



A STUDY ON IMPACT OF GST ON FMCG SECTOR IN BENGALURU

¹ H P Pradyumna, ² Vidya Shree C

¹ Student, Bcom, PES University

² Assistant Professor, Faculty of Management & Commerce, PES University

Abstract: From on July 1, 2017, goods and Services Tax (GST), which replaced the old consumption taxes on both products and services, completely changed India's indirect tax structure. Notwithstanding its long-term advantages, worries were raised about possible detrimental effects on stability and business. The purpose of the survey was to find out how Bengaluru's FMCG wholesalers and retailers felt about the implications of the GST. Merchants' perspectives were solicited through primary and secondary research, taking into account aspects such as changing lifestyles and increased awareness. Using multiple-choice questions, a random sample of 120 individuals was surveyed. For improved comprehension, a detailed analysis of the replies and hypothesis testing were carried out.

Keywords: Goods And Service Tax, FMCG Sector, Retailers, Wholesalers

1. INTRODUCTION

Affordable, quickly consumed consumer items with brief shelf life are known as fast-moving consumer goods, or FMCG. The fast-moving consumer goods (FMCG) sector is India's fourth-largest economic sector, accounting for 50% of sales in food and drink and 30% in household and personal care products. The market is expanding as a result of young Indians' increased inclination for online shopping and their evolving lifestyles. With a market size of over US\$29.4 billion in 2016–17, urban consumers in India account for the majority of the country's FMCG income. It is anticipated that the retail FMCG industry would expand at a pace of 20–25% per year, from US\$ 672 billion in 2016 to US\$ 1.1 trillion by 2020. In the next fiscal year, the market size for FMCG firms is anticipated to increase by 9–9.5%.

1. Background of the Topic

Goods and Services Tax (GST) has altogether influenced the Indian FMCG area, influencing its tasks, costs, intensity, and client conduct. The review expects to give a far-reaching comprehension of the impacts of GST on FMCG organizations, including cost decreases, inventory network enhancement, consistence needs, valuing methodologies, and market intensity. The FMCG area is one of the biggest and quickest developing in India, enveloping a great many necessities utilized by general society. The concentrate likewise investigates what GST has meant for item estimating, buyer interest, and generally purchaser government assistance. The discoveries can assist policymakers with assessing the change's effect on populace prosperity and guide undertakings in acclimating to the new duty structure. The review's discoveries assist with forming strategy discusses, add to scholastic information, and guide undertakings in acclimating to the new assessment structure. It likewise helps partners in settling on informed choices and shaping future guidelines that help extension, viability, and manageability inside the FMCG business.

1.2 Need of the topic

The fourth-largest industry in India, fast-moving consumer goods (FMCG), is stable and untouched by economic unrest. The FMCG industry has been significantly impacted by the Goods and Services Tax (GST), with notable effects on vendor contracts, working capital, pricing, and client budgets. The tax rate on large companies like Nestle, HUL, and P&G has also increased due to the GST.

The GST is a landmark tax reform that aims to streamline the tax code in order to increase tax compliance. By claiming credits for taxes spent on inputs, it has reduced the cascading effect of taxes, improved supply chains, and allowed FMCG companies to save money.

This has resulted in improved logistics, shorter travel times, and lower prices.

The GST has also resulted in increased formalisation and compliance in the FMCG business, with more enterprises entering the formal sector due to GST registration requirements. This data is critical for policymakers to ensure that tax change does not disproportionately harm consumers and that FMCG goods remain accessible and affordable to all socioeconomic groups.

1.3 Theoretical implication of the topic

The Goods and Services Tax (GST) is projected to save the FMCG sector a considerable amount of money on logistics, with distribution costs dropping to 1.5 percent following GST software deployment. This will result in more efficient supply chain management, cheaper transportation and storage costs, and the ability for businesses to cut consumer product pricing. Circulated air through refreshments will presently be burdened an extra 12%, while improved and seasoned circulated air through water will be charged at a 40% compelling rate. The GST framework is intended to smooth out the assessment framework by diminishing flowing impacts and smoothing out consistence. It might also provide FMCG companies more pricing flexibility, allowing them to price their products competitively utilising input tax credits. GST may also boost compliance and transparency.

1.4 Recent trends related to the topic

GST has had a substantial influence on the FMCG sector, resulting in enhanced compliance, operational efficiency, and supply chain transparency. Companies have moved their focus to value-added products and premium solutions, while smaller businesses face issues owing to compliance expenses and administrative requirements. Price rationalisation has been the standard, and government changes and policy revisions are intended to simplify the GST structure. The COVID-19 epidemic has had a significant impact on the sector, necessitating GST concerns and tax relief measures. Digital transformation is a critical trend in which businesses use technological solutions to improve customer engagement and generate growth.

1.5 Effect of GST On Indian Economy

Elimination of indirect taxes that are bundled, including excise, VAT, CST, service tax, CAD, and SAD. Compared to the existing tax structure, there would be less tax compliance and a simpler tax policy. Elimination of the tax cascade effect, or tax on tax. decrease in production costs as a result of the industrial sector's reduced tax burden. As a result, consumer goods costs should decrease.

Reducing the financial burden on an ordinary person by requiring them to spend less money on formerly expensive goods. increased consumption and demand for commodities. Supply will rise in response to increased demand. As a result, this will eventually cause the production of commodities to increase. The method that merchants and store owners often use to control the flow of black money will be subject to a required audit. long-term boost to the Indian economy.

1.6 Categories of FMCG Products: A Comprehensive Overview

A subgroup of consumer items having a short shelf life and quick consumption cycles are known as fast-moving consumer goods (FMCG). High customer demand, quick turnover, and comparatively cheap manufacturing costs define these items. Food and drink, toiletries, cleaning supplies, and personal care goods are a few examples of FMCG.

Implementation of GST rates on FMCG sector

0% tax rate

There are several FMCG items that are exempt from GST. This indicates that certain products are exempt from GST. Products in this category include raw milk, curd, uncooked grains, and fresh fruits and vegetables. This zero-rated category makes sure that necessities for everyday living don't become too expensive.

5% tax rate

Many things that are deemed necessary but do not fall under the zero rate category are subject to the 5% GST rate. This includes goods like tea, coffee, spices, edible oil, and medications that can save lives. The 5% GST rate that applies to certain goods helps to keep their costs affordable for customers.

12% tax rate

Generally speaking, FMCG products that do not qualify for the zero or five percent GST rate are subject to a 12% tax. Products like processed meals, frozen foods, and hygiene supplies like toothpaste and soaps fall under this category. The goal of the 12% GST rate is to create a balance between making these items accessible and generating income.

18% tax rate

Certain FMCG items, typically considered as luxury or non-essential, attract an 18% GST rate. This category includes products like cosmetics, detergents, shampoos, and other personal care items. The higher tax rate on these goods is intended to generate more revenue for the government.

