



# LEARNNOVATOR

S. R. LUTHRA INSTITUTE OF MANAGEMENT (SRLIM)

E-Newsletter : Vol.1 | Issue.3 | Quarter : July- September, 2017

## GST & INDIAN ECONOMY

The birth of a new tax system – The Goods and Services Tax (GST) was announced on June 30, 2017 at midnight session in Parliament banishing the old taxation system of indirect and State as well as Central taxes and thereby allowing for “One Country, One Market, One Tax” coming into existence

As per the old tax regime, the Central and State Governments frame laws to collect taxes as per the defined list of subjects as provided in the Constitution. Thereby, the Central Government could collect direct taxes like Income Tax and Corporate Tax and Indirect taxes like Central Excise, Customs Duty and Service Tax, while the State Government could collect taxes like VAT, Entertainment Taxes. Moreover the GST Act also does away with Municipal Octroi and various types of cess levied on goods and services. Thus, the GST removed 17 different taxes of the Central and the State Governments except Customs Duty. Thus, irrespective of State boarders (29 States and Union Territories), there will be only one tax (GST) for the entire country

GST is a tax leviable on value added at each stage of the supply chain of the product which will be levied at four different rates @ 5%, 12%, 18% and 28% except exempted category. The collection of GST has been divided into four categories namely

- A) CGST - Central Goods and Services Tax
- B) SGST – State Goods and Services Tax
- C) IGST – Integrated Goods and Services Tax
- D) UTGST – Union Territory Goods and Services Tax

### A) CGST & SGST

If the sale is within one State then CGST & SGST come into play. The trader will pay as per the notified rate of the product or services only and he will divide the payable tax in two parts of 50% each and each 50% part will be paid separately into the CGST & SGST accounts

### B) IGST

In case of interstate sale of Goods, IGST will be levied at the same rate of the product but here traders will get the full set-off from the liability of CGST and SGST when he sells the product in the new State

### C) UTGST

There is apparently no difference between SGST and UTGST SGST is levied in the State while UTGST is levied in the Union Territory

The collection of GST as stated above and the procedure and compliance thereof is to be managed by a newly created entity GSTN

The GST administration will be carried out by the GST Council consisting of members as under

- Finance Minister of India – Chairman
- Union Minister of State, Revenue or Finance – Member
- All Ministers of State being in charge of Finance or Taxation or any nominated Minister – Members

### Impact on Indian Economy

After having understood about procedural compliance and collection of tax under GST, though GST is good for the economy and the country, there is nervousness amongst the traders and consumers because of there being reduction in trade volume and negative pressure on consumers' demand which affect Indian Economy adversely

### These are because of following reasons

- i. The GST tax compliance and collection procedure is through computer and internet system for which small and medium level traders are not computer savvy. Even many do not have a computer
- ii. Fear of blocking working capital as the GST becomes payable while shifting their goods to their warehouses in other state. Similarly buyer's money will remain blocked if seller does not pay. Exporter's money will be blocked due to gap between payment of GST and its refund after export is made
- iii. Simplification in compliance and eradication of tax evasion

### iv. End of Inspector Raj and corruption as well harassment

These are all considered to be teething problems which shall remain for six to nine months. The problem can be sorted out by the concerned authority by taking steps like

- a. Education to tax payers and consumers about new litigation
- b. Help through GST SEWA Kendra
- c. Explaining the strict and harsh provision of anti-profiteering which will explain that how the benefit of reeducation of price will pass on to consumers
- d. Transparency in tax system and business module

GST means in the words of our Prime Minister Good and Simple Tax. The GST system being one tax system will allow for “One Country, One Market, One Tax” and the Indian Economy will be boosted up in terms of GDP and towards better progress in Economy

