

**“A STUDY ON IMPACT OF GOODS AND SEVICES TAX ON  
RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY”**

BY  
**S R VENKATA SANDEEP**  
**REG.NO:-U16VP21C0041**



**Submitted to**  
**VIJAYANAGARA SRI KRISHNADEVARAYA  
UNIVERSITY, BALLARI**

**In partial fulfillment of the requirements for the award of**

**BACHELOR OF COMMERCE**

**Under the Guidance of  
KARIYOL MUNEGOUDA  
Lecturer in commerce**

**VISHNUPANTH NANAVATE DEGREE COLLEGE-  
SANDUR**

## DECLARATION

I , the undersigned, hereby declare that the project report entitled "**A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**" written and submitted by me to Vijayanagara Sri Krishnadevaraya University, Ballari in partial fulfillment of requirements for the award of degree of bachelor of commerce under the guidance of **MR.KARIYOL MUNEGOUDA** is my original work and conclusions drawn therein are based on the data and information collected by me.

Place: Sandur

Date:

Signature

[S R VENKATA SANDEEP]  
[REG NO:-U16VP21C0041]

## CERTIFICATE

This is to certify that the project report entitled "**A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**" which is being submitted herewith for the award of degree bachelor of commerce Vijayanagara Sri Krishnadevaraya University, Ballari and is the result of the original research work completed by MR. S R VENKATA SANDEEP bearing **REG.NO.U16VP21C0041** under my supervision and guidance and to the best of my knowledge and belief the work embodied in this project report has not formed earlier the basis for the award of any degree or similar title of this or any other university or examining body.

Signature of the research guide

Signature of the head of the department

Signature of the principal

## ACKNOWLEDGEMENT

With immense pleasure, I take this opportunity to acknowledge the many revered people behind the success of my project, which was a rewarding and memorable experience.

I express my gratitude and sincere thanks to my Guide **Mr. Kariyol Munegouda Lecturer in commerce**, Sri Vishnupanth Nanavate Degree College, Sandur. for rendering his invaluable guidance, his scholarly suggestions, encouragement and friendly advice have enriched my work in every aspect of the project.

I extend my earnest reverence to **Mr. AnandaRao. Principal**, Vishnupanth Nanavate Degree College, Sandur. who has given me an opportunity to do this project work.

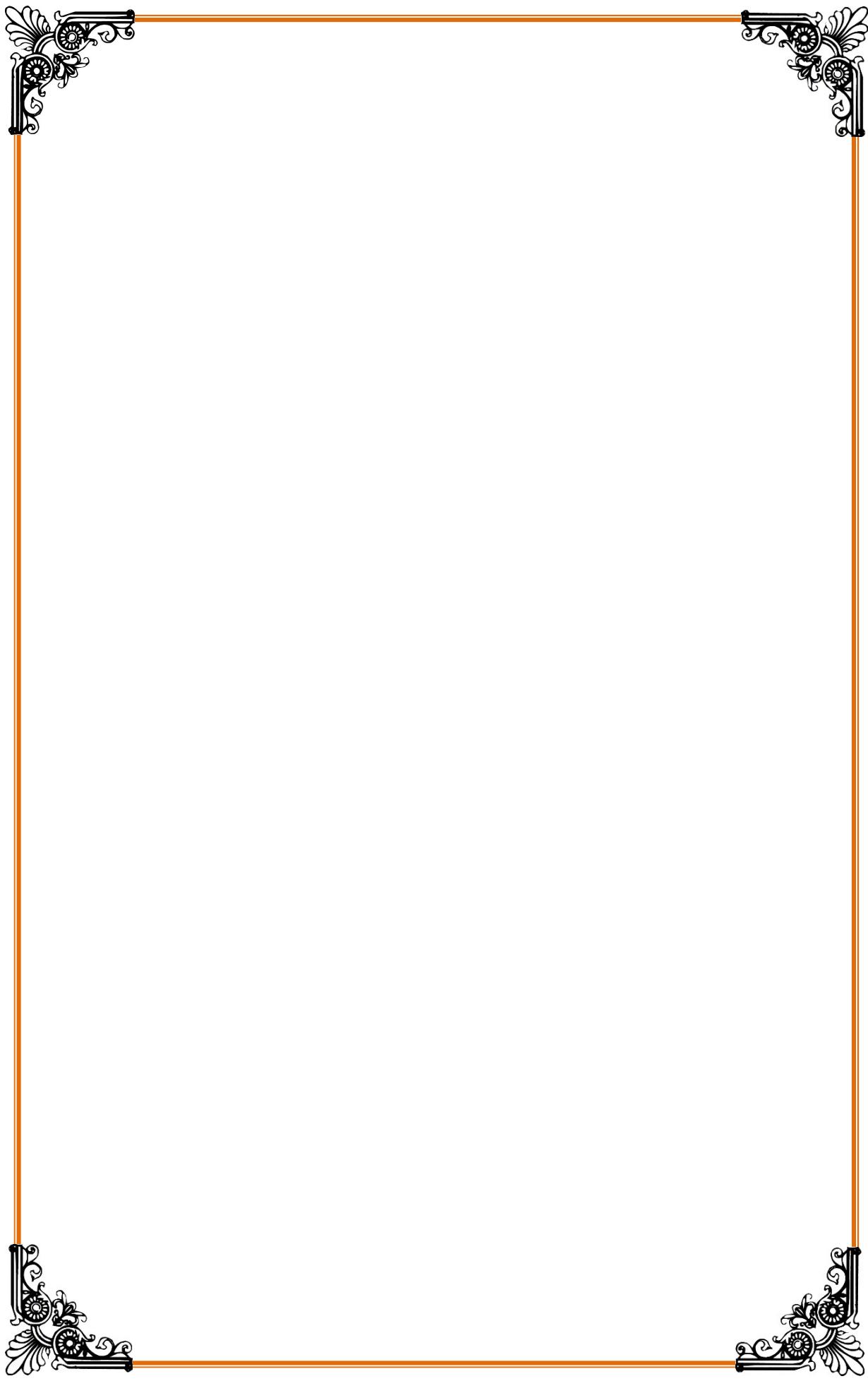
My heartfelt thanks goes out to my beloved professors of our department, parents and all my family members and my friends for standing behind me providing moral support and helping me in every possible.