1.7 Impact of GST on FMCG sector

Minimizing of logistics costs: Another advantage of GST for the FMCG industry is the significant reduction in logistics costs. After GST software is implemented, distribution expenses for the FMCG industry, which presently account for 2–7% of overall costs, should decrease to 1.5 percent. The elimination of CST under the GST regime, easier supply chain management with regard to tax payment and credit claims, and reduced costs for products storage and transportation would result in lower costs. Businesses should be able to reduce the price of consumer goods as a result of the tax and distribution cost reductions.

Increasing effective tax rates: Previously categorized in the highest tax slab (28%), alcoholic beverages will now be subject to an extra 12 percent tax. According to beverage firms, the declared aim of maintaining parity with the current weighted average tax—which is substantially lower than 40 percent—is violated by the actual tax rate of 40 percent on sweetened aerated water and flavoured water under the GST.

1.8 Challenges In FMCG Sector

The GST framework has introduced a few difficulties for organizations, including programming updates, preparing, and consistence systems. Consistence is mind boggling, particularly for organizations working in numerous states. Rate changes are regular, requiring organizations to remain refreshed. Little FMCG organizations might confront hardships in following GST, particularly during the beginning phases of execution.

The execution of Labor and products Expense (GST) in the Quick Shopper Merchandise (FMCG) area was a critical change pointed toward working on the duty design and cultivating a more proficient business climate. Notwithstanding, it likewise achieved a few difficulties that FMCG organizations needed to explore through. The intricacy of expense chunks under GST further intensified estimating choices for FMCG organizations. With numerous expense rates going from 0% to 28%, grouping items under the suitable duty chunk and overseeing varieties in charge rates across various states presented functional difficulties. This intricacy added managerial weights and expanded consistence costs for FMCG organizations.

Inventory network disturbances were one more critical test looked by FMCG organizations because of GST execution. With broad stock chains including numerous merchants, wholesalers, and stockrooms, the reconfiguration of distribution centers, changes in strategies, and renegotiation of agreements with providers

and merchants prompted disturbances in supply chains. These interruptions influenced the proficiency and adequacy of the store network, influencing the convenient conveyance of items to purchasers.

Little and Medium Undertakings (SMEs) in the FMCG area confronted specific moves in adjusting to the new expense system. Restricted assets and capacities made it challenging for SMEs to follow the complex GST guidelines. Consistence necessities, charge recording strategies, and mechanical overhauls presented critical obstacles for more modest players, prompting beginning disturbances in their tasks and likely loss of piece of the pie.

2. LITERATURE REVIEW

Vidhi Vashistha Sanskar, Jain Girish Garg (2022) impact of gst on consumers with reference to fmcg sector - The Indian government's acceptance of the Goods and Services Tax (GST) on July 1, 2017, marked a significant tax reform aimed at unifying the nation's tax system. With the goal of creating "one nation, one market, one tax," GST simplifies India's tax structure. Prime Minister Narendra Modi hailed it as "The Good and Simple Tax." This study aims to examine the impact of GST on consumer buying patterns in the FMCG sector, comparing trends before and after its implementation.

Prin.Dr. Parvatkumar R. Patel, Prin, Dr. Rajesh D. Rana, Prof. Mahendra S. Tarsariya (2022)- A Study on Impact of Goods and Service Tax on FMCG Sectors- A study on the FMCG sector in India analyzes the impact of GST using descriptive statistics. Comparing pre- and post-GST data from five NSE-listed FMCG firms, significant differences were observed, highlighting GST's economic impact. The study underscores GST as a significant financial reform, fostering a better economy. FMCG firms feature rapid turnover, low costs, established distribution channels, and low per capita consumption.

Patil, Pramod (2016)- An Overview of Indian FMCG Sector-FMCG products are essential for human life, consuming a significant portion of income and contributing significantly to the Indian economy. Despite recession, the sector has shown extraordinary growth, with a promising future due to inherent capacity and favorable environmental changes.

Ashish Chhajer, Divakar Sharma, Aditya Patel (2020) - Scenario of FMCG Sector in India After Implementation of GST - Implemented in 2017, India's Goods and Services Tax (GST) amalgamated state and central taxes, aiming to lessen the tax burden for consumers by over 25%. This study scrutinizes consumer sentiments towards GST, particularly in the FMCG sector, noting varied impacts on companies like Dabur, HUL, and ITC, with uncertain long-term effects on the sector and the economy.

Salini Bathula- Impact & Implications of GST on FMCG Sector in India (2018)- The fast-moving consumer goods (FMCG) sector, India's fourth-largest, is a significant employment generator. The growth of this sector depends on consumer demand and supply. This paper examines the impact of GST on the FMCG sector by analysing pre- and post-GST conditions. Comparative analysis of selected companies reveals GST's effects on different product groups. The study aims to determine whether GST positively or negatively impacts the sector, as it boosts investments, reduces transportation costs, and helps companies reduce production costs.

Yogender Kumar (2018)- Contemporary Issues and Challenges of SCM in FMCG Industry- The interdependency among supply chain members in organizations leads to issues and formal relationships. Supply chain management (SCM) is integrated to coordinate decisions and achieve global system objectives. India's acceptance of globalization policy has opened new opportunities for Indian industries, focusing on cost-effective quality output and stringent delivery schedules. The players in SCM include suppliers, sub-contract suppliers, in-house processes, transportation, distribution, warehouses, and customers.

A. D. Manjunath (2021) - A Study on Impact of GST on FMCG Companies in India- Taxation is vital for government revenue, supporting public needs. GST impacts FMCG significantly. Introducing GST at the fiscal year's beginning or end could ease business adjustments. Awareness and training on GST are crucial, along with free billing software. Limiting IGST credit to raw material imports can boost Indian manufacturers. Small traders might benefit from GST relief.

Amrit Das (2023)- An Analysis on the Impact of GST on the Fast Moving Consumer Goods Sector in India- GST revolutionized India's tax system by replacing multiple indirect taxes. FMCG, a significant GDP contributor, faces both benefits and challenges under GST. Despite initial adjustments, FMCG companies like

Dabur and HUL pass tax benefits to consumers. Clarity on promotional tax and stable rates could further enhance GST's impact on FMCG growth.

Pavankumar U D and Megha G (2020) - Impact of GST on Rural Sales & Marketing of FMCG Sector- GST simplifies India's complex indirect tax system, benefiting sectors like FMCG by reducing effective tax rates from 25-27% to 18-20%. With uniform rates nationwide and interstate input credit, FMCG demand rises, particularly in rural areas. GST streamlines compliance and offers opportunities for supply chain optimization, enhancing business efficiency and profitability.