## Shri C. S. Jariwala

Chairman  
Sarvajanik Education Society, Surat



## EDITORIAL

More than 160 countries of the world have implemented Goods and Services Tax (GST) and France was the first country to do so in the year 1954. The base of GST is on the idea of “one nation, one market, one tax”. This implementation of GST has transformed India into a unified market of 1.3 billion citizens spread across 29 States and 7 Union Territories. The implementation of GST would abolish the different type of taxes on goods and services which were earlier levied at central level, state level or at local level. It will result in infusing competitive edge in international market for goods and services produced in India and would increase the exports of our country. It is also expected that with the implementation of GST the tax base will widen and result in increase in revenue to the Centre and State. Implementation of GST is by itself a mammoth task and it will have its own teething problems such as in the short term GST implementation has the cost of compliance and which will be felt more by small manufacturers and traders. However, in the long run this reform in the indirect tax structure of our country would go a long way in acting as an catalyst for the growth and development of our economy

## Dr. J. M. Kapadia

Director  
S. R. Luthra Institute of Management



# GST LAW

## Conception Birth & Growth of Law

We all live in an era of change, it is rightly said that change is inevitable, if you do not change people & circumstances would change you, one more thing is common & that is "reluctance for change in a country of 130 corers, when a new thing comes up it become draconian and lastly general perception is that it has to be avoided

GST Good and Simple tax as pointed and referred by Honorable Prime Minister is the new law conceived by mother constitution, although it took more than 12 years to conceive but the law is one of the healthiest piece of legislation

## Economy & GST

Last 4 months have witnessed dramatical change as for as economy is concerned, people are saying, analyst are incorporating that GDP would come down & country would slow down its growth, time has to be given for any law to be adjusted, we can only comment on it after 1 year but yes overall business fraternity has given thumbs-up to GST

## Politics & GST

GST is one of the most politicized issue one has witnessed since India got its independence, yes everyone can take credit but ultimately policies should be for the benefit for the people

## Professional & GST

Phone a CA/Professional and you would get reply. "I do not have time" His compnuance calendar has increased every 3rd day is a due date, has to keep on reminding to comply about due dates for GST returns

PM & FM have entrusted confidence on the abilities of professional to convince business fraternity about advantages of GST

## Public & GST

After initial hiccups ultimately its people who would get benefited by implementation of GST. When the chain stops ITC has reduced the price of product and the end customer need not pay more tax or tax on tax prices would come down and end customer benefited

GST, has revolutionized the taxation system prevailing in our country. Yes there are problems for its implementation but then every new thing has its own pro's & con's. We should accept it. Increasing and widening tax net linking GST / With PAN & Income tax would further enhance transparency in business transactions but there are chances that people may shift totally towards cash economy. Since everything has to be provided with GST portal, your purchase / Sale Other details there are no chances of anything being reflect if the data would not reconciles ultimately the authority will take strongest stapes which would be against the growth of business, this is one big risk, which has to be examined

Another risk is unorganized sector, which is out of the tax net, if they be a part of the system and value chain it would be a win, win situation for everyone

All in all we can interpret that GST would have a far reaching impact on Indian economy in accelerating its growth trajectory

## Shri Yatish Parekh

Ex. Chairman  
Sarvajnik Education Society, Surat



# IMPACT OF GST ON TEXTILE INDUSTRY

Textile Industry is one of key sector in Indian economy with a direct linkage to the overall growth of India and global economy. It plays a major role it contributes 14 % to industrial production and 4 per cent to GDP. India's textile market size in the year 2016-17 is estimated to reach USD 100 billion. With over 45 million people, the industry is one of the largest source of employment generation in the country. The industry accounts for nearly 15 % of total exports

The Indian Textile industry is amongst very few industries that is vertically integrated from raw material to finished Products (From fibre to retail). With potential growth opportunities in both the global and the domestic market it has leveraged its strong manufacturing position to achieve considerable expansion. Further, it is pertinent to note that there are in total 55 SEZs pan India for textiles and apparel industry

