



A Study On Awareness And Perception Of Consumers Towards GST In Restaurants In Sambhaji Nagar

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ABSTRACT

In India different kind of indirect taxes applied on goods and services by central and state government like Sales tax, VAT, Service tax, excise duty, entry tax etc., In the year 2017 Goods and Services Tax (GST) implemented all over the country with an intention of one nation, one tax and one market. The GST subsumed all the indirect taxes including taxes like service tax, VAT etc. Taxes levied on services is a major contributor to government revenue. GST implementation has made an impact on consumers who pay taxes on services provided by different sectors and industries. The objective of the study is to find out the level of awareness and perception of consumers on GST in restaurants in Sambhaji Nagar City. The study used descriptive research design. The data was collected from both Primary and Secondary sources were used within the study.

INTRODUCTION

The tax system in India classified in two, namely Direct and Indirect taxes. Direct taxes are those taxes which are directly paid by individuals to Govt (income tax, Wealth tax, corporate tax) and indirect taxes are taxes on goods and services (Central and state sales tax, Custom duties, Value added taxes, excise duty etc.).

HISTORY OF GST

On July 1st 2017, the Goods and Services Tax implemented in India. But, the process of implementing the new tax regime commenced a long time ago. In 2000, Atal Bihari Vajpayee, then Prime Minister of India, set up a committee to draft the GST law. In 2004, a task force concluded that the new tax structure should put in place to enhance the tax regime at the time.

In 2006, Finance Minister proposed the introduction of GST from 1st April 2010 and in 2011 the Constitution Amendment Bill passed to enable the introduction of the GST law. In 2012, the Standing Committee started discussions about GST, and tabled its report on GST a year later. In 2014, the new Finance Minister at the time, Arun Jaitley, reintroduced the GST bill in Parliament and passed the bill in Lok Sabha in 2015. Yet, the implementation of the law delayed as it was not passed in Rajya Sabha.

GST went live in 2016, and the amended model GST law passed in both the house. The President of India also gave assent. In 2017 the passing of 4 supplementary GST Bills in Lok Sabha as well as the approval of the same by the Cabinet. Rajya Sabha then passed 4 supplementary GST Bills and the new tax regime implemented on 1st July 2017.

MEANING OF GOODS & SERVICE TAX (GST)

Clauses 366 (12A) of the constitution Bill defines GST as — goods and service tax means any tax on supply of goods, or services or both except taxes on the supply of the liquor for human consumption. Further the clause 366 (26A) of the Bill defines Services means anything other than Goods. Thus, it can be said that GST is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. There are 3 types of GST, CGST - collected by Central Govt., SGST – collected by State Govt. and IGST- for interstate transaction. GST will remove cascading tax effects. ‘Cascading tax effect’ means tax on tax i.e. a consumer has to pay tax on tax

OBJECTIVES OF THE STUDY

1. To understand the concept of Goods & Service Tax and consumer perception towards it
2. To find out the impact level of GST
3. To analyze the satisfaction level of consumers on GST
4. To find out the awareness of consumers regarding GST

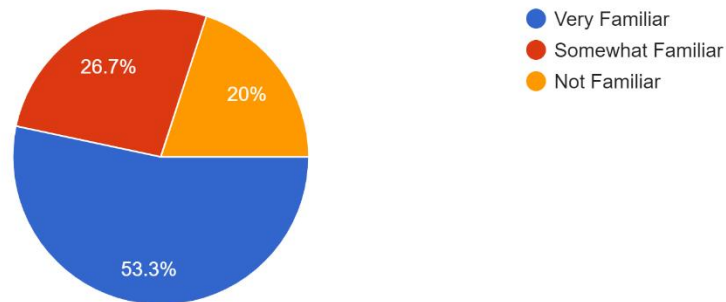
RESEARCH METHODOLOGY

The study is used descriptive research. It describes the situation or phenomenon. Survey method used in the study to collect responses from customers in different restaurants. The data for the study been collected from both primary and secondary sources. Primary Data was collected by using questionnaire technique. The questionnaire was collected on 30 respondents belonging to Sambhaji Nagar city. The sample was selected by using random sampling technique from the population belonging to different demographic profile like gender, age, education and occupation. Secondary data was collected through internet, website, research journals and published books etc.