G. Sreedhar, C. Mounika, C.V.Raja Gopal Reddy, Dr. C. Subbarayudu (2020)- GST: Impact on Indian FMCG & Retail Sector-GST, a significant Indian tax reform, consolidates indirect taxes, impacting FMCG and retail sectors. While some view it positively, others express disappointment over tax rates. GST aims for organized retail, yet faces challenges like technical glitches and non-compliance. Streamlined taxation could boost retail growth, reduce costs, and enhance transparency.

3. RESEARCH DESIGN

3.1 Statement of the problem

The impact of GST on the FMCG sector encompasses changes in tax structure, compliance requirements, and cost implications, affecting pricing strategies and operational expenses. Supply chain dynamics undergo transformations, potentially optimizing processes. Post-GST, consumer behaviour shifts, impacting product preferences and brand loyalty. GST influences market competitiveness, domestically and internationally, prompting policymakers and stakeholders to navigate regulatory challenges and foster industry collaborations

3.1 Nature of the Study

The review aims to analyze the impact of GST on the FMCG industry, including estimating methodologies, delivery channels, competition, market elements, and buyer behavior. It uses a blended strategy approach, combining subjective and quantitative methods. The study uses a comprehensive writing survey, contextual investigations, and master meetings to understand the hypothetical system and real effects of GST on the FMCG industry. However, it acknowledges limitations such as potential external influences, information accessibility, and the generalizability of findings to the Indian setting. The review emphasizes the importance of examining GST's impact on the FMCG industry through an organized methodology, providing insights into the complex relationship between GST changes and the industry.

3.2 Need of the Study

The FMCG sector is vital to the Indian economy and contributes significantly to the GDP of the nation. The Goods and Services Tax (GST) was implemented in 2017 with the intention of enhancing India's unfair tax system; however, a thorough analysis of its precise impact on the sector is necessary.

The GST has led to changes in pricing methodologies, store network elements, consistency requirements, and customer behaviour. Understanding the GST's impact on the FMCG industry is essential for policymakers, industry players, and the academic community. By understanding the complexities of GST-actuated changes, policymakers can refine pricing approaches, smooth guidelines, and address specific challenges to promote economic development and seriousness in the industry. Understanding the GST's effects on the FMCG industry is crucial for informed decision-making and investor confidence. By addressing the gap in comprehensive studies on GST's impact on the FMCG industry, policymakers can work towards the development and growth of the industry.

3.3 Scope of the Study

The project explores the impact of GST on the FMCG industry, highlighting its advantages and disadvantages. It addresses issues faced by retailers and wholesalers in submitting GST returns and its impact on product and raw material costs.

3.4 Objectives of the Study.

To understand the concept of GST.

To obtain a comprehensive overview of wholesaler's and retailer's awareness and perceptions of GST.

To study about FMCG. To analyse the impact of changes in the tax rates of fast-moving consumer goods

3.5 Limitation of the Study

The length of the research is a major limitation. Research conducted soon after the GST was implemented in India in July 2017 may not have fully taken into consideration the long-term effects of the change. An extended examination would provide a more comprehensive comprehension of the consequences of the GST, given that its influence on the FMCG industry might persist in evolving over time.

When assessing the impact of GST, other external factors affecting the FMCG sector must also be taken into account. Numerous factors, such as changes in client preferences, regulatory measures, the status of the economy, and others, can have a significant impact on the industry's performance. If these other factors aren't taken into consideration, it could be challenging to attribute observed changes to the mere implementation of GST.

The research paper's sample size was limited to family members and builders, lacking factual data. The study's conclusions were based on the sample, and geographical limitations meant the results could have been different if collected from outside Delhi.

3.6 Research Methodology

This study uses a descriptive methodology to investigate how the Goods and Services Tax (GST) has affected the FMCG industry in particular as well as the Indian economy overall. The goal of descriptive research is to precisely and methodically characterise a population, circumstance, or phenomena. This study uses a descriptive methodology to investigate how the Goods and Services Tax (GST) has affected the FMCG industry in particular as well as the Indian economy overall. The goal of descriptive research is to precisely and methodically characterise a population, circumstance, or phenomena. Numerous quantitative and qualitative techniques can be applied in a descriptive study design to examine one or more variables. The data was collected from various retailers and wholesalers of different regions in Bengaluru South by making a structured questionnaire. The data was filled by the respondents through offline google form. The data also includes various tables to aid the reader in understanding the data distribution and hence provide a better and simplified extraction on impact of GST on Indian economy and FMCG sector.

In this research, the questionnaire was designed in closed- ended questions format. All the questions were multiple choice questions. They are easy to understand and the respondents didn't need much time on reading the questions again and again. The questions were straight forward and quick to respond.

This refers to the number of items to be selected from the universe to constitute a sample. This is a major problem for the researcher. The size of sample should neither be excessively large or small, it should be optimum. This size of population must be kept in view for this also limits the sample size. Sample size in this project. Sample size in this project is 120.

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Sampling unit

A decision has to be taken concerning a sampling unit before selecting a sample, sampling unit may be a geographical area, so in this research sampling unit is Bengaluru South

Sampling method

Method of data analysis are primarily determined by the hypothesis to be tested or research questions to be answered. According to our project data is analyzed through hypothesis testing.

We have used Chi-Square test to determine whether there is a significant relationship between two categorical variables.

Method Of Data Collection

Primary data collected through sample survey from retailers and wholesalers of FMCG shops. So, for this purpose I have most popular tool of primary data collection through direct communication. The tool I have used is a structured questionnaire.

Primary Data

Data required for the study was collected through primary sources (market survey)

Secondary Data

Data required for the study was collected through secondary sources(journals, articles, library books, magazine)

Testing of Questionnaire

CHI SQUARE TEST

The chi-square test is a statistical technique used to determine the significant relationship between categorical variables. It compares observed data frequencies with predicted frequencies under a null hypothesis. It is widely used in disciplines like biology, sociology, and economics to evaluate data and draw conclusions about correlations between factors, aiding researchers in understanding the variables impacting their studies.

Level of Significance (α):

Typically, a level of significance (α) is predetermined, such as 0.05 or 0.01, to determine the probability of rejecting the null hypothesis when it is actually true.

Degrees of Freedom:

The degrees of freedom for the chi-square test depend on the number of categories or variables being analysed within the study.

4. DATA PROCESSING AND INTERPRETATION

HYPOTHESIS 1

Null Hypothesis (H0): There is no significant influence of GST on sales behavior in the FMCG sector, and there is no significant impact on both sales and prices.

Alternative Hypothesis (H1): GST has a significant influence on sales behavior in the FMCG sector, resulting in a drop in both sales and prices.