The Textile and apparel industry can be broadly classified into two segments

**Yarn & Fibre (Natural & Man-made Processed Fabrics, Ready-made garments & Apparels**

With introduction of GST taxes like Central Excise Duty, Value Added Tax (VAT), Central Sales Tax (CST), Entry Tax & Octroi, Countervailing Duty (CVD) and Special Additional Duty (SAD) are subsumed in to one tax net

## GST comprises of the following levies

- Central Goods and Services Tax (CGST) [also known as Central Tax] on intra-state or intra-union territory of goods or services or both
- State Goods and Services Tax (SGST) [also known as State Tax] on intra-state supply of goods or services or both
- Union Territory Goods and Services Tax (UTGST) [also known as Union territory Tax] on intra-union territory supply of goods or services or both
- Integrated Goods and Services Tax (IGST) [also known as Integrated Tax] on inter-state supply of goods or services or both. In case of import of goods also, the present levy of Countervailing Duty (CVD) and Special Additional Duty (SAD) were replaced by integrated tax

## Various Tax rates applicable for Textile Products

Goods / Service	GST Rate
Cotton yarn, cotton fabrics, Knitted or crocheted fabrics	5% (2.5%+2.5%)
Articles of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding Rs. 1000 per piece	5% (2.5%+2.5%)
Articles of apparel and clothing accessories, knitted or crocheted, of sale value, exceeding Rs. 1000 per piece	12% (6%+6%)
Yarn of manmade staple fibres	18% (9%+9%)
Job work	5% (2.5%+2.5%)

## Impact on Textile Industry

An important determinant of the tax incidence under GST was the GST rate applicable to the textile segments. Even at the 12% lower rate recommended by the Dr. Arvind Subramanian Committee, the textile sector is likely to be negatively impacted. The cotton value chain is the worst affected as it was attracting zero central excise duty and tax in inputs may not be more than 2-4%

Under GST Tax rate is not revenue neutral: Earlier, the State VAT was 4-5% on apparels and with 1.2% effective central excise duty onbranded garments with MRP of more than Rs 1000, the overall tax incidence on apparels is lower than 12%, which is the rate in GST. This would be inspite of credit not being available for all tax/duties paid in the past

Since there is a reduced tax advantage of cotton yarn vis a vis man-made yarn, there can be a gradual shift in the domestic textile industry towards manmade fibre. It may be noted that India currently operates with fibre mix of cotton: manmade of 60:40; as against global average of cotton: manmade of 40:60. Manmade inputs earlier suffered 12.5% + average 4/5 % VAT which is a cost. In GST available as credit

Fiscal barriers for inter-state movement is removed: Reduce time of movement and logistic costs, stocking costs and carrying costs

Promote capital investment: Domestic player will benefited by less cost of capital investments as they are able to set-off their GST credit

Increase in administrative cost for the textile industry as hitherto most of the activities were out of tax net. Filing of monthly return and maintaining day to day affairs will require permanent staffing

Inclusion of all other taxes into the GST: Supply chain of Textile Industry is loaded with input and output across state boundaries to reach the ultimate consumer. Octroi and Entry Tax were the bottlenecks, credit of which were not allowable, thus form the part of the cost. Subsume of octroi, entry tax etc. into GST has removed the cascading effect at the distribution stage

Improved compliances: An important effect of GST would be to improve compliance. The value chain under the GST will be fully traceable. As a result, ITC claims will have to be backed by full information chain of purchases and sales. Improved compliance will automatically lead to higher revenues for any given rate as long as that rate is not excessively high

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## CA Kaushal P Shah

AGM-Accounts  
Garden Silk Mills Ltd



# DIGITIZE YOUR MARKETING IN GST ERA

You love it or hate it, GST is here to stay and what a time it is to use this single tax structure for your business! When we all are talking about the use of the internet, Google and social media for reaching out maximum people, we have also started taking the technology very seriously. The technology revolution came in the mid-90s in India just before everyone was worried about Y2K problem. After 2 decades, now Indian business houses are as serious to use the technology for marketing as well

