compensation to the States) Bill 2017 (The Compensation Bill), these Bills were passed by the Lok Sabha on 29th March, 2017. The Rajya Sabha passed these Bills on 6th April, 2017 and were then enacted as Acts on 12th April, 2017. T 2015. 6 on 08.09.2016

Thereafter, State Legislatures of different States have passed respective State Goods and Services Tax Bills. After the enactment of various GST laws, GST was launched with effect from 1st July 2017.

This paper will help to show that, what will be the impact of GST after its implementation, in case of Contracting or works contract company's difference between pre GST and post GST scenario on their value of goods and price fluctuations of their purchase of materials as well as fluctuation on overall cost and profitability with their real transactions of business activities. We have taken a company which work on works contract basis as my sample of the study to show the pre and post GST effect and its implementation on their financial overall performance.

### 2. OBJECTIVE OF THE STUDY:

- To make a comparative study between **PRE-GST** and **POST-GST** relating to difference between pre GST and post GST scenario on their value of goods and price fluctuations of their purchase of materials as well as fluctuation on overall cost and profitability
- Improving the competitiveness of the original goods and services, thereby, improving the rate of tax which comes under GST.
- Reducing the complications in tax administration and compliance.
- Decreasing the unhealthy competition among the states due to tax and revenue.
- The tax slab rates to avoid further clarification issues.
- As GST has two components one levied by the central [Central GST], and the other levied by the states[State Gst].

- There will be cross utilization of tax credit between the central GST and the State GST, would not be allowed except in the case of interstate supply of goods and services under the IGST model.
- To find out the GST rate in small turn key projects.
- Application of GST will help that there will be ONE NATION-ONE TAX.

### 3. RESEARCH METHODOLOGY:

The research methodology is the fashion to figure out the research problem and to acquire the info systematically. It is based on the most effective fashion to obtain useful info with a very minimum price to acquire the consequences of an investigation. As data is most important thing.

Research Methodology consist of-

- It describes the material and equipments or methods are used in the study, to achieve the goal.
- Planning about designing and implementation about the project.
- It explain how the samples/data/information were collected.

### DATA COLLECTION

- **PRIMARY DATA :**

The primary data are the data which are accumulated from field under the control and superintendence of an investigator. The primary data means original data that have been collected specially for the purpose in mind. This type of data is generally a fresh and collected for the first time. It is useful for current studies as well for further studies. The collection data tool that has been chosen in the study is questionnaire. The primary data are the fresh data which is collected from the field. The questionnaire was administered to a random sampling by different method tools. The primary data can be collected through Internal records as well as some other records of the company. It can be also done through personal interview and any recommendation technique used to prepare those samples collection.

- **SECONDARY DATA:**

Secondary data are the data that have been already collected by and readily available from the other sources. Such data are cheaper and more quickly obtainable than the primary data and also may be available when primary data cannot be obtained at all. The researchers will find the secondary data when it is not possible to collected the primary data. We can acquire secondary data based on that research that can be gained after go through certain sources such as indicted sources that have been printed on. Basically, Secondary data provide the research to understand more about the project and give a clear prospective. **In this method of calculation the data are collected on the basis of external records and other journal articles, websites. And other records which are based on the research of different sample variation.**

### **Research Techniques:-**

The financial or statistical technique or calculation or tools were used in the project to achieve our purpose/goal of the project.

1. And the financial technique helps to work how the purchase done and also helps to calculated the net profit and net sales which have done in a year.

2. And the statistical technique may be either Quantitive or Qualitative

In statistical technique, the Co-Efficient Variation has been applied so that we can assume that what are basic tools which have applied for to get the lower co-efficient variation in cost.

### **CONCEPT OF GST ( Goods and Service Tax)**

GST (Goods and Services Tax) is the biggest indirect tax reform of India. GST is a single tax on the supply of goods and services. It is a destination based tax. GST will subsume Central Excise Law, Service Tax Law, VAT, Entry Tax, Octroi, etc.

GST is one of the biggest indirect tax reforms in the country. GST is expected to bring together state economies and improve overall economic growth of the nation.

GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by states and Central.

There are around 160 countries in the world that have GST in place. GST is a destination based taxed where the tax is collected by the State where goods are consumed. India is going to implement the GST from July 1, 2017 and it has adopted the Dual GST model in which both States and Central levies tax on Goods or Services or both.