Count Expected Deviation Cell Chi ²	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Strongly Disagree	8 0.733333 7.266667 72.0061	2 1.466667 0.533333 0.1939	1 1.558333 -0.55833 0.2000	0 4.033333 -4.03333 4.0333	0 3.208333 -3.20833 3.2083	11
Disagree	0 0.733333	9 1.466667	1 1.558333	1 4.033333	0 3.208333	11

	-0.73333 0.7333	7.533333 38.6939	-0.55833 0.2000	-3.03333 2.2813	-3.20833 3.2083	
Neutral	0 0.8 -0.8 0.8000	3 1.6 1.4 1.2250	4 1.7 2.3 3.1118	2 4.4 -2.4 1.3091	3 3.5 -0.5 0.0714	12
Agree	0 2 -2 2.0000	2 4 -2 1.0000	7 4.25 2.75 1.7794	12 11 1 0.0909	9 8.75 0.25 0.0071	30
Strongly Agree	0 3.733333 -3.73333 3.7333	0 7.466667 -7.46667 7.4667	4 7.933333 -3.93333 1.9501	29 20.53333 8.466667 3.4911	23 16.33333 6.666667 2.7211	56
Total	8	16	17	44	35	120

TEST

N	DF	-LogLike	RSquare (U)
120	16	55.602396	0.3188

Test	ChiSquare	Prob>ChiSq
Likelihood Ratio	111.205	<.0001*
Pearson	155.516	<.0001*

Null Hypothesis (H0): There is no significant influence of GST on sales behavior in the FMCG sector, and there is no significant impact on both sales and prices.

Alternative Hypothesis (H1): GST has a significant influence on sales behavior in the FMCG sector, resulting in a drop in both sales and prices.

With a significance level of 16 and a p-value of <0.0001, the interpretation is as follows:

The p-value being less than 0.0001 indicates strong evidence against the null hypothesis.

Therefore, we reject the null hypothesis.

We accept the alternative hypothesis, suggesting that GST has a significant influence on sales behaviour in the FMCG sector, leading to a drop in both sales and prices.

HYPOTHESIS 2

Null Hypothesis (H0): The impact of GST on the FMCG sector does not vary based on the type of business.

Alternative Hypothesis (H1): The impact of GST on the FMCG sector varies significantly based on the type of business.

Count Expected Deviation Cell Chi^2	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Both Retail and wholesale	5 7.65 -2.65 0.9180	5 4.95 0.05 0.0005	3 3.6 -0.6 0.1000	14 11.25 2.75 0.6722	27 26.55 0.45 0.0076	54

Retail	7 5.666667 1.333333 0.3137	1 3.666667 -2.66667 1.9394	4 2.666667 1.333333 0.6667	6 8.333333 -2.33333 0.6533	22 19.66667 2.333333 0.2768	40
Wholesale	5 3.683333 1.316667 0.4707	5 2.383333 2.616667 2.8728	1 1.733333 -0.73333 0.3103	5 5.416667 -0.41667 0.0321	10 12.78333 -2.78333 0.6060	26
Total	17	11	8	25	59	120

TEST

N	DF	-LogLike	RSquare (U)
120	8	5.0166434	0.0309
Test		ChiSquare	Prob>ChiSq
Likelihood Ratio		10.033	0.2627
Pearson		9.840	0.2764

INTERPRETATION

Null Hypothesis (H0): The impact of GST on the FMCG sector does not vary based on the type of business.
 Alternative Hypothesis (H1): The impact of GST on the FMCG sector varies significantly based on the type of business.

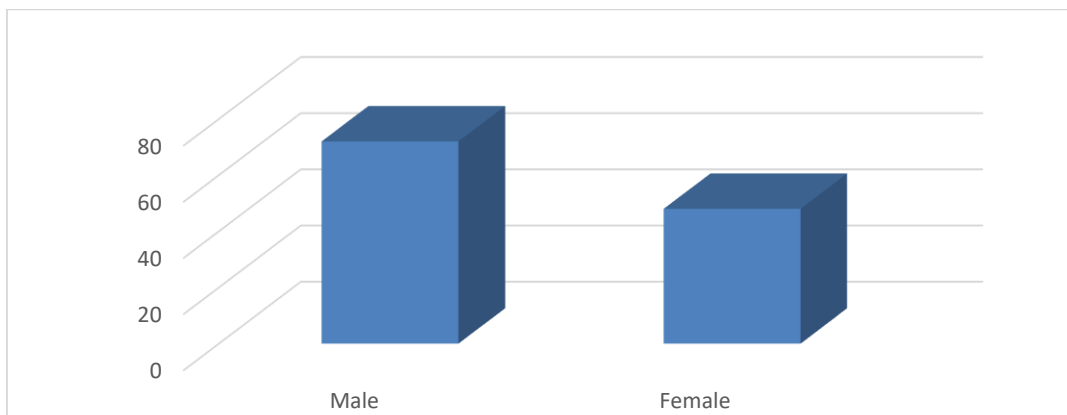
Since the p-values obtained (0.2627 and 0.2764) are both greater than the conventional significance level of 0.05, we fail to reject the null hypothesis.

Therefore, we do not have sufficient evidence to conclude that the impact of GST on the FMCG sector varies significantly based on the type of business.

there is no significant difference in the impact of GST on the FMCG sector among different types of businesses based on the data analyzed.

4.1 Demographic Analysis

4.1 chart showing the respondents based on Gender

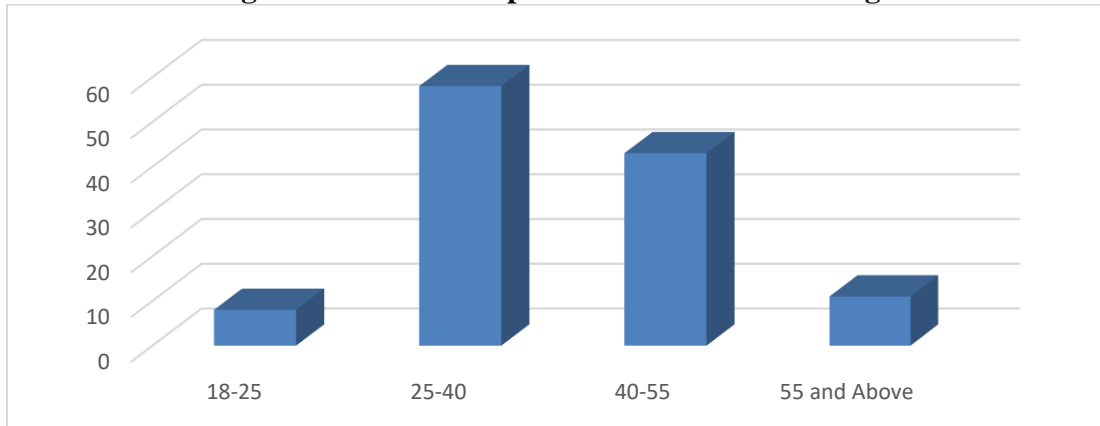


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Male	72		60	
Female	48		40	
Total	120		100	