I express thanks to all those who are directly and indirectly responsible for the completion of this project work.

Place: Sandur

Date:

MR. S R VENKATA SANDEEP



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## CHAPTER-I

### 1.1. INTRODUCTION:

The effectiveness of the Indian tax system is an issue that concerns all Indians. It affects the operation of businesses, households and governments. Indian's tax-transfer system forms an integral part of our economic and societal structure through its influence on decisions of saving, consuming, investment, and working. In recognition of this, the Indian Government recently commissioned a panel of experts to undertake a review of Indian's Future Tax system, headed by Ken Henry and termed '**The Henry Tax Review**'. The review panel provided its report to the Indian Government in December 2009.

In May 2010, the Indian Government released the final report of the Henry Tax Review, the most comprehensive review of Indian's tax system to date. This report provides an excellent background to the consideration of tax reform options, because it discusses the general principles of tax reform and includes modeling of the economic costs of a number of state taxes.

Following this, the Indian Government announced that it will convene a public Tax Forum in early October 2011 to consider future tax reform options in the context of the Henry Tax Review.

The discussion paper for this forum was released on 28 July 2012, with the aim to "inform public debate on priorities and directions for continuing tax reform in the lead-up to the Tax Forum." This discussion paper identifies economic growth as one of the important factors in the design of a tax system. Taxes are important sources of funding for government services, such as education, health and welfare. However, taxes also affect the way that the economy operates, and can lead to less productive use of resources and lower living standards.

The design of a tax can have an impact on how distorting (or inefficient) a tax can be. As a consequence of differences in design, there is significant variation in

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efficiency in the taxes currently faced by businesses and households in Indian. For example, many of the state taxes are recognized as the more inefficient taxes. The more inefficient or distorting a tax is, the more likely resources will be moved away from their highest value use. This will lead to lower productivity across the economy.

On the other hand, consumption taxes (such as Indian GST) are generally considered to be one of the more efficient types of taxes. International organizations such as the International Monetary Fund (IMF) have recognized the implications of these efficiency differences, suggesting in 2010 that they would “welcome more reliance on consumption-based taxes [in Indian]. This would allow for the elimination of inefficient taxes at the state level that impede labor mobility and allow for reductions in federal personal income taxes that would encourage increases in labor supply and saving.” A 2009 survey of international tax rates showed that Indian’s 10 per cent GST rate is at the lower end of the world GST/VAT scale.