## GST SCENARIO :

- As the GST rollout is nearing , there are several challenges which business owners will have to face in order to adapt to the entirely new tax structure in the upcoming fiscal year. One such important challenge is the optimization of their working capital.
- Working capital is the fuel of every business. It is the money available for your company's day-to-day operations, and it reflects the short-term financial health of the company.
- It is a common perception that GST will save businesses a great deal of tax money in all cases. But, that's not 100% true. The impact of GST varies with the type of business. For example, the services industry will be taxed at 18% under GST instead of the previous 15%. This means a considerable increase in the amount of taxes paid by these businesses.
- Keeping this in mind, service-based businesses should consider how much working capital they'll need for their company's day-to-day operations under the new tax rate. This will help them prepare for the transition and make sure they have the right resources available.
- For instance, imagine a company that manufactures industrial solvents and imports all its raw materials from Japan. Under the old tax system, they would pay an import duty of 14%, but with the introduction of GST, they'll now pay the standard rate of 18%. This 4% increase in tax will mean a significant increase in their working capital.
- On the other hand, GST can be beneficial when it comes to the concept of input tax credit. Under the current taxation structure, input tax credit will be available only on items that are linked to a taxable output
- As a result, there will no longer be a distinction between the material and the service component, which will greatly reduce tax evasion.

GST has some basic features which is different from PRE-GST. GST Different from Previous Tax Structure, All the tax which is to be subsumed under GST which was in the PRE-GST

## Business profile of a selected works contract company as a sample of the study :

Established in the year 1993, Indiesign pvt. Ltd. is one of the leading and fastest growing companies involved in the field of Architecture, Interior Architecture and project Management. We offer personalized client services on compassing all aspects of project design management and of course, aesthetics. We are proficient in turnkey jobs for all type of offices, banks, hotels, restaurants, hospitals, showrooms, auditoriums, chemical lab residence and even airports. Honest approach, Hard work and creativity- together make the bottom line of our success.

Perhaps, this is the reason for our long- term relationship with our clients. We have a team of qualified professionals, who work with great professionalism and perfection in our endeavour to convert our client's imagination into reality.

They basically take the customer briefing and undertake the project by taking the client briefing according to the requirement of the client. The indesign provide basically customer by undertaking raw projects. They complete each thing by the finished product. And give complete satisfaction to the client. They fulfil each and every requirement of the client and take the work contract and fulfil all the work and hand over the site to the client. They have close interference with the banks and have client mainly which comes from the banking sector . The services which they basically provide is to maintain standard relation with all the clients which come from the various sectors for the turn key projects.

## BUSINESS ACTIVITIES

- **Assessing user Requirements-** They undertake all the requirements for the client and undertake various turn-key projects.
- **Defining project goals-**The main moto of the company is to give a definite goal and orientation.
- **Strategic planning-**The planning is done in such way so that it can give a proper shapes to design the project.
- **Schematic planning-**In this type of planning the scale drawing of a floor plan over, which planners can move scale of models of the equipment, machines, or other elements to determine their most effective placement.
- **Space management-**The space management is the way that the company follows and control the physical spaces a business which the organization occupies.
- **Interior design-**The interior design is the art and sciences of understanding people's behavior to create functional spaces with a building.
- **Maintenance guidance-**The maintained and accommodation where the owners of the house and other buildings that are subjected to the visual inspection.
- **Total project management-**The project management is done by the top official so that the total management dealing with the site as well as the people.

- **Cost & time management**-The total management of the cost and the site depends on the cost and site of the project.

**Area of work**

- **Civil and related work**-They basically do the work of civil things and work is related with totally depends upon the site of work.
- **Complete interior furnishing**-They complete do all the furnishing things and helps to complete satisfaction to the employee.
- **Electrical installation**-The total electrical installation is done by the company and it helps to maintain the electrical process in a smooth way.
- **Air conditioning system**-The company also gives a proper system of installation of air-conditioning which gives a client a proper satisfaction.
- **Networking**-The company regulates all the work from one place to different locations and areas . It helps to relocate all the work from different areas.
- **Fire safety and smoke detection system**-The company have areas of fire safety and detection units.
- **Artifacts and soft furnishing**-When any client think about in corporation antiques in the house often decorative antique artifacts .The final effect that the soft furnishings can achieve in the décor is as beautiful as its other decorative counterparts.