While GST has raised the eyebrows of many business people, the blessing in disguise is how smartly now the business processes will become smooth. It will push the businesses to follow the compliances and hence it will give the better inputs in terms of marketing result. The businesses are now becoming technology driven and all the functions of management are adopting the technology. How can marketing remain untouched? It's not only about using the CRM but to use the internet for the overall growth of the business

You must ask following questions at the moment you have gotten your GST number

- Does your company has its own website
- Is your website compatible with mobile
- Are you using social media platforms to promote your business
- Are you stuck to Facebook posting and tagging
- Do you have any professional Email marketing system in your company
- Do you care to know about the various facilities available under Digital India initiative

Though businesses have started using Facebook like social networking site a few years back for marketing yet the optimum use of other social networking sites is not done

## GST EVOLUTION

The introduction of Good and Services Tax on the 1st of July 2017 was a very significant step in the field of indirect tax reforms in India. It is fondly described as One Tax One Nation. Goods and Services Tax Law in India is a comprehensive, multi-stage, destination based tax that will be levied on every value addition

Reform ideas do not occur overnight and evolve over the years. So, the emergence of GST is not an overnight process. It took years to introduce this new tax reforms into our Indian Economy. The origin of GST could be traced back to July 17, 2000, the Vajpayee Government started discussion by setting up an empowered committee, headed by Ashim Dasgupta, (Finance Minister, Government of West Bengal). The committee was given a task of designing the GST model and oversee IT preparation

The idea of moving towards the GST was first mooted by Union Finance minister P.Chidambaram in his budget for 2006-07. It was proposed that GST would be introduced from 1st April, 2010. The empowered committee of State Finance Minister based on the discussion within and between it and the Central Government, released its First Discussion Paper (FDP) on GST in November, 2009

To amend the constitution to enable introduction of GST, the Constitution (115th Amendment) Bill was introduced in the Lok Sabha in March, 2011. The bill suggested the creation of Goods and Services Tax Council and a GST dispute settlement authority. The bill lapsed in 2014 and was replaced with Constitution (122nd Amendment) Bill 2014

A Goods and Services tax Council was constituted comprising of Union Finance Minister, the minister of state (Revenue), and the state Finance Ministers to recommend on the GST rate, exemption and thresholds, taxes to be subsumed and other features

The Constitution Amendment Bill was passed by the Lok Sabha in May, 2015. The bill with certain amendments was finally passed in the Rajya Sabha and thereafter by Lok Sabha in August, 2016. Further, the bill had been ratified by number of states and received assent of the President on 8th September, 2016 and has since been enacted as Constitution (101st Amendment) Act, 2016 w.e.f. 16th September, 2016

**Ms. Vandana Pareek**

Student Second Year MBA  
S. R. Luthra Institute of Management



Neither people have focused on websites nor understood how to generate the revenue through such tools. While it will take some time for the businesses to get acquainted with GST effect and bringing the business process in sync with it, the smart business houses can take the control of the marketing budget without compromising with the marketing result. While marketing result heavily depends on the marketing strategy and budgeting, overall the execution plays the great role in generating the results. This is the time when businesses can use website optimization, mobile app optimization, social media marketing, target based ad campaigns, content marketing kind of digital marketing activities to get benefited even if they are limiting their budget

The time is crucial and there is a great positive side of GST as we all know. The small hiccups cannot push your business on back foot and you only need to adopt the smarter way to market your company and your products. Technology is the only medium which can help you leverage the advantage of the current tricky business situation. Do not hesitate and discuss your issues related to marketing with good consultants and then you will surely see the magic of the internet

**Mr. Bhautik Sheth**

Founder – IVIPANAN Digital Marketing Services  
Surat



## IMPACT OF GST ON TEXTILE INDUSTRY

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Reverse charge mechanism: As per provisions of CGST act, if a registered person takes supply of goods/Services from unregistered person then payment of tax under reverse charge is responsibility of receiver. Textile industry is comprising of small job workers, dealers and brokers. Due to such harsh provisions ease of business may go away