The average GST/VAT rate across all 115 surveyed countries was around 15.25 percent in that year. In addition, this survey showed that the 10 per cent Indian GST rate is one of the lowest GST/VAT rates amongst all OECD countries, with many OECD countries such as Denmark, France, Germany and the U.K. imposing GST/VAT rates around 20 per cent. Despite these attributes, the GST was not included as one of the taxes examined in the Henry Tax Review. While the 2011 Tax Forum discussion paper contains some discussion questions around the GST, these are focused on the incentives caused by GST distribution, rather than on the costs/benefits of including GST in the mix of potential tax reforms. It is recognized that there are definite challenges in one of the including changes to the GST in any reform agenda (including that any changes require the unanimous approval of the States and Territories). This is reflected in the IMF’s 2010 statement that, “On tax reform, the [Indian] authorities noted that increasing consumption taxes would be difficult, as they are perceived as regressive. Further, the government has a clear policy that the GST rate will not be increased or the base broadened. “This was further reinforced by the Treasurer Wayne Swan’s recent comment that “The government will not be touching the base or the rate of the GST – end of story.” The benefit of GST

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on retail sector will be huge. Indian Retail sector is one the fastest growing industry in the world. India is 5th largest retail destination in the world. The retail sector is booming everywhere be it metro cities or the Tier-II and tier-III cities. The Government of India has introduced major reforms to attract FDI in the retail industry. The government has approved up to 100 % FDI in single brand retail and 51% in the multi brand- retail. All of these stats signify that the retail sector is as dominant as ever and any reform in the country which anyhow affects the working of the sector shall have a huge impact on it. And GST is no ordinary tax reform. It is one of a kind reform which is poised to change the scenario of taxation in the country and legitimately its effects on the retail industry must be considered. The Goods and Services Tax (GST) launched on 1st July 2017 in India has more or less impacted every major and minor business sector in the country. While some industries are seeing growth as a result of decreased taxes, some others are facing a decrease in sales because of increased taxes. Retail is major industries in India and also one of the largest in the world. The Indian retail industry is expected to reach 1.3 trillion USD by 2020 at a compound annual growth rate of 16.7%. GST is, as usual, applicable to almost every retail supply, affecting the cost for the end consumers. Let's find out the details about the impact of GST on retailers. GST streamlines previous policies and taxation under one head.

GST enables frictionless carry business activities expandable easily across the nation. However, there are a few grievances of the taxpayers which the GST Council, as well as the Central Government, needs to immediately address. Only if the below points are taken into account with an iron hand can GST be the success. Introduction of GST has merged both centre and state tax into a unified tax system across nation. This new tax regime which has cascading effects on the economy which seems to be testing time for India for ease of business in the supply chain systems. GST has become buzzword across the nation, which has created a sense of transformation of businesses yet to get clarity in various sectors. In retail industry, business has undergone dramatic changes both in organized and unorganized retailing in Tier-I cities and Tier-II cities of India. As it is highly fragmented in nature, the country is going to experiment with Goods and Services Tax with new tax regime which has cascading effects on the economy.

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In this context, Retailers are facing challenges in terms of handling merchandise across categories which in turn has effect on their bottom line of business. After introduction of GST, the availability of real estate in terms of location and sizes has been a challenge for retailers as it is understood that lease rentals in marquee areas in stores command a high premium price and have adversely impacted the retailers' prevailing thin margins and break even is affected. In broader sense, poorly developed infrastructure in the domain of supply chain management, warehousing and electrical and electronic equipments in small cities is a big hurdle for retailers ought to tackle the issues.

GST is a tax structure which is successfully established in many countries all over the world and now it is a part of Indian Economy. It was introduced around ten years ago but got delayed due to politics between ruling party and opposition party. Finally, GST came into effect at midnight on 1 July 2017 by the honorable president of India through the implementation of constitutional amendment. It is considered as the biggest taxation reform in Indian Economy. India is currently the fifth largest economy in the world according to IMF. India is found to be one of the world's fastest growing economies. GST is a value added tax that will replace all other indirect taxes.

GST will boost the GDP gradually. It will also enhance the level of India in both domestic and international market. GST is one of the biggest economic reforms in India. GST is a single tax which is imposed on the supply of various goods and services. It is a comprehensive, multistage destination-based tax.