Here below mentions are the types of category for those particular goods that this contractual conerc uses mostly for their works contract project

**TYPES OF CATEGORY OF GOODS THE COMPANY USED TO PURCHASE**

	<b><u>CATEGORY OF GOODS</u></b>	<b><u>ITEMS</u></b>
1.	WHITE CEMENT	CIVIL GOODS
2.	PVC.PIPES	HARDWARE ITEMS
3.	HARDWOOD ( WOODEN LOGS)	WOODEN ITEMS
4.	ALUMINIUM EXTRUTIONS	ALUMINIUM ITEMS
5.	FEVICOL SR-998	GENERAL HARDWARE ITEMS
6.	PL-LAMP 36W/86(PHILIPS)	ELECTRICAL ITEMS
7.	SAND	GENERAL ITEMS
8.	GRILL COVERING	HARDWARE ITEMS
9.	ARMS STRONG CILNIC LITE R499	CEILING ITEMS
10.	TILES (ROYAL IVORY)	FLOOR ITEMS
11.	BLACK GRANITE	BUILDING ITEMS
12.	WOODEN SYMOHONY	WOODEN ITEMS
13.	CARPET	FLOOR ITEMS
14.	HANGING LIGHTS	ELECTRICAL ITEMS
15.	GLASS ROD	GLASS ITEMS
16.	ROLLING SHUTTER	HARDWARE ITEMS
17.	DECORATIVE PLYWOOD	WOODEN ITEMS
18.	BOARD SCREW	HARDWARE ITEMS
19.	GYPSUM BOARD	CEILING ITEMS
20.	CLEAR GLASS	GLASS ITEMS
21.	DOORS ITEMS	HARDWARE ITEMS
22.	DOOR PANNEL	HARWARE ITEMS
23.	WALL TILES	FLOOR ITEMS
24.	WOODEN FLOOR	FLOOR ITEMS
25.	DOOR LOCKS	HARDWARE ITEMS
26.	TELESCOPIC DRAWER SLIDER	WOODEN ITEMS
27.	LAMINATE SHEET	WOODEN ITEMS
28.	ATHENA PLATE	ELECTRICAL ITEMS
29.	WEIRED SHEETS	GENERAL ITEMS
30.	DOWN LIGHTS (Revolving lights)	ELECTRICAL ITEMS

Table -1, As shown below consist of all the important and most used category of goods the company has purchased for their works contract project during the PRE GST period with their details cost of purchase associated including necessary tax which is related to make analytical comparison with table-2, which is describe these goods purchased during POST GST period.

So Let's have an comparative analysis of their cost incurred during PRE and POST GST period to find the effect of implication of GST on their overall cost ,business profitability and status of financial statement.

**Note :** All the Bold Numeric figure indicates as an effect Price Reduction/ Decrease in all the below Statistical analysis and table.