### Conclusion

The GST rates on textile finished products and Jobworks are 5%. To some extent final cost would increase due to non-availability of refund at every stage. However, GST would help exporters. The cash dealing would significantly reduce. The unorganized industry would not be disadvantaged. The compliant would find their goods competitive and this protected sector would also join in contributing to tax in addition to employment etc which was there even today. Most smaller players whether in the textile processing, job workers, fabric manufacturers or garment units would have to bring in discipline in their recorded purchases and proper accounting which has not been strong in the past

There may be a few drawbacks for the textile industry due to the higher tax rate and removal of benefits under cotton value chain, but it is safe to say that GST will help this industry in the long run by getting more registered taxpayers under a well-regulated system. It can also be hoped that GST will help the textile industry to get more competitive in both the global and domestic markets and create opportunities for sustainable, long-term growth

# EFFECT OF GST ON STOCK MARKET TREND

July 1st 2017 was a date which creates history in India as it became the 159 country of the world who implemented GST, in this Universe of 195 countries. So, 81.54% of the countries have applied GST. The first country was France in 1954. Many states have objected implementing the GST or applicable rates of GST on varied products and services. Effect of GST has been seen on every sector. As stock market is the barometer of the economy and if economy is seeing new law, then it will affect the stock market. So stock experts were with the opinion that GST will affect the stock market and it will come down as companies need to implement GST, due to that the prices of the product will rise and will affect the sales and profitability. That has been reflected because after implementation of GST, all the sectors were affected in terms of sales and profitability

Data after implementation of GST are as below

- India's industrial production rises 1.2 % in July on restocking after GST
- Manufacturing activity in July grew 0.1 percent over last year, slower than 0.4 percent growth in June
- Mining activity in July grew 4.8 percent over last year, compared to a 0.4 percent growth in June
- Electricity generation went up 6.5 percent over last year, compared to 2.1 percent in June
- Manufacturing of coke and refined petroleum products fell 4.2 percent over last year
- Manufacturing of basic metals went up 3.6 percent in July
- Chemical production fell 6.2 percent over last year
- Manufacturing of pharmaceuticals went up 19 percent over last year

Implementations of GST has reduce the cost of logistics as government will not take octroi tax separately. It has also reduce the cost of transportation as well. GST has boost earning of companies logistic, manufacturing and transportation sectors. It will boost transportation process as GST eliminate various checkpoints. It is best of companies facing multiple levies on transactions. Slowly and steadily this rates will improve and Indian economy will see a good recovery in all financial parameter. So in short in short term GST has affected but in longer term Indian economy will back on track and companies sales and profit will increase and due to that Indian stock market will see a very high reruns



## Mr. Imran Shaikh

Asst. Professor  
S. R. Luthra Institute of Management

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# GST

## JUST A DRIFT OF CONSUMERS' MIND OR IMPACT ON POCKETS

Ever imagined an industry without a consumer? Every business needs consumers. This article intends to analyse the impact of Goods & Services Tax (GST) on consumers. Let's understand very firstly, where a consumer is placed in GST chain

A consumer might not be required to do anything under GST, and also the last person in the value chain involving supply of goods & services but all this tax transformation is undertaken for their betterment only. There is an interrelationship between a consumer, business & indirect taxes. Indirect taxes are one of the leading revenue generators of the government. A tax is collected & deposited by a business, but eventually passed on to the person who bears the ultimate economic burden of tax (i.e. consumers'). The price paid by a consumer for goods & services have following three unnoticed components

Sr. No.	Element in price	Controlled by
1	Cost of inputs/raw material	Depends on business decisions. Indirect taxes play a limited role here, as the inputs or raw material will also have an indirect tax levied on them.
2	Profit Margin	Purely a business decision.
3	Taxes	Solely governed by applicable scheme of taxes on such products, services or industry.