## **1.2. REVIEW OF LITERATURE**

- ❖ Reviews of related literature forms an integral part of any research study. A careful scanning of the illiterate studies on related studies will help for clearing the background for present study.
  
- ❖ **EHTISHAM AHMED AND SATYA PODDAR (2009)**

Studied “**Goods and Service Tax Reforms and Intergovernmental Consideration in India**” and found that GST introduction will provide simpler and

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transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST

### **❖ DR. R. VASANTHAGOPAL (2011)**

Studied, “**GST in India: A Big Leap in the Indirect Taxation System**” and concluded that switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy. Success of GST will lead to its acceptance by more than 130 countries in world and a new preferred form of indirect tax system in Asia also.

### **❖ NEW ZEALAND GOVERNMENT (2012)**

The author has traced the GST and import duties applicable on the various imports into New Zealand. The paper discusses not only the goods on which duty is payable but also whether further GST is payable on the same goods. The paper also discusses the applicability of the taxes on the goods ordered and delivered through internet. The paper also discusses various exemptions available like personal effects to the import taxation

### **❖ AREEKODE 13 HUANG (2013)**

The author examines the relation between the newly introduced GST in Australia in 2000 and the mortgage costs between 1999 and 2001. The study concludes that given that in Australia financial services industry is taxed on input taxation basis i.e. the output mortgage service not liable to GST and GST paid on input services to provide these mortgage services are also not allowed. This extra cost of sunken input tax is passed in the form of increased mortgage costs to customers making housing costly post introduction of GST in Australia

.

### **❖ PINKI, SUPRIYA KAMMA AND RICHA VERMA (JULY 2014)**

Studied, “**Goods and Service Tax**” – Panacea for Indirect Tax System in India” and concluded that the new NDA government in India is positive towards implementation of

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GST and it is beneficial for central government, state government and as well as for consumers in long run if its implementation is backed by strong IT infrastructure.

### **❖ AGOGO MAWULI (MAY 2014)**

Studied, “**Goods and Service Tax- An Appraisal**” and found that GST is not good for low- income countries and does not provide broad based growth to poor countries. If still thee countries want to implement GST, then the rate of GST should be less than 10% for growth.

### **❖ NITIN KUMAR (2014)**

Studied, “**Goods and Service Tax – A Way Forward**” and concluded that implementation of GST in India help in removing economic distortion by current indirect tax system and expected to encourage unbiased tax structure which is indifferent to geographical locations.

### **❖ NISHITHA GUPTHA (2014)**

In her study stated that implementation of GST in the Indian framework will lead to commercial benefit which were untouched by the VAT system and would essentially lead to economic development.

Hence GST may usher in the possibility of a collective gain for industry, trade, agriculture and common consumers a well as for the Central and State government.

### **❖ JAIPRAKASH (2014)**

In his research study mentioned that the GST at the Central and the State level are expected to give more relief to industry, trade, agriculture and consumers through a more comprehensive and wider coverage of input tax set-off and service tax set-off, subsuming of several taxes in the GST and phasing out of GST. Responses of industry and also of trade have been indeed encouraging. Thus GST offers us the best opinion to broaden our tax base and we should not miss this opportunity to introduce it when the circumstances are quite favourable and economy is enjoying steady growth with only mid inflation.

### **❖ SARAVANAN VENKADASALAM (2014)**

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Has analysed the post effect of the goods and service tax (GST) on the national growth on ASEAN states using Least Squares Dummy Variable Model (LSDVM) in his research paper. He stated that seven of ten ASEAN nations are already implementing the GST.

He also suggested that the household final consumption expenditure and general government consumption expenditure are positively significantly related to the gross domestic product as require and support the economic theories. But the effect of the post GST differs in countries. Philippines and Thailand show significant negative relationship with their nation's development. Meanwhile, Singapore shows a significant positive relationship. It is undeniable that those countries whom implementing GST always encounter grows. Nevertheless, the extent of the impact varies depending on the governance, compliance cost and economic distortion. A positive impact of GST depends on a neutral and rational design of the GST such a way it is simple, transparent and significantly enhances in voluntary compliance. It must be actual, not presumptive, prices and compliance control would be exercised through an auditing system.