**TABLE-1 GOODS PURCHASE IN PRE-GST**

VAT ID- NUMBER	PURCHASE PRODUCT	UNDER HEAD OF PURCHASE	QUANTITY	RATE	AMOUNT	VAT(%)	VAT AMOUNT	TOTAL AMOUNT
19891789031	COMMERCIAL WCP	ELECTRICAL GOODS	1	1550	1550	14.5	224.75	1774.75
27573606512	CEMENT	CIVIL GOODS	10	296.94	2969.4	14.5	430.505	3399
19895739065	ALUMINIUM EXTRUSIONS	HARDWARE GOODS	57.62	230	13252.60	5	662.63	13915.23
18910795645	COMMERCIAL CFL- WIPRO	ELECTRICAL GOODS	13	1550	20150	14.5	2921.75	23,072
19858351533	DOWN LIGHTER WCP 4218	ELECTRICAL GOODS	28	570	15960	14.5	2314.2	18,274
28759458761	POLY CAB ALUM-ALUM Armed Cable-50	ELECTRICAL GOODS	62	187.74	11639.88	14.5	1687.655	13327.535
22898523412	TELESCOPIC-DRAWER(SLIDER)	HARDWARE ITEMS	16	500	8000	14.5	1160	9160
28899647292	DOOR ANGELS	HARDWARE ITEMS	20	165	3300	14.5	478.5	3778.5
19896745052	MORTISE LOCKS	HARDWARE ITEMS	50	225	11250	5	562.5	11812.5
17290789155	PVC-PIPES	HARDWARE ITEMS	20	54	1080	5	54	1134
19889178545	FLOOR TILES	HARDWARE ITEMS	108	698.69	75458.52	14.5	10941.4854	86400.0054
16898954712	BLACK GRANITE	FLOOR ITEMS	83.28	200	16656	14.5	2415.12	19071.12
69079010012	WALL TILES	FLOOR ITEMS	50	358.08	17904	14.5	2596.08	17904
85171002875	ARMSTRONG Clinic lite	CEILING ITEMS	60	209.6	12576	14.5	1823.52	14399.52
57019010258	CARPET (5*3*1)+(6*3*1)	FLOOR ITEMS	22	0.326sq/m	7172	14.5	1039.94	8211.94
76303075670	COST OF HARD WOOD	FLOOR ITEMS	12	0.20m/cb 12*0.20/1000	2640	14.5	382.8	3022.8
11805902912	SOLID(POPULAR ROD)	WOODEN ITEMS	30	995.63	29868.9	14.5	4330.9905	34199.8905
84977446212	WOODEN SYMPHONY	WOODEN ITEMS	3	995.63	2986.89	14.5	433.09905	3419.98905
44123120125	6mm.GreenEcotecMr ply(8*4)	WOODEN ITEMS	20	1047.13	20942.6	14.5	3036.677	23979.27
36418951054	FEVICOL SH-30kg	WOODEN ITEMS	1	5238.09	5238.09	14.5	759.52305	5997.61305
19421810063	PULL HANDLE D TYPE	WOODEN ITEMS	1	1550	1550	14.5	224.75	1774.75
19443399062	CABINATE HANDLE CHAIR	WOODEN ITEMS	6	98	588	14.5	85.26	673.24
19890058066	PLY WOOD(32*14)mm	WOODEN ITEMS	35	0.24sq.ft	8400	14.5	1218	9618
27231020989	DECORATIVE PLY (8*4*4 mm)	WOODEN ITEMS	5	507	2535	14.5	367.575	2902.575
24075301611	LAMINATE SHEET	WOODEN ITEMS	2	1050	2100	5	105	2205
57804999312	ATHENA PLATE 3M	HARDWARE ITEMS	15	142	2130	14.5	308.85	2438.85
19895381038	DOOR ITEMS [Locks]	HARDWARE ITEMS	3	1048.03	3144.09	14.5	455.89305	3599.98305
NIL	PVC TAPE BIG	HARDWARE ITEMS	6	34	204	NIL	NIL	204