INTERPRETATION

As per the chart given above the pie chart and table explains about distribution of Gender among the respondents here its depicts that 60% of respondents are male and 40% of the respondents are Female

4.2 Chart showing the number of respondents based on their Age

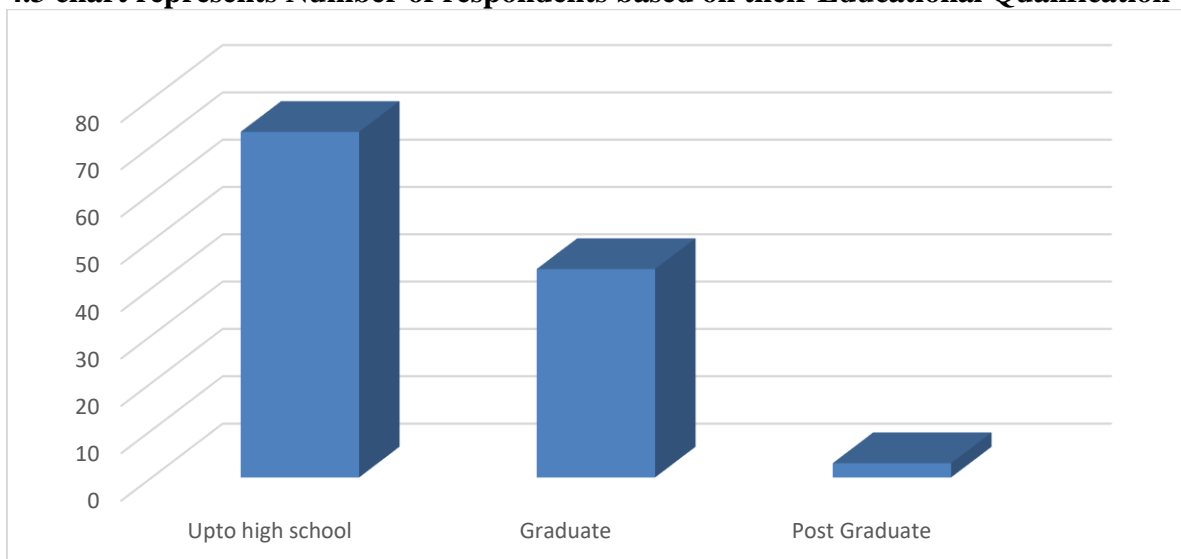


PARTICULARE	RESPONDENT NUMBER	IN	RESPONDENTS PERCENTAGE	IN
18-25	8		6.7	
25-40	58		48.3	
40-55	43		35.8	
55 and Above	11		9.2	
Total	100		100	

INTERPRETATION

The table also represents the respondent population in percentages. The survey consisting of 6.7% of people belonging to the age group of 18-25 years, majority of respondents belong to the age group of 25 to 40 years with 48.3% of population representing the group. And 35.8% of respondents belong to the age group 40-55 years. And total of 9.2% of the people belongs to age above 55

4.3 chart represents Number of respondents based on their Educational Qualification

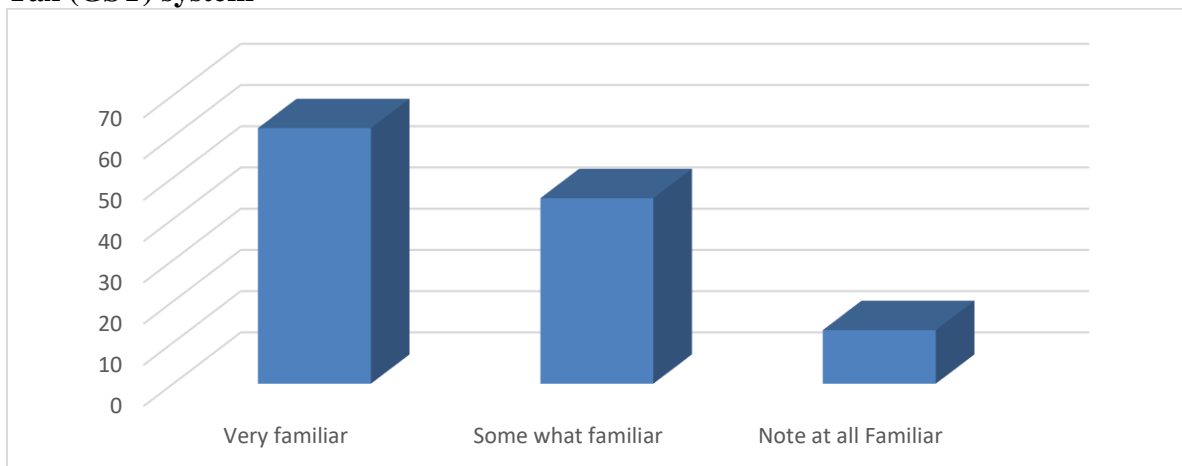


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Up to high school	73		60.8	
Graduate	44		36.7	
Post Graduate	3		2.5	
Total	120		100	

INTERPRETATION

The data shows that 60.8% of respondents have education up to high school, 36.7% are graduates, and only 2.5% are post-graduates. This suggests a predominant presence of high school-educated individuals, followed by graduates, with post-graduates being the least represented. Overall, the distribution indicates a diverse educational background among respondents, with a majority having completed education up to high school level.

4.4 chart represents Number of respondents based on How familiar are you with the Goods and Services Tax (GST) system

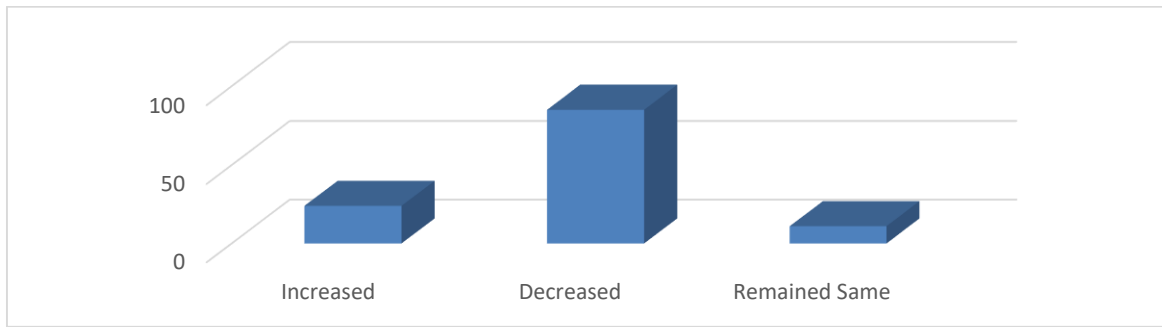


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Very familiar	62		51.7	
Some what familiar	45		37.5	
Note at all Familiar	13		10.8	
Total	120		100	

INTERPRETATION

The Bar Graph displays respondents' familiarity with the GST system. The majority, 51.7%, are "Very Familiar," indicating significant understanding. "Familiar" respondents constitute 37.5%, showing a substantial level of awareness. The smallest segment, at 10.8%, are "Not at all Familiar," suggesting a minority lacks understanding. Overall, the chart demonstrates varied levels of familiarity, with the majority well-versed, followed by a significant portion having some knowledge, and a smaller group entirely unfamiliar with the GST system.