DATA ANALYSIS & INTERPRETATION

1. How Familiar are you with GST

30 responses

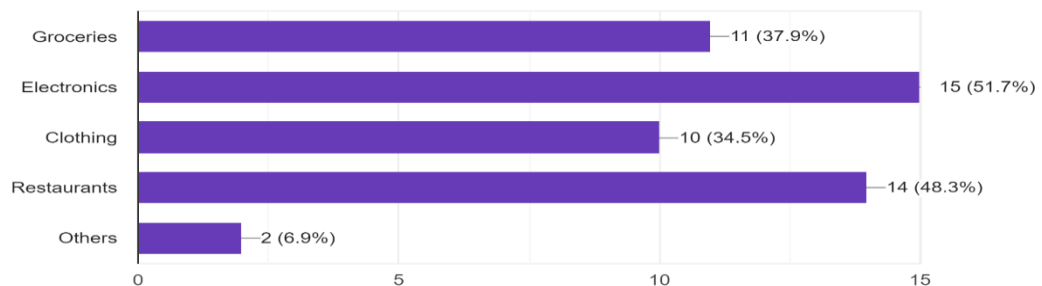


Sr. No.	Response	Response
1	Very Familiar	16
2	Somewhat Familiar	8
3	Not Familiar	6

Analysis – The above chart clearly states that 53.3 % of the respondents are very familiar with GST and its rates. 26.7 % of the respondents agreed that they are somewhat familiar with GST and only 20 % of them are not familiar with GST.

2. Which of the following products or services do you think have been most affected by GST

29 responses

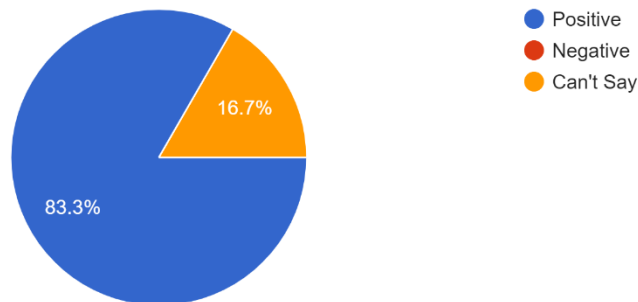


Sr. No.	Response	Response
1	Groceries	11
2	Electronics	15
3	Clothing	10
4	Restaurants	14
5	Others	2

Analysis – The Bar Chart states that 51.7 % of the respondents and 48.3 % were thinking that Electronics and Restaurants have been most affected by GST Rates whereas 37.9 % believe in groceries and 34.5 % were saying that clothing industry have been affected by GST.

3. In your opinion, GST has created positive or negative impact on economy>

30 responses

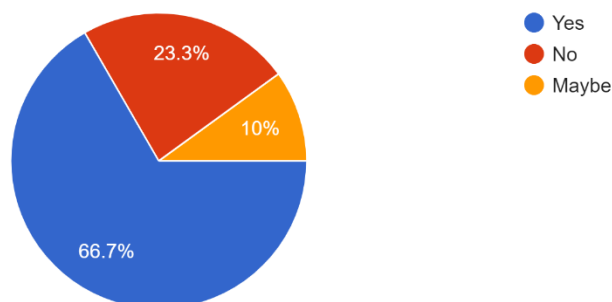


Sr. No.	Response	Response
1	Positive	20
2	Negative	7
3	Can's Say	3

Analysis – Up to 83.3 % of the respondents were saying GST has created positive impact on our economy and 16.7 % respondents states that they cant say about the impact. Out of 30 respondents, no one were saying it has created negative impact on economy.

4. Do you think that Government has effectively communicated impact of GST to public

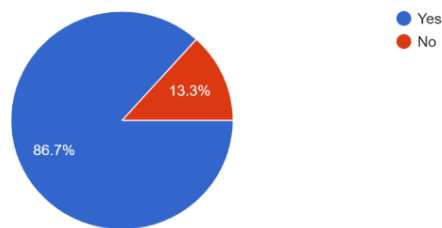
30 responses



Sr. No.	Response	Response
1	Yes	20
2	No	7
3	May Be	3

Analysis – 66.7 % of the respondents were saying that Government has effectively communicated impact of GST to the public and public are well aware about it. 23.3 % of the respondents' states that Government has not effectively communicated it to the general public and only 10 % of them are having neutral opinion.

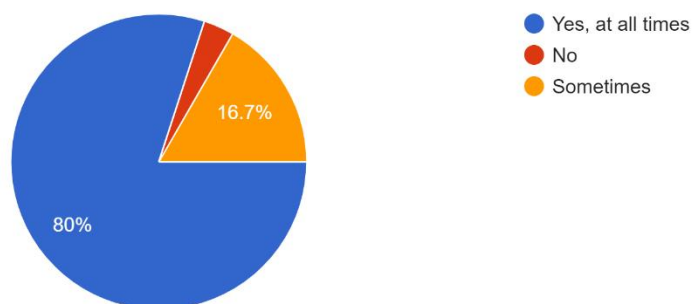
5. Are you aware about GST in Restaurants
30 responses



Sr. No.	Response	Response
1	Yes	26
2	No	4

Analysis – 86.7 % of the respondents were saying that they are fully aware about GST in restaurants industries whereas 13.3 % of them are saying they are not aware about GST in restaurants.