**TABLE-2 GOODS PURCHASED IN POST GST WITH SLABS**

HSN CODE	PURCHASE PRODUCT	UNDER HEAD OF PURCHASE	QUANTITY	RATE	AMOUNT	RATE UNDER GST	GST AMOUNT	TOTAL AMOUNT INCLUDING GST
94056000	COMMERCIAL WCP	ELECTRICAL GOODS	1	1550	1550	12%	186	1736
22501000	CEMENT	CIVIL GOODS	10	296.94	2969.4	28%	831.43	3800.832
76101000	ALUMINIUM EXTRUSIONS	HARDWARE ITEMS	57.62	230	13252.6	18%	2385.46	15638.06
85141000	COMMERCIAL CFL.- WIPRO	ELECTRICAL GOODS	13	1550	20150	18%	3627	23777
94050310	DOWN LIGHTER WCP 4218	ELECTRICAL GOODS	28	570	15960	12%	1935.36	17895.36
85442010	POLY CAB ALUM- ALUM Armed Cable-50	ELECTRICAL GOODS	62	187.74	11639.88	18%	2095.1784	13735.0584
83024200	TELESCOPIC-DRAWER(SLIDER)	HARDWARE ITEMS	16	500	8000	28%	2240	10240
73084100	DOOR ANGELS	HARDWARE ITEMS	20	165	3300	12%	396	3696
83012000	MORTISE LOCKS	HARDWARE ITEMS	50	225	11250	18%	202.5	13275
39174000	PVC-PIPES	HARDWARE ITEMS	20	54	1080	18%	194.4	1274.40
69089090	FLOOR TILES	HARDWARE ITEMS	108	698.69	75458.52	12%	75458.52	84513.5424
25161100	BLACK GRANITE	FLOOR ITEMS	83.28	200	16656	28%	4663.68	21319.68
69071010	WALL TILES	FLOOR ITEMS	50	358.08	17904	18%	3222.72	21126.72
69021000	ARMSTRONG Clinic lite	CEILING ITEMS	60	209.6	12576	12%	1509.12	14085.12
57050042	CARPET (5*3*1)+(6*3*1)	FLOOR ITEMS	22	0.326m/sq	7172	5%	358.6	7530.6
94031000	COST OF HARD WOOD	FLOOR ITEMS	0.22m/cb	24859m/cb	5469	12%	656.28	6125.28
44101000	SOLID(POPULAR ROD)	WOODEN ITEMS	30	995.63	29868.9	5%	1493.445	31362.345
44092100	WOODEN SYMPHONY	WOODEN ITEMS	3	995.63	2986.89	12%	358.4268	3345.3186
44100341	6mm.GreenEcotecMr ply(8*4)	WOODEN ITEMS	20	1047.13	20942.6	18%	3769.668	24712.268
35060000	FEVICOL SH-30kg	WOODEN ITEMS	1	5238.09	5238.09	12%	628.5708	
83024190	PULL HANDLE D TYPE	WOODEN ITEMS	1	1550	1550	12%	186	1736
83048900	CABINATE HANDLE CHAIR	WOODEN ITEMS	6	98	588	12%	70.56	658.56
44123190	PLY WOOD(32*14)mm	WOODEN ITEMS	35	0.24sq.ft	8400	18%	1512	9912
41213210	DECORATIVE PLY (8*4*4 mm)	WOODEN ITEMS	5	507	2535	28%	709.8	3244.80
39201254	LAMINATE SHEET	WOODEN ITEMS	2	1050	2100	28%	588	2688
84139000	ATHENA PLATE 3M	HARDWARE ITEMS	15	142	2130	12%	255.6	2385.6
73083000	DOOR ITEMS	HARDWARE ITEMS	3	1048.03	3144.09	12%	377.28	3521.28
59069910	PVC TAPE BIG	HARDWARE ITEMS	6	34	204	18%	36.72	240.72
70131000	GLASS Bars (32*12)	GLASS ITEMS	12	210/sqft	43890	12%	5266.8	49156.8
70022010	GLASS ROD (1.3mm)	GLASS ITEMS	11	310/sqft	3410	12%	409.2	
76069120	Wired Sheets(Glass)(1.13mm)	GLASS ITEMS	9	150/sqft	1350	28%	378	1728
70169000	GLASS PANEL(12*11)	GLASS ITEMS	17	149/sq.ft	2533	18%	455.94	2988.94

**TABLE-3 WITH DATA ANALYSIS  
GOODS PURCHASED IN POST GST WITH SLABS**

HSN CODE	PURCHASE PRODUCT	UNDER HEAD OF PURCHASE	QUANTITY	RATE	AMOUNT	RATE UNDER GST	GST AMOUNT	TOTAL AMOUNT INCLUDING GST
94056000	COMMERCIAL WCP	ELECTRICAL	1	1550	1550	12%	186	1736