4.5 Chart representing the responses due to the implementation of GST: do you believe that the prices of FMCG products have

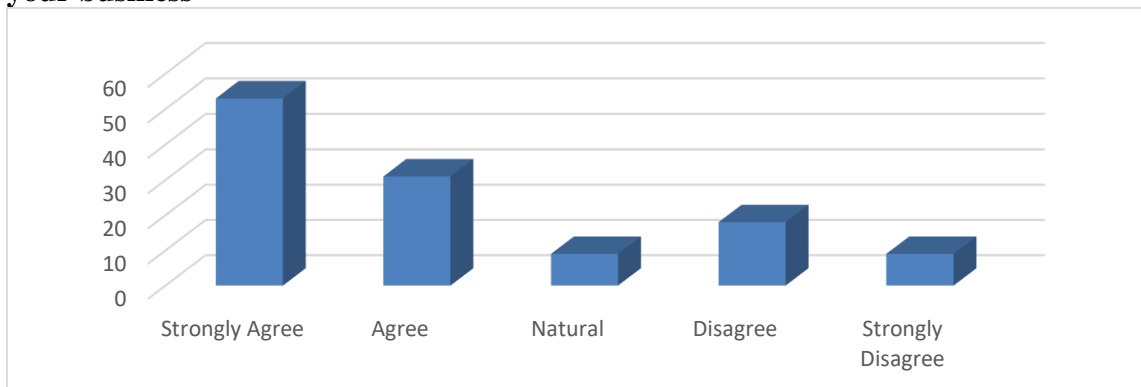


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Increased	24		20	
Decreased	85		70.8	
Remained Same	11		9.2	
Total	120		100	

INTERPRETATION

The Pie Chart indicates respondents' perceptions regarding the impact of GST on FMCG product prices: 70.8% believe prices have decreased, while 20% think they have increased, and 9.2% feel prices have remained the same. This suggests a prevailing belief among respondents that GST implementation has led to decreased FMCG prices, with fewer respondents perceiving increases or no change.

4.6 Chart represents number of respondents on Do you believe GST has simplified tax procedures for your business

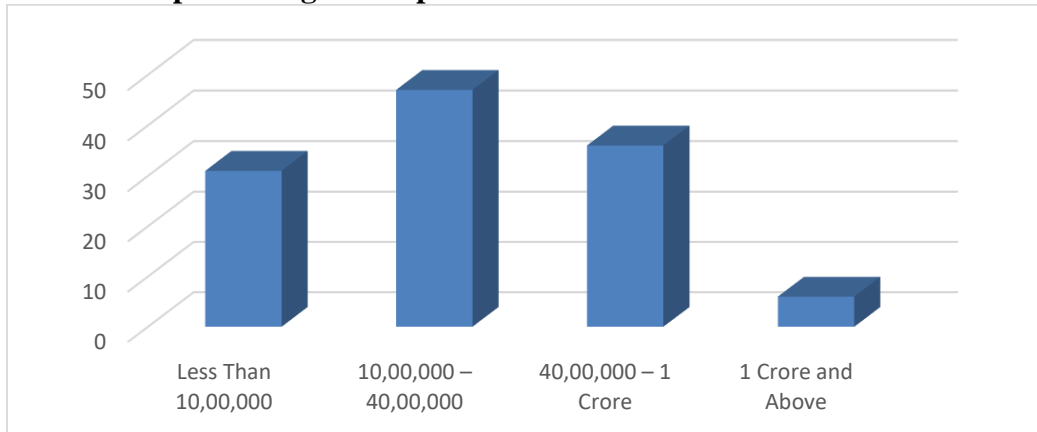


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	53		44.2	
Agree	31		25.8	
Natural	9		7.5	
Disagree	18		15	
Strongly Disagree	9		7.5	
Total	120		100	

INTERPRETATION

The Bar Graph reveals that 70% of respondents believe GST has simplified tax procedures for their businesses, with 9% remaining neutral, and 22.5% disagreeing. This indicates widespread positive perception among respondents regarding GST's impact on tax simplification. However, a minority expresses uncertainty or disagreement.

4.7 Chart representing the responses based on their Annual Turnover of Business

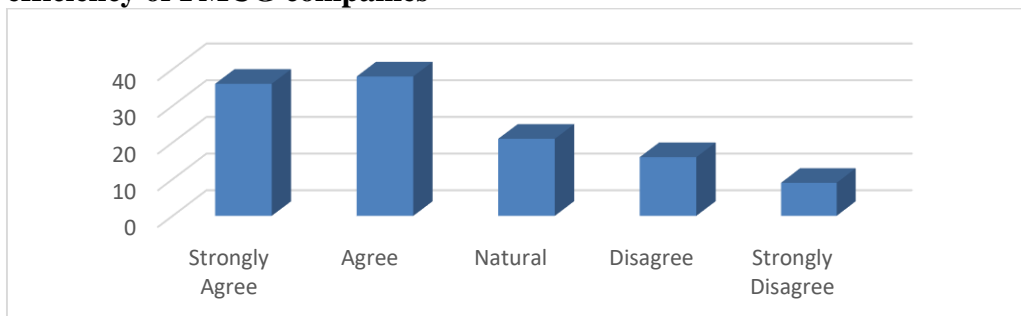


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Less Than 10,00,000	31		25.8	
10,00,000 – 40,00,000	47		39.2	
40,00,000 – 1 Crore	36		30	
1 Crore and Above	6		5	
Total	120		100	

INTERPRETATION

The Bar Graph reveals the distribution of businesses based on annual turnover reported by respondents: 25.8% have turnovers less than 10 lakhs, 39.2% fall within the 10-40 lakhs range, 30% range between 40 lakhs to 1 crore, and only 5% report turnovers of 1 crore and above. This suggests a diverse representation across various turnover ranges, with the majority falling within the 10-40 lakhs bracket.