A change in any of the above components will result in variation in price of the goods and services. GST is playing a critical role in price determination. Now, when we have seen the significance of indirect taxes in pricing of goods & services, let's see how GST is impacting on consumers? As we all know that Indian consumers' are more conscious with price volatility and will impact on their demand and consumption volatility

### Impact of GST on consumers

Reduction in price of goods and services, due to cascading effect

Uniform prices throughout the country: - In an old tax structure, there were value added tax (VAT), which was levied on sale of goods and administered at state level. These tax rates were varying from state to state and result in price discriminations. GST has come up with "One Nation, One Tax, and One Market". - result in uniformity of tax

Transparency in tax structure: - system becomes fair and transparent. Every activities are taken place digitally and software base. So everyone can show about the same

Better accessibility of goods and services. : - as a result of GST, consumers need not to travel across states for making a purchase to save tax



## Mr. Ashish Patil

Asst. Professor  
S. R. Luthra Institute of Management



The Constitution Amendment Bill was passed by the Lok Sabha in May, 2015. The bill with certain amendments was finally passed in the Rajya Sabha and thereafter by Lok Sabha in August, 2016. Further, the bill had been ratified by number of states and received assent of the President on 8th September, 2016 and has since been enacted as Constitution (101st Amendment) Act, 2016 w.e.f. 16th September, 2016

## Mr. Harshil Karjankar

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# GLIMPSE OF GUEST LECTURES

FROM AUGUST, 2017 TO OCTOBER, 2017

## GENERAL MANAGEMENT & MARKETING

**'LEADERSHIP',** BY MR. GIRISH LUTHRA ( CMD, LUTHRA GROUP OF COMPANIES, SURAT).

**'LEGAL PROCEDURES OF MERGERS AND ACQUISITIONS WITH RESPECT TO PROVISIONS OF COMPANIES ACT',** BY MR. NOZER SHROFF (PROPRIETOR, NOZER SHROFF & AMP; CO. SURAT.).

**'GENERAL DISTRIBUTION STRATEGIES AT COFFEE CULTURE'** BY MR. MITUL SHAH (CLUSTER MANAGER, COFFEE CULTURE, SURAT).

**'ENTERPRISE RESOURCE PLANNING (ERP)'** BY DR. JAYDIP CHAUDHARI, PROFESSOR, G.H. BHAKTA MANAGEMENT ACADEMY, DEPARTMENT OF BUSINESS AND INDUSTRIAL MANAGEMENT, SURAT.

**'FRANCHISING MODELS'** BY MR. DHINAL BAKSHI, FOUNDER, BRANSNSPACE, SURAT.

**'RETAIL TRENDS AND FORMATS',** BY MR. JIGAR DESAI (FOUNDER, BRANDINCEPT, SURAT).

**'THE FACTORIES ACT, 1948'** BY MR. BHARAT DHARAIYA, DEPUTY H.R. MANAGER, NAVIN FLOURINE INTERNATIONAL LTD., SURAT.

**'MANAGERIAL SPEECHES',** BY MS. SUMITA SHAH, DIRECTOR,

Guest lecturers are an important part of the educational experience for students at SRLIM as it exposes them to real-world life experiences and give the insights and perspective of the expert's field



SRLIM has organised series of guest lectures on the various topics from different discipline. Here is the glimpse of some of the prominent lectures of this quarter



## FINANCE

**'Technical Analysis',** by Mr. Jasmin Akbari (Vice President, Concept Securities Pvt. Ltd., Surat)

**'Foreign Exchange Management',** by Dr. Munira Habibullah (Professor, G.H. Bhakta Management Academy, D.B.I.M. Surat.)

**'Planning Personal Finances'** by Mr. Yuvraj Solanki

**'International Financial Reporting Standards (IFRS)',** by Dr. Ruchi Desai (Principal, SASCMA English Medium Commerce College

**'Fundamental Analysis',** by Mr. Siddharth Mandalaywala (Chief Executive Officer, MAGNETO BROKERS LLP, Surat.

**'Monetary Policy',** by Dr. Jayesh Desai (Principal, B.R.C.M. College of Business Administration, Surat

1. Capital Asset Pricing Model (CAPM)  
2. Overview of Macro Economy with respect to GDP and GNP  
by Dr. Janki Mistry, Assistant Professor, G.H. Bhakta Management Academy, D.B.I.M. Surat.