		GOODS						
22501000	CEMENT	CIVIL GOODS	10	296.94	2969.4	28%	831.43	3800.832
76101000	ALUMINIUM EXTRUSIONS	HARDWARE ITEMS	57.62	230	13252.6	18%	2385.46	15638.06
85141000	COMMERCIAL CFL.- WIPRO	ELECTRICAL GOODS	13	1550	20150	18%	3627	23777
94050310	DOWN LIGHTER WCP 4218	ELECTRICAL GOODS	28	570	15960	12%	1935.36	<b>17895.36</b>
85442010	POLY CAB ALUM- ALUM Armed Cable-50	ELECTRICAL GOODS	62	187.74	11639.88	18%	2095.1784	<b>13735.58</b>
83024200	TELESCOPIC-DRAWER(SLIDER)	HARDWARE ITEMS	16	500	8000	28%	2240	10240
73084100	DOOR ANGELS	HARDWARE ITEMS	20	165	3300	12%	396	<b>3696</b>
83012000	MORTISE LOCKS	HARDWARE ITEMS	50	225	11250	18%	202.5	13275
39174000	PVC-PIPES	HARDWARE ITEMS	20	54	1080	18%	194.4	1274.40
69089090	FLOOR TILES	HARDWARE ITEMS	108	698.69	75458.52	12%	75458.52	<b>84513.54</b>
25161100	BLACK GRANITE	FLOOR ITEMS	83.28	200	16656	28%	4663.68	21319.68
69071010	WALL TILES	FLOOR ITEMS	50	358.08	17904	18%	3222.72	21126.72
69021000	ARMSTRONG Clinic lite	CEILING ITEMS	60	209.6	12576	12%	1509.12	<b>14085.12</b>
57050042	CARPET (5*3*1)+(6*3*1)	FLOOR ITEMS	22	0.326m/sq	7172	5%	358.6	<b>7530.6</b>
94031000	COST OF HARD WOOD	FLOOR ITEMS	0.22m/cb	24859m/cb	5469	12%	656.28	<b>6125.28</b>
44101000	SOLID(POPULAR ROD)	WOODEN ITEMS	30	995.63	29868.9	5%	1493.445	<b>31362.34</b>
44092100	WOODEN SYMPHONY	WOODEN ITEMS	3	995.63	2986.89	12%	358.4268	<b>3345.31</b>
44100341	6mm.GreenEcotecMr ply(8*4)	WOODEN ITEMS	20	1047.13	20942.6	18%	3769.668	24712.268
35060000	FEVICOL SH-30kg	WOODEN ITEMS	1	5238.09	5238.09	12%	628.5708	<b>5866</b>
83024190	PULL HANDLE D TYPE	WOODEN ITEMS	1	1550	1550	12%	186	<b>1736</b>
83048900	CABINATE HANDLE CHAIR	WOODEN ITEMS	6	98	588	12%	70.56	<b>658.56</b>
44123190	PLY WOOD(32*14)mm	WOODEN ITEMS	35	0.24sq.ft	8400	18%	1512	9912
41213210	DECORATIVE PLY (8*4*4 mm)	WOODEN ITEMS	5	507	2535	28%	709.8	<b>3244.80</b>
39201254	LAMINATE SHEET	WOODEN ITEMS	2	1050	2100	28%	588	2688
84139000	ATHENA PLATE 3M	HARDWARE ITEMS	15	142	2130	12%	255.6	<b>2385.6</b>
73083000	DOOR ITEMS	HARDWARE ITEMS	3	1048.03	3144.09	12%	377.28	<b>3521.28</b>
59069910	PVC TAPE BIG	HARDWARE ITEMS	6	34	204	18%	36.72	240.72
70131000	GLASS Bars (32*12)	GLASS ITEMS	12	210/sqft	43890	12%	5266.8	<b>49156.8</b>
70022010	GLASS ROD (1.3mm)	GLASS ITEMS	11	310/sqft	3410	12%	409.2	<b>3819</b>
76069120	Wired Sheets(Glass)(1.13mm)	GLASS ITEMS	9	150/sqft	1350	28%	378	1728
70169000	GLASS PANEL(12*11)	GLASS ITEMS	17	149/sq.ft	2533	18%	455.94	2988.94

On the above table -3, all the goods with bold amount that indicates about decrease the cost of that particular category of goods after implication of GST system, thereafter to determine the effect of implication of GST on the company whether it is getting benefit or has to incur extra cost that before.

**FEW COMMON OR STANDARD GOODS PURCHASED WITH SLABS**

SL.NO	IMPORTANT GOODS HAVE BEEN PURCHASED	PRE-GST RATE (VAT RATE)	POST-GST RATE WITH SLABS	RATE UNDER VAT	RATE UNDER GST	Percentage Increase or decrease in PRE & POST GST	Difference between PRE-GST & POST GST
1.	WHITE CEMENT	14.5%	28%	3339	3800	13.5% [+]	461