4.8 Chart representing the responses based on GST has affected the profitability and operational efficiency of FMCG companies

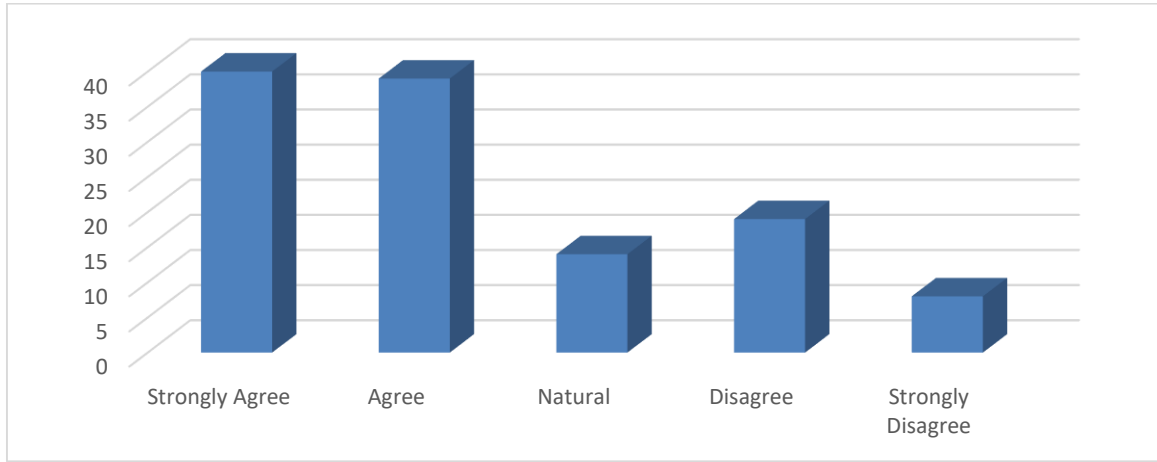


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	36		30	
Agree	38		31.7	
Natural	21		17.5	
Disagree	16		13.3	
Strongly Disagree	9		7.5	
Total	120		100	

INTERPRETATION

The Bar Graph reveals that 61.7% of respondents believe GST has positively impacted the profitability and operational efficiency of FMCG companies, with 17.5% expressing neutrality and 21% disagreeing. This suggests a predominant perception of GST's positive influence on FMCG companies, with a minority holding differing opinions or expressing uncertainty.

4.9 Chart representing the responses due to the implementation GST has altered pricing strategies within the FMCG sector.

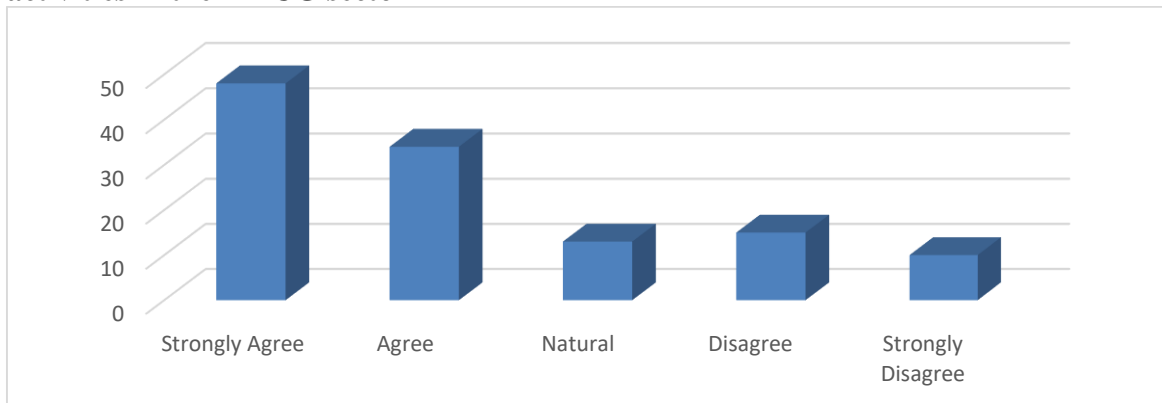


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	40		33.8	
Agree	39		32.5	
Natural	14		11.7	
Disagree	19		15.8	
Strongly Disagree	8		6.7	
Total	120		100	

INTERPRETATION

The Bar Graph indicates that 66.3% of respondents believe GST implementation has altered pricing strategies in the FMCG sector. 11.7% express neutrality, while 22.5% disagree with this notion. This suggests a predominant perception of GST's influence on pricing strategies within the FMCG sector, with a minority expressing uncertainty or disagreement.

5.0 Chart representing the responses Do you believe GST has reduced tax evasion and black-market activities in the FMCG sector



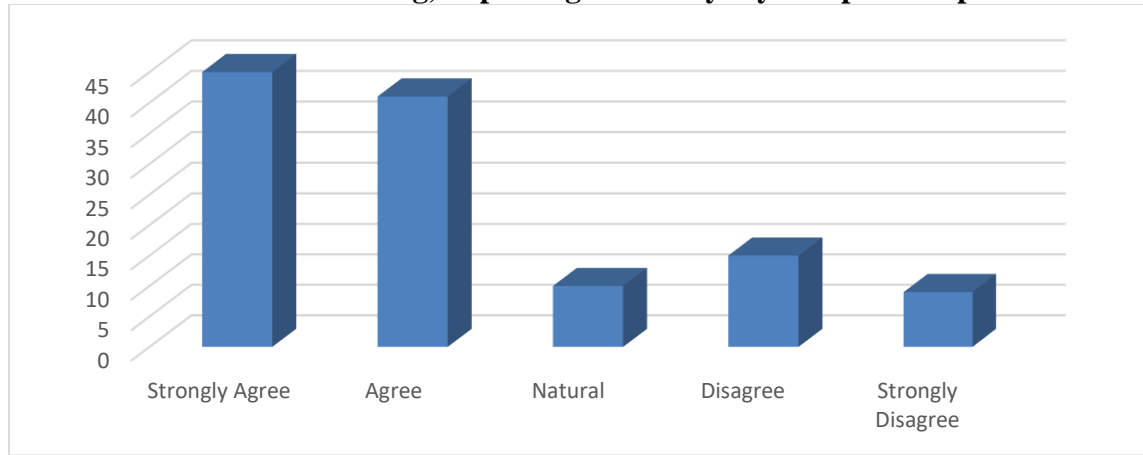
PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	48		40	
Agree	34		28.3	
Natural	13		10.8	
Disagree	15		12.5	
Strongly Disagree	10		8.3	
Total	120		100	

INTERPRETATION

The Bar Graph indicates that 68.3% of respondents believe GST has reduced tax evasion and black market activities in the FMCG sector. 10.8% express neutrality, while 20.8% disagree. This suggests a predominant

perception of GST's effectiveness in curbing tax evasion and black market activities within the FMCG sector, with a minority expressing uncertainty or disagreement.

5.1 Chart representing the responses on due to implementation of GST, Consumer purchasing behaviour has shifted following, impacting brand loyalty and product preferences.