## QUICK LOOK AT VARIOUS ACTIVITIES ORGANISED BY GTU INNOVATIVE COUNCIL

### Career Opportunities in Advertising and Promotion Industry

A session on "Career Opportunities in Advertising and Promotion Industry" was organised where Mr. Abhay Mehta owner of Aagey se Right conducted in a very interactive way by playing some games, discussion and sharing of ideas



### Author's Talk

Mr. Aslam Charania gave the brief information about the book authored by him "Business Stories", that mentioned 16 inspiring stories of successful entrepreneurs from Surat city. The book describes the stories of different businessmen of Surat



### Empowerment

A session on empowerment was conducted by Dr. Ami Yagnik she is a surgeon and a well-known social activist. She made students understand what is the real meaning of word 'Empowerment' by making them explore it themselves in a most expressive manner



### Thalassemia Awareness and Testing Camp

Thalassemia awareness and testing" camp was organized with the support of "Indian Red Cross Society", Ahmedabad for all the students of Semester I of both shifts. Students were made aware about Thalassemia and sickle cell anaemia. They were counselled on the significance of the clinical conditions and precautions to be taken by a person suffering from Thalassemia - minor or major, especially during marriage and childbirth



### Swachhata Abhiyan

Like every year this year also at SRLIM have conducted Swachhata Abhiyan on 27th Of September, 2017 coz we believe that every road, path, office, home, hut, stream and particle of air around us must be kept clean for our own sake



### Student Associate-ship Program 2017-18

GTU invites enthusiastic and self-driven GTU students to apply for its Student Associate-ship Program 2017-18. Associate-ship is a student-driven program and GIC organizes a number of student activities to groom the skills of their associates. Student associates help to plan, organize and run the GTU Innovation Council's activities



# MDP ORGANISED BY SRLIM

In continuation with our series of MDP, our second MDP was on "Digital Marketing for Business Growth" held on 16th September, 2017 at NJ Seminar Hall, SCET, Surat. The program was aimed at developing an overall understanding of digital marketing platforms, web analytics, social media tools, marketing through search engines, search engine optimization, mobile marketing, email marketing, pay per click, digital display marketing, content marketing and Strategic Digital Marketing

## The Resource Persons were

Mr. Bhautik Sheth commenced the session accentuating the significance of Digital Marketing for modern businesses in hyper-competitive scenario to gain competitive advantage. He focused primarily on Social Media as a digital marketing tool and how it can be deployed strategically, integrating with marketing strategies to empower the business and gain competitive advantage. Various strategic and tactical aspects pertaining to lead generation and enhancing customer relationship using Social Media was highlighted using live examples and live analysis and suggestions on the social media sites of the participants

Ms. Ashwini Vyas initiated her session by introducing SEO and its importance in Digital Marketing. She emphasized on bringing a cardinal shift in the mindset and approach towards Digital Marketing. She provided live demonstrations analyzing the business websites of various participants, performing live web analytics. The session was further continued by Mr. Bhautik Sheth, where he focused on organic and paid use of Google and Google Ad Words. This was followed by an interactive session of the speakers with the participants, where their queries were addressed

More than 50 participants took the benefit of the session and gave very encouraging feedback



## FORTH COMING SUBJECT : *Make in India*

Interested readers are invited to contribute their ideas / views/ opinion on the above subject at: [learnnovator.srlim@gmail.com](mailto:learnnovator.srlim@gmail.com) before 15<sup>th</sup> December, 2017