## 1.3. STATEMENT OF THE PROBLEM

The introduction of GST is considered to be a major tax reform in our economy. The end of age long practice of cascading taxation system brought several changes in pricing of products and services. GST Law has replaced many indirect tax laws that previously existed in India. GST is one indirect tax for the entire country. Under the GST regime, the tax will be levied at every point of sale. In case of interstate sales, Central GST and State GST will be charged. Intrastate sales will be charged to Integrated GST. Retailers have a pivotal role in the supply chain and cannot be exempted from the effects of GST implementation. Hence the present study is "**Impact of goods and services tax on retail shops with special reference of Sandur city**"

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## **1.4. OBJECTIVES OF THE STUDY**

The main objectives of project work are as follows:

1. To present a comprehensive overview of Goods and Services Tax in India.
2. To study the impact of Goods and Services Tax on retail shop tax payers.
3. To offer suggestions based on the findings of the study.

## **1.5. METHODOLOGY AND DATA COLLECTION**

The present study is based on descriptive in nature and the study is going to collects both primary data and Secondary data.

### **❖ DESCRIPTIVE RESEARCH**

Descriptive research is the fact finding investigation. The descriptive study is designed to gather descriptive information. It provides information for formulating complex studies. The data needed for study are collected through questionnaire. Descriptive research describes phenomena as they exist. It is used to identify and obtain information on a particular problem or issue. In this study is descriptive in nature.

### **❖ SAMPLE DESIGN**

A sample design is a definite plan for obtaining a sample from the sampling frame it refers to the technique or procedure the research would adopt in selecting some sampling units. An optimum sampling may be defined as the size of sample, which fulfils the requirements of efficiency, representativeness, reliability and flexibility. For the study convenience sampling technique had been used for collecting primary data through questionnaire.

### **❖ Primary data:**

The present study is based on both primary and secondary data the Primary data have been collected from 50 tax payers through applying questionnaire, interview schedule and face to face interaction with the respondents in study areas and secondary data has have been collected through various Books, Journals, articles, thesis and related website Etc.....

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## ❖ Sampling procedures

The researcher has been collected the data through simple random sampling techniques and sample respondents are the present study is 50 respondents in various retail shops such as Medical shops, T.V.show rooms, Bakery's, Hardware shops, Furniture shops, Automobiles shops, Fruits shops, Footwear shops, Textiles shops and Electrical shops and so on.

## ❖ SAMPLING TECHNIQUES:

The present study is analyzing the data through statistical tools such as percentage method, tables, Graphs, Charts. And related tools will use.....

## ❖ SAMPLE SIZE:

Sample size is the number of items to be selected from the population to constitute the sample for the research. A sample should be actual representation of the population. In order to understand the impact of implementation of GST among retailers. It is decided to select 60 retailers in Sandur city

## 1.6. SCOPE OF THE STUDY:

The scope of the study is confined to impact of Goods and Service Taxes implementation in Sandur city only. The impact of implementation of GST among retailers and to understand their knowledge about GST, and also their opinion. It helps to identify impact of GST in retail sector that is both positive and negative. So that it will ensure that GST has positive impact in the retail sector. Because of GST will avoids the cascading effect as the tax is calculated only on the value add at each stage of transfer of ownership. GST is one indirect tax for the entire country

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## **1.7. LIMITATIONS OF THE STUDY:**

The main limitations of project work are as follows:

1. The study is limited to be applicable Sandur city only.
2. Short period of time for data analysis
3. The data collected may be subjected to biases of respondent

## **1.8. CHAPTER PLAN**

**CHAPTER-1: INTRODUCTION AND RESEARCH DESIGN:** This chapter starts with introduction, Review of literature, Statement of the problem, Significance of the study, Objectives of the study, Research methodology, Limitations of the study and ends with Chapter Scheme.

**CHAPTER-2: CONCEPTUAL FRAMEWORK OF GST**

**CHAPTER-3: AN OVERVIEW OF SANDUR PROFILE**

**CHAPTER-4: IMPACT OF GOODS AND SERVICES TAX**

**CHAPTER-5: FINDINGS, SUGGESTION AND CONCLUSION**

**BIBLIOGRAPHY**

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## CHAPTER-II CONCEPTUAL FRAMEWORK OF GST



### 2.1 GOODS AND SERVICE TAX (GST)

Goods and Service Tax Law in India is a comprehensive, multi-stage, destination based tax that is levied on every value addition. In simple words, Goods and Service Tax is an indirect tax levied on the supply of goods and services.