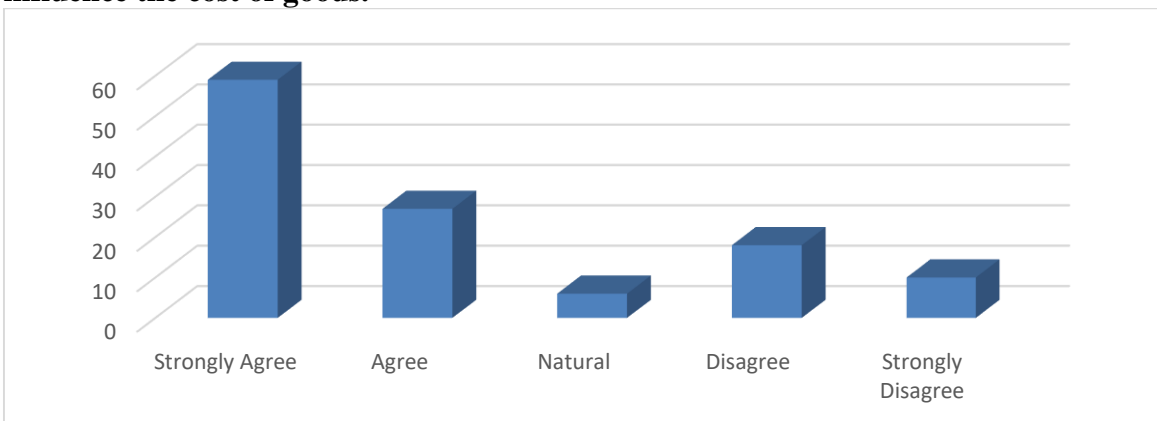


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	45		37.5	
Agree	41		34.2	
Natural	10		8.3	
Disagree	15		12.5	
Strongly Disagree	9		7.5	
Total	120		100	

INTERPRETATION

The Bar Graph reveals that 71.7% of respondents believe GST implementation has shifted consumer purchasing behavior, impacting brand loyalty and product preferences. 8.3% express neutrality, while 20% disagree. This indicates a predominant perception of GST's influence on consumer behavior, with a minority expressing uncertainty or disagreement.

5.2 The chart represents number of respondents on the rise in FMCG raw material prices does not influence the cost of goods.

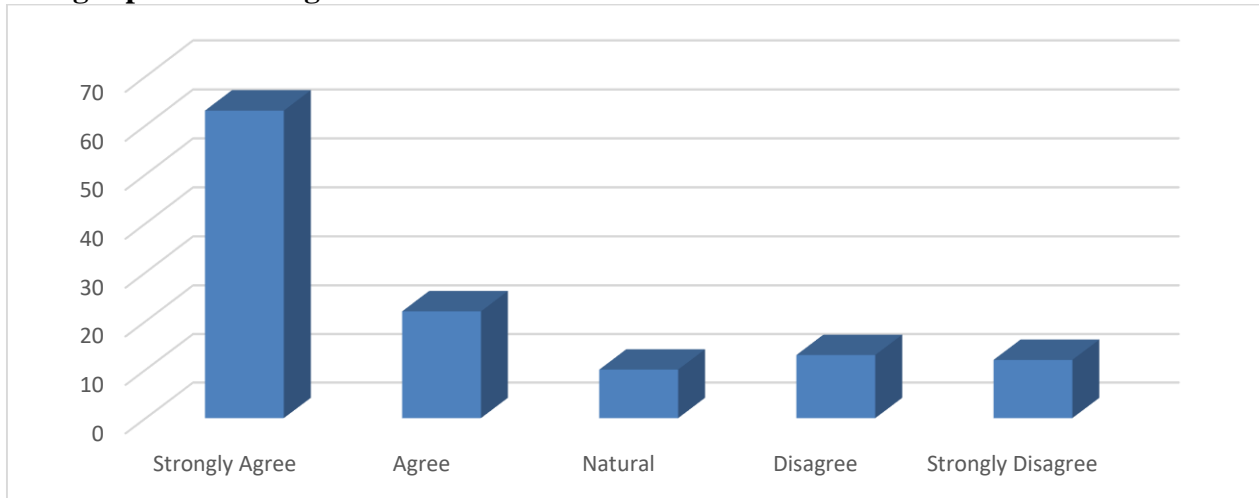


PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	59		49.2	
Agree	27		22.5	
Natural	6		5	
Disagree	18		15	
Strongly Disagree	10		8.3	
Total	120		100	

INTERPRETATION

The Bar Graph reveals that 71.7% of respondents believe the rise in FMCG raw material prices influences the cost of goods. 5% express neutrality, while 23.3% disagree. This indicates a predominant perception of a direct influence of raw material price increases on product costs in the FMCG sector, with a minority expressing uncertainty or disagreement.

5.3 Chart represents number of response on Do you think implication of GST has brought positive change on the FMCG Sector



PARTICULARE	RESPONDENTS NUMBER	IN	RESPONDENTS PERCENTAGE	IN
Strongly Agree	63		52.5	
Agree	22		18.3	
Natural	10		8.3	
Disagree	13		10.8	
Strongly Disagree	12		10	
Total	120		100	

INTERPRETATION

The Bar Graph indicates that 71% of respondents believe the implication of GST has brought positive changes to the FMCG sector. 8.3% express neutrality, while 20.8% disagree. This suggests a predominant perception of GST's positive impact on the FMCG sector, with a minority expressing uncertainty or disagreement.

5. FINDINGS

- Changes in consumer behavior in response to price fluctuations post-GST implementation.
- Changes in taxation and pricing influenced consumer behavior and demand patterns.
- Consumers became more price-sensitive, seeking value for money and switching brands based on price differentials.
- GST awareness, impact, challenges, and perceptions among retailers and wholesalers in the FMCG sector.

6. SUGGESTIONS

- Addressing classification challenges to ensure uniform GST regulations across the FMCG industry.
- Increasing awareness and providing training programs on GST compliance for smaller FMCG companies.
- Simplifying compliance procedures, especially for small and medium-sized businesses, to alleviate administrative burden.
- Strengthening the input tax credit (ITC) mechanism for cost efficiency and preventing cascading taxes. Promoting digital adoption for efficiency and compliance monitoring in the FMCG industry.

7. CONCLUSION

The Indian FMCG industry has been greatly influenced by the Goods and Services Tax (GST), which has had an effect on consumers, businesses, and the economy. Transparency, an administration of taxes free from corruption, and simplicity of the tax code are important goals.

The GST could improve negotiation capabilities and market stability. However, challenges arise for retailers and wholesalers in adapting to the new GST filing system. Rising raw material prices impact FMCG goods and consumer purchasing power. In order for stakeholders to efficiently navigate the new tax structure, GST awareness and training are essential. The FMCG industry is affected by the GST in a variety of ways. While consumers gain from lower costs, certain businesses profit from lower tax incidents. The GST implementation is crucial for India's indirect tax reform, with potential long-term benefits for businesses and the economy. Addressing challenges involves providing support to small traders and enhancing GST awareness and training programs.

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