**Current:**  
Customer pays service tax on fees (including cesses) is at 15%

**GST Impact:**  
Tax will change to GST rate :18%  
Overall Impact on Banks will Low

**Bank**

**Current:**  
Excise rate: 0-12%; VAT: 12.5-14.5% for most products and 25-26% for cigarettes;  
Entry Tax: 1% (states)  
**GST Impact:**  
Tax will change to GST rate :18%  
**Key stocks (Positive):** Asian Paints, Dabur, HUL, Emami;  
**(Negative):** ITC, United Beverages

**Consumer Staples**

**Current:**  
Steel and Aluminum  
Excise Duty of 12.5%  
VAT of 4%  
Central Sales Tax at 1-2% on inter state trade

**GST Impact:**  
For aluminum and steel the current tax is similar to expected GST rate (18-20%)

**Metals**

**Current:**  
Excise Rates of 12.5%  
Vat at 14%  
Central Sales tax at 1-2% on inter state trade

**GST Impact:**  
Should benefit from as total taxes are 27% - although with lower than expected GST rate-producers may pass some benefits to consumers.  
**Key stock (Positive):** Ultratech, Shree Cement, Ambuja Cement.

**Cement**

**Current:**  
Current tax rate of 1-2% on precious metals.  
Service tax at 15% on quick Service Restaurants .

**GST Impact:**  
CEA recommends raising GST rate on precious metals to 2-6%.  
Moderate increase in service tax outgo from GST rate near 18%.  
**Key stocks (Negative):** Jubilant Foodwork, Coffee Day Enterprises, Titan (depending on rate on previous metals)

**Consumer Discretionary**

**Current:**  
Excise Duty of 4-8%  
CST of 2%  
VAT of 5% (different across states)  
Additional customs duty of 4% (Cenvat credit available)

**GST Impact:**  
GST implementation should bring about supply chain effectiveness over time but if rate is more than 15% it could be negative.  
Many companies enjoy excise holidays in states such as Himachal Pradesh & Uttarakhand need clarity whether this would be grandfathered.

**Pharma**

**Current:**  
Service Tax on DTH companies-15%  
Entertainment tax charged by states -7% ( wghtd. Avg. for Dish TV)

**GST Impact:**  
Should benefit from a rate below the total tax incidence (currently 22%)  
**Key stock (Positive):** Dish TV, Videocon DTH, Big TV

**Media**

**Current:**  
Stamp Duty not part of GST  
Companies pay 15-16% taxes on inputs (input credit available)

**GST Impact:**  
May not be a part of GST

**Real Estate**

**Current:**  
Service Tax on telecom services 15%

**GST Impact:**  
Moderate rise in tax incidence could lead to marginal dip in consumption/Teleco revenue.  
**Key stocks (Negative):** Airtel, Idea, and RCom

**Telecom**

**Current:**  
Organized large scale logistics business is predominantly exim-based owing in part to supply chain considerations driven by the indirect tax regime.

**GST Impact:**  
Supply chain in India likely to see overhaul/transformation, inter-state trade barriers to reduce and likely lead to growth in inter-state commerce.  
**Key stocks: (Positive)** Container Corp, Allcargo Logistics, Gati, Gateway Distriparks ( could get into domestic business).

**Logistics**

**Current:**  
Excise Rates of 2-30%  
Vat at 14.5%  
Central Sales Tax at 1% on inter-state trade

**GST Impact:**  
Should benefit from a rate below the total tax incidence (currently >27%)  
**Key stock (Positive):** Maruti, Exide, M&M, Hero, Bajaj Auto, Eicher Motor, Ashok Leyland.

**Auto**

On 10th November, 2017, the GST Council has specified the list of 177 items on which GST rate would be reduced from 28% to 18%. Further, on two items GST rate would be reduced from 28% to 12%

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