6. Do you check restaurant bill for GST component
30 responses

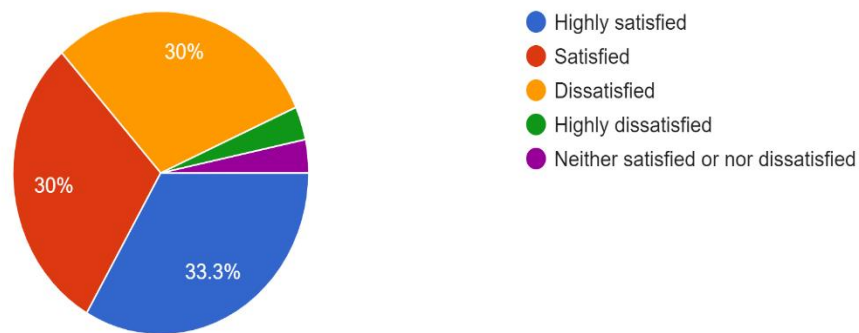


Sr. No.	Response	Response
1	Yes, at all times	24
2	No	5
3	Sometimes	1

Analysis – The chart states that 80 % of the respondents check the restaurant bill for GST component at all times and 16.7 % of them are checking sometimes. Only 1 % of them are saying they don't check restaurant bill for GST.

7. Are you satisfied with GST rates regard to restaurant industries

30 responses

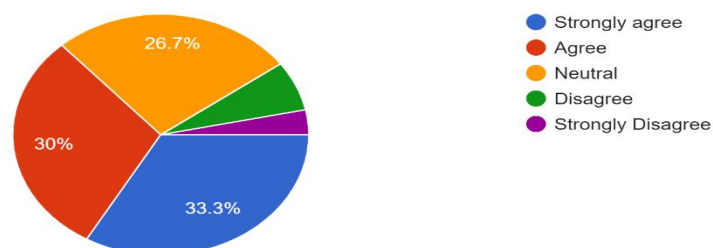


Sr. No.	Response	Response
1	Highly Satisfied	10
2	Satisfied	9
3	Dissatisfied	9
4	Highly dissatisfied	1
5	Neither satisfied or nor dissatisfied	1

Analysis – The chart clearly shows the result that 33.3 % of the respondents were highly satisfied by GST rates in restaurant industries, 30 % of them are satisfied as well as dissatisfied about GST rates in restaurants. Only 1 % of them were highly dissatisfied and neither satisfied or nor dissatisfied.

8. What is your opinion on GST Rates, Has it increased tax burden on consumers

30 responses



Sr. No.	Response	Response
1	Strongly Agree	10
2	Agree	9
3	Neutral	8
4	Disagree	2
5	Strongly Disagree	1

Analysis – The chart states that 33.3 % of the respondent members were strongly agree of the opinion that GST has increased tax burden on consumers and 30 % of them are agree with that statement. 26.7 % having neutral opinion on statement and 6.7 % and 3.3 % disagree and strongly disagree with the statement.

FINDINGS OF THE STUDY

1. 53.3 % of the respondents are very familiar with GST and its rates. 26.7 % of the respondents agreed that they are somewhat familiar with GST and only 20 % of them are not familiar with GST
2. 51.7 % of the respondents and 48.3 % were thinking that Electronics and Restaurants have been most affected by GST Rates whereas 37.9 % believe in groceries and 34.5 % were saying that clothing industry have been affected by GST.
3. Up to 83.3 % of the respondents were saying GST has created positive impact on our economy and 16.7 % respondents states that they cant say about the impact. Out of 30 respondents, no one were saying it has created negative impact on economy.
4. 66.7 % of the respondents were saying that Government has effectively communicated impact of GST to the public and public are well aware about it. 23.3 % of the respondents states that Government has not effectively communicated it to the general public and only 10 % of them are having neutral opinion.
5. 86.7 % of the respondents were saying that they are fully aware about GST in restaurants industries whereas 13.3 % of them are saying they are not aware about GST in restaurants.
6. 80 % of the respondents check the restaurant bill for GST component at all times and 16.7 % of them are checking sometimes. Only 1 % of them are saying they don't check restaurant bill for GST.
7. 33.3 % of the respondents were highly satisfied by GST rates in restaurant industries, 30 % of them are satisfied as well as dissatisfied about GST rates in restaurants. Only 1 % of them were highly dissatisfied and neither satisfied or nor dissatisfied.
8. 33.3 % of the respondent members were strongly agree of the opinion that GST has increased tax burden on consumers and 30 % of them are agree with that statement. 26.7 % having neutral opinion on statement and 6.7 % and 3.3 % disagree and strongly disagree with the statement.

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