GST Law has replaced many indirect tax laws that previously existed in India. GST is one indirect tax for the entire country. Under the GST regime, the tax will be levied at every point of sale. In case of interstate sales, Central GST and State GST will be charged. Intrastate sales will be charged to Integrated GST.

The GST journey in India began in the year 2000 when a committee was set up to draft GST Law. It took 17 years from then for the law to evolve. In 2017 the GST Bill was passed in the **Loka Sabha and Raja Sabha**. On 1st July 2017 the GST Law came into force. The main advantages of GST remove the cascading effect on the sale of goods

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and services. Removal of cascading effect will directly impact the cost of goods. The cost of goods should decrease since tax on tax is eliminated in the GST regime.

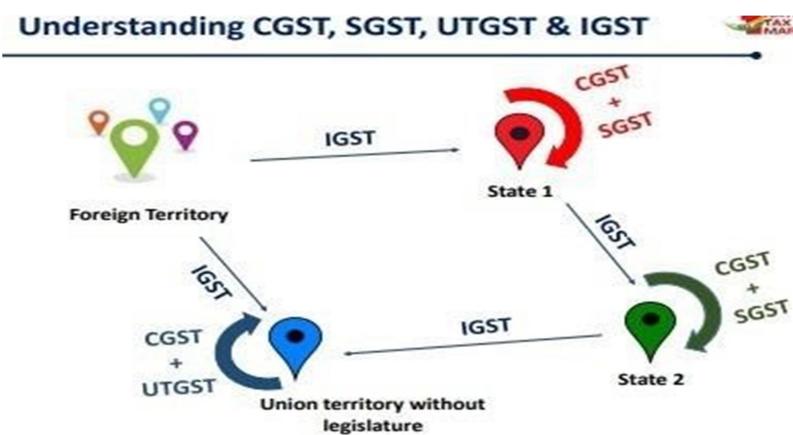
GST is also mainly technologically driven. All activities like registration return filing, application for refund and response to notice needs to be done online on the GST portal. This will be speed up the processes. Advantages of GST are removing cascading tax effect.

- Higher threshold for registration
- Composition scheme for small businesses.
- Online simpler procedure under GST
- Lesser compliances
- Defined treatment for e-commerce.
- Increased efficiency in logistics
- Regulating the unorganized sector

CGST collected by the Central Government on an intra-state sale.

SGST collected by the State Government on an intra-state sale.

IGST collected by central government for inter-state sale



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## 2.2. VALUE - ADDED TAX (VAT)

A value- added tax (VAT) is a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. The amount of VAT that the user pays is on the cost of the product, less any of the costs of materials used in the product that have already been taxed.

### • RETAILING

Retail refers to the activity of reselling. A retailer is any person or organisation is a reseller who sells good or services directly to consumers or end-users. Some retailers may sell to business customers, and such sales are termed non-retail activity. In some jurisdiction or regions, legal definitions of retail specify that at least 80% of sales activity must be to end-users.

### TYPES:

#### ➤ DEPARTMENTAL STORES:

A departmental store is a set-up which offers wide range of products to the end-users under one roof. In a departmental store, the consumers can get almost all the products they aspire to shop at one place only.

#### ➤ DISCOUNT STORES:

Discount store also offers a huge range of products to the end-users but at a discount rate.

#### ➤ SUPERMARKET:

A retail store which generally sells food products and household items, properly placed and arranged in specific departments

#### ➤ WAREHOUSE STORES:

A retail format which sells limited stock in bulk at a discounted rate.

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- **KIRANA STORES:** Kirana stores are the small stores run by—individuals in the nearby locality to cater to daily needs of the consumers staying in the vicinity.
  - **SPECIALITY STORES:** It would specialize in a particular product and would not sell anything else apart from the specific range. They sell only selective items of one particular brand to the consumers and primarily focus on high customer satisfaction.
- **MALLS:**  
Many retail stores operating at one place form a mall. A mall would consist of several retail outlets each selling their own merchandise but at a common platform.
- **E-TAILERS:**  
The customers can place their order through internet, pay with the help of debit or credit cards and the products are delivered at their homes only.
  - **DOLLAR STORES:**  
It offer selected products at external low rates but here the prices are fixed.

### 2.3. FAST MOVING CONSUMER GOOD (FMCG)

Fast-moving consumer goods are products that sell quickly at relatively low cost – items such as milk, gum, fruit and vegetables, toilet papers, soda, beer and over-the-counter drugs like aspirin.

