



## IMPACT OF GST ON BRASS VESSEL PRODUCTION: SPECIAL REFERENCE TO NILLAKOTTAI AREA IN DINDIGUL CITY

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### Abstract:

Nilakkottai is one of the important centers of the brass utensils industry in Dindigul. It supplies the needs of a part of the State and also exports articles of household use to foreign countries. The main objective of the study is to determine impact of GST on brass vessel production in Nilakkottai area. Both primary data and secondary data has been collected for the study. Simple percentage and ranking method are used to analyse the data. The study founded that increasing operating cost is the first impact factor which have an impact of gst on brass vessel production

**Key Words:** Brass, Alloy, GST, Impact, Production, Features, Types, Tax, Effect & Etc.,

### Introduction:

Nilakkottai is well known for its brass vessel and jewellery. Nilakkottai is one of the important centers of the brass utensils industry in Dindigul. It supplies the needs of a part of the State and also exports articles of household use to foreign countries. Brass is an alloy mixture of copper and zinc and with the addition of other small elements added to the alloy for special uses. The colour of brass varies from dark reddish brown due more zinc present to a light silvery yellow depending on the less zinc present.

#### Types of Brass

- ❖ Yellow brass
- ❖ White brass
- ❖ Red brass
- ❖ Forging Brass
- ❖ Cartridge brass
- ❖ High brass
- ❖ Low brass
- ❖ Free cutting brass
- ❖ Naval brass
- ❖ Admiralty brass
- ❖ Silicone red brass
- ❖ Alpha brasses
- ❖ Alpha-beta brass (Muntz metal)
- ❖ Beta brasses
- ❖ Aluminium brass
- ❖ Arsenical brass
- ❖ Manganese brass
- ❖ Common brass
- ❖ Rich low brass
- ❖ Tonval brass
- ❖ Free- Machining brasses

#### Feature of Brass

- ❖ Excellent Machinability
- ❖ Good Strength
- ❖ Ductility
- ❖ Conductivity
- ❖ Easily Joining
- ❖ Non-sparking
- ❖ Good Corrosion Resistance
- ❖ Wear Resistant
- ❖ Plating
- ❖ Attractive Colour
- ❖ Hygiene
- ❖ Magnetic permeability
- ❖ Castability

### Benefits of GST:

Goods and service tax is an indirect tax on manufacturing goods. The following are some of the benefits of GST:

- ✓ multiple tax has been removed
- ✓ cascading tax effect is removed
- ✓ production of goods and services are increased
- ✓ demand and supply of goods and services are increased
- ✓ Reduction in overall costs due to lower burden of taxes.
- ✓ Final tax payer burden has been decreased.
- ✓ black money circulation has been controlled
- ✓ Government revenue increased by extended tax base.

### Challenges to GST:

- ✓ Subsumed taxes have an Impact on pricing of goods and services.

- ✓ GST rates are over 15%, then the goods/ services will be costlier.
- ✓ In India which lack IT Infrastructure in few states.
- ✓ Drafted a separate law.
- ✓ Specific exemptions on central GST and state GST for transfer of goods from one state to other all over the country.
- ✓ Enabling GST to central and state governments by constitutional amendments.
- ✓ Enabling levy of GST on imports by constitutional amendments

**Review of Literature:**

Mukhopadhyay (2005) examined a study on the impact of VAT in Haryana. At the time of the research, it was very short period because the VAT was implemented in Haryana in 2003. The study concludes that revenue growth is the most important factor and the Commercial Tax Department had not taken other factors to assess the impact.

Guptha (2014) observed that there is no significant change in VAT System with the implementation of GST in the Indian System and this will lead to the economic development."

Venkadasalam (2014) identified the impact of GST on the ASEAN Countries. The study also concluded that seven countries are implementing the GST and have positive impact out of the ten countries.