2.	PVC PIPES	14.5%	18%	13327.5325	12274	3.5% [+]	1053.53
3.	HARDWOOD	14.5%	12%	3022	2944	2.5% [-]	78
4.	WHITE TILES	14.5%	12%	86400.0054	84513	2.5% [-]	<b>1887</b>
5.	WOODEN BOARD	5%	18%	23979.95	24718.62	15%[+]	738.67
6.	PLY WOOD	14.5%	18%	9618	9912	3.5%[-]	294
7.	DECORATIVE PLYWOOD	14.5%	28%	2902.575	3244.62	13.5%[+]	342.045
8.	CARPET	14.5%	5%	8211.94	7530.6	9.5%[-]	681.34
9.	ALUMINIUM LINING	5%	18%	13915.93	15638.06	13%[+]	1722.13
10.	GLASS PANNEL	5%	18%	2533.94	2988.7	13%[+]	454.76
11.	LAMINATE SHEET	14.5%	28%	2205	2688	13.5%[+]	483
12.	DOWN LIGHTS	14.5%	12%	18274	16085	2.5%[-]	<b>2189</b>
13.	DOOR LOCKS	14.5%	12%	3599	3528.6	2.5%[-]	71
14.	FEVICOL	12%+5%	12%	5997.61	5866.6	6%[-]	131.01
15.	WOODEN DOORS	14.5%	18%	3419.62	3345.62	3.5%[+]	74

**From the above data it has been Analysed**

- In PVC pipes the difference in tax structure on PRE-GST and POST-GST is 3.5%.
- In aluminium lining the difference in tax structure on PRE-GST and POST-GST is 13%
- In white tiles the difference in tax structure on PRE-GST and POST-GST is 2.5%.
- In down lights the difference in tax structure on PRE-GST and POST-GST is 2.5%

**DATA INTERPRATION**

In considering the above figure, the excise duty have been reduced in this individual goods which are { **cement, commercial wipro, aluminium extrusions, blackgranite, laminate sheet, glasspannel, door angles, Ply wood, Telescopic drawer, mortise locks, door angles, green eco tech ply wood,** } their is 20% increase in the POST GST than PRE-GST. Thus the overall cost of the material get effected.

The important goods like { **white tiles, PVC pipes, aluminium lining, Down lights** } which are taken into consideration there was 12% increase in PRE-GST than POST-GST. Thus it effect the sale price of the material significantly.

The overall cost in **PRE-GST** is Rs.4,20,275. and overall cost in **POST-GST** is Rs.4,07,135. The difference between the PRE-GST & POST-GST is Rs.16,473. Thus the lower in cost will increase the volume of sales which in turn gives a change in profit margin.

From the above table it has been noticed the goods which occurs a maximum portion of total cost they which effect significantly on their business and total cost are:-

- [a]. PVC Pipes
- [b]. Black Granite
- [c]. Glass Pannel
- [d]. Ply Wood.

**By Taking Randomly From Table 1 & 2**

<u>TOTAL COST IN POST-GST</u>	<u>PERCENTAGE</u>
84,513	20.75%
31,362	7.70%
21,126	5.18%
24,712	6.06%

<u>TOTAL COST IN PRE-GST</u>	<u>PERCENTAGE</u>
86,400	17%
34,199	8.75%
19,071	3.92%
22,712	5.08%

The goods which occurring most of the portion of total cost by doing randomly in PRE-GST & POST-GST, their differences (a) -3.75% (b) -1.05% (c) +1.26% (d) +0.98%

From the above table it has been seen that their cost and change in percentage will make a significant impact on overall financial activities of the business.

It can also be noticed that in some of the standard goods like **PVC Pipes, aluminium lining, white tiles, down lights** the difference are Rs.1053, Rs.1887, Rs.1722, Rs.2189.

In competing with the amount of goods that have been purchased, result in the percentage change in cost to percentage change in sale which will going to effect in change in the profit.

Its has been noticed that some goods which has been purchased in bulk. The amount of tax which is imposed on the goods is less than the PRE-GST.

From the above table it has been observed that some hardware goods some **civil goods { cement, white cement, bricks, tiles, Armstrong, floor tiles, black granite}** which have been purchased in PRE-GST. There are some extra tax which have been levied upon when the goods have been purchased.

It has been observed that the material which is purchased in POST-GST. The goods have been purchased and it seems to be a right purchased.

In POST-GST, the civil goods have been increased with 5% than the PRE-GST. Thus it results in increase in cost and sales. Therefore it will also results in change of profit.

In GST, it has been observed that when the materials is purchased , the cost of the material is an accurate and exact amount .Thus it does not leads to any confusion between the dealer and the purchaser.

From the above records it has been observed in POST-GST that the material which have purchased has maintained an unique HSN code which helps dealer and the suppliers

As for the implication of POST-GST, it has been seen that the calculation of the profit margin is effected and thus it will lead to increased in the change of sale.

After seeing all the data which have collected, it can be assumed that the application of GST will going to lead a difference in the cost and sale, in this type of sectors.

#### 4. ANALYSIS OF PRE-GST AND POST- GST WITH STATISTICAL APPROACH:

$$\text{Arithmetic Mean(A.M.)} = \frac{\sum \text{cost}(X)}{\text{No.ofItems}(N)}$$

$$\text{Variance:-} = \frac{\sum(x)^2}{N} - (A.M)^2$$

$$\text{CO-Efficient of variation of cost} = \frac{S.D.}{A.M} * 100$$

##### Calculation of PRE-GST

$$\begin{aligned} \text{A.M.} &= \frac{\sum \text{cost}(X)}{\text{No.ofItems}(N)} \\ &= \frac{4,20,275}{779} = 539 \end{aligned}$$

$$\begin{aligned} \text{Variance} &= \frac{\sum(x)^2}{N} - (A.M)^2 \\ &= \frac{14862211499}{779} - (539)^2 \\ &= 1878805 \end{aligned}$$

$$\begin{aligned} \text{Therefore, the S.D.} &= \sqrt{\text{Variance}} \\ &= \sqrt{1878805} \\ &= 137.01 \end{aligned}$$

$$\begin{aligned} \text{PRE-GST} = \text{Co-Efficient of variation of cost} &= \frac{S.D.}{A.M} * 100 \\ &= \frac{137.01}{539} * 100 \\ &= 25.41\% \end{aligned}$$

##### Calculation of POST-GST

$$\begin{aligned} \text{A.M.} &= \frac{\sum \text{cost}(X)}{\text{No.ofItems}(N)} \\ &= \frac{4,07,135}{779} = 522 \end{aligned}$$

$$\begin{aligned} \text{Variance} &= \frac{\sum(x)^2}{N} - (A.M)^2 \\ &= \frac{12889330653}{779} - (522)^2 \end{aligned}$$

$$\begin{aligned} &=1627351 \\ \text{S.D.} &= \sqrt{\text{Variance}} \\ &= \sqrt{1627351} \\ &=127.61 \end{aligned}$$

$$\begin{aligned} \text{POST-GST} &= \text{CO-Efficient of variation of cost} = \frac{\text{S.D.}}{\text{A.M.}} * 100 \\ &= \frac{127.61}{522} * 100 \\ &= \mathbf{24.44\%} \end{aligned}$$

### **CONCLUSION FROM THE STATISTICAL ANALYSIS**

1. The **higher** the co-efficient of variation the **higher** variation in cost.
2. The **Lower** the co-efficient of variation in cost will more dependable and consistent.

### **5. CONCLUSION:**

The company's overall position is at a good position. Particularly the purchase of material in PRE-GST and POST-GST that how the purchase have been done in PRE-GST that is it a done in a right way. By the application of POST-GST it can be verified that the material is purchased with a unique HSN CODE which was not available in PRE-GST. It is beneficial for the organization to purchase the material from any corner of the country without paying any other Indirect taxes. It will also help the dealers to know at what price the goods should be sold out.

### **REFERENCES :**

#### **Books:**

1. Direct and Indirect Tax –Dr. C.H. Sengupta.
2. GST Professional guide – Abhishek A. Rastogi.
3. All about GST- V.S. Datey.

#### **Web references :**

- [www.gstportal.com](http://www.gstportal.com)
- [www.taxmasters.com](http://www.taxmasters.com)
- [www.impcl.com](http://www.impcl.com)
- [www.gst.gov.in](http://www.gst.gov.in)

#### **Proceedings Papers:**

1. A comparative study of the Goods and Services Tax (GST) implications on real property transactions in Australia and New Zealand.
2. Milandeep Kour, Kajal Chaudhary, Surjan Singh, Baljinder Kaur , (2016) , 'A STUDY ON IMPACT OF GST AFTER ITS IMPLEMENTATION' , published in the *International Journal of Innovative Studies in Sociology and Humanities*, Volume : 1 issue :2.