Ms. N. Ramya and Ms. D. Sivasakthi (2017) stated that GST is a comprehensive tax levy on manufacture, sale, consumption of goods and services. In Indian Tax Structure GST is termed as biggest tax reform. It include central excise duty, service tax additional duties of customers at the central level, VAT, central sales tax, entertainment tax, octroi, state surcharge, luxury tax, lottery tax and other surcharge on supply of goods and services, so it is not an additional tax. The purpose of GST is single comprehensive tax to replace all these taxes, bringing these taxes under single umbrella. This study explained features of GST and impact of GST on various sectors.

A. S. Sreeshma, M. Aswamalika and V. Aparna (2018) revealed that GST is a type of indirect tax which is levied on the sale of goods and services in India. It was launched on 1 July 2017 throughout India. India's textiles and cloth industry is connected to the total growth of the Indian and the world economy. The study main objective is to find the impact of GST on selected branded textile products such as Levis, Raymond, puma etc. The primary data is collected from 50 customers using questionnaire. The study concludes that there is no significant impact of GST on the branded textile clothes and customers prefer to buy the products on the basis of price and quality. The study also conclude that branded companies are not providing any special offers and discount after the GST.

**Objective of the Study:**

- ✓ To know the present scenario of brass vessel production.
- ✓ To determine impact of GST on brass vessel production in Nilakkottai area.

**Limitations of the Study:**

- ✓ The results are based upon the views expressed by the brass vessel manufacturers in Nilakkottai area.
- ✓ Result of the study is limited to selected brass vessel manufacturers only.
- ✓ The statistical method used to analyze the data has their own limitation.
- ✓ All the limitations of primary data are applicable to this study.

**Research Methodology:**

The data utilized for the study is both primary and secondary in nature. Primary data have been collected from the sample of 30 brass vessel manufacturers in Nillakkottai area, Dindigul by using interview schedule method. Convenient sampling is adopted in this study. The secondary data have been collected from related journals, Magazines and textbooks.

**Statistical Tools Used for the Study:**

- ✓ Simple percentage
- ✓ Simple Ranking Method

**Analysis and Interpretation:**

Table 1: Marketing Details of Brass Vessel

Particulars	No of Respondents	Percentage
Brand Details		
Branded	18	60
No Branded	12	40
Marketing Details		
By self	4	13
By Retailers	151	37
By Wholesalers	15	50
Strategies		
Price	7	23
Quality	10	33

Suitability	5	17
Prompt delivery	8	27

In the above table shows that out of 50 brass vessel production units in Nillakkottai area, 18 units have branded their vessels.

Out of 50 sample units 50% of the industries engaged with wholesalers for their sales.

Out of 50 sample units 33% of the brass vessel production units have quality as their marketing strategy to adopt to sell their product.

Table 2: Impact of GST on Brass Vessel Production – Ranking Method

Problems	Average Score	Rank
Change in Business Software	4.93	4
Increase in Operating Costs	6.76	1
Higher Tax Burden for Manufacturing SMEs	5.48	3
Disruption to Business	3.65	6
Lack of Clarity on GST Provisions (Rules and Regulation)	6.12	2
increased compliance, with increase in the number of returns to be filed annually	2.47	7
Lack of skilled resources and need for re-skilling	4.23	5

The above table shows impact of GST on brass vessel production using simple ranking method. It is found that increase in operating cost as the first factor which have an impact of GST on brass vessel production, lack of clarity on GST provisions was the second factor, higher tax burden for manufacturing SMEs was the third factor, change in business software was the fourth, lack of skilled and need for re-skilling was the fifth, disruption to business was the sixth and lastly increasing compliance was the seventh factor which have an impact of GST on brass vessel production.

#### Conclusion:

Goods and service Tax is the biggest tax reform in India founded on the main motive of “one nation, one market, one tax”. Impact of GST will enable the manufacturers of the brass vessel would benefit from fewer tax filings, transparent rules, and easy book keeping. The study conducted on selected brass vessel manufacturers in Nilakkottai area, Dindigul. This study helps to know the impact of GST, the factors which influence brass vessel production. The study founded that increasing operating cost is the first impact factor which have an impact of gst on brass vessel production.

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