The fast moving consumer goods industry covers the households' items that you buy when shopping in the supermarket or pharmacy.' ‘**Fast moving** implies that the items are quick to leave the shelves and also tend to be high in volume but low in cost items.

The products are ones that are essential items that we use day in and day out. This multi-million-dollar sector holds some the most famous brand names that we come across every single day.

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## **➤ TEXTILES**

A type of material composed of natural or synthetic fibres. Types of textiles include animal-based material such as wool or silk, plant-based material such as linen and cotton, and synthetic material such as polyester and rayon. Textiles are often associated with the production of clothing. The textile industry is primarily concerned with the design, production and distribution of yarn, cloth and clothing. The raw material may be natural, or synthetic using products of the chemical industry.

## **➤ HOTEL**

The primary purpose of hotels is to provide travellers with shelter, food, refreshment, and similar services and goods, offering on a commercial basis things that are customarily furnished within households but unavailable to people on a journey away from home. Historically hotels have also taken on many other functions, serving as business exchanges, decorative showcase, political headquarters, vacation spots, and permanent residences. The hotel as an institution, and hotels as an industry

## **➤ MEDICAL SHOP**

A store that sells health care products and medicines. Customer can buy both over-the-counter and prescription medication at a drug store. It is not uncommon for drug store to carry other frequently used household products and merchandise.

It is a retail shop which provides prescription drugs, among other products. At the pharmacy, a pharmacist oversees the fulfillment of medical prescriptions and is available to give advice on their offering of over-the-counter drugs. A typical pharmacy would be in the commercial area of a community.

## **➤ JEWELLERY**

A branch of industry that produces articles from precious metals and gems and from other materials subjected to artistic treatment. Objects of personal adornment for women, tableware, and various souvenirs constitute most of the articles made by the

## **A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**

jewellery industry. The industry's growth in the USSR has been linked with the rising standard of living of the working people and the increased export of jewellery to other countries.

### **2.4. The Effort and Work Done**

<b>10 Years In Making</b>	<b>30+ Sub-Groups &amp; Committees</b>	<b>18000 + Man Hours of discussion by GST Council</b>
<b>14 EC Meetings in 10 years and 13 GSTC Meetings in 6 Months</b>	<b>175 + Officers Meetings</b>	<b>situation Amendment and 5 Laws app... 2 Con roved by collaborative effort Existing Indirect Tax Structure in India</b>

### **➤ Existing Indirect Tax Structure in India**

#### **Central Taxes**

- Central Excise duty
- Additional duties of excise
- Excise duty levied under Medicinal & Toilet Preparation Act
- Additional duties of customs (CVD & SAD)
- Service Tax
- Surcharges & Cesses

#### **State Taxes**

- State VAT / Sales Tax
- Central Sales Tax
- Purchase Tax
- Entertainment Tax (other than those levied by local bodies)
- Luxury Tax
- Entry Tax (All forms)
- Taxes on lottery, betting & gambling
- Surcharges & Cesses



# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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Constitution amended to provide concurrent powers to both Centre & States to levy GST (Centre to tax sale of goods and States to tax provision of services)

## 2.5. Features of Constitution Amendment Act

	<b>Alcohol for human consumption</b>	<b>Power to tax remains with the State</b>
	<b>Five petroleum products – crude oil , diesel, petrol, natural gas and ATF</b>	<b>GST Council to decide the date from which GST will be applicable</b>
	<b>Tobacco</b>	<b>Part of GST but power to levy additional excise duty with Central Government</b>
	<b>Entertainment tax levied by local bodies</b>	<b>Power to tax remains with the State</b>

## GST Council - Constitution

- Chairperson – Union FM
- Vice Chairperson - to be chosen amongst the Ministers of State Government
- Members - MOS (Finance) and all Ministers of Finance / Taxation of each State
- Quorum is 50% of total members
- States 2/3 weight age and Centre – 1/3 weight age Decision by 75% majority
- Council to make recommendations on everything related to GST including laws, rules and rates etc

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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## 2.6. GST Council-Decisions

- Threshold limit for exemption to be Rs. 20 lack (Rs. 10 lack for special category States)
- Compounding threshold limit to be Rs. 50 lack with

Categories	Tax Rate
Traders	1%
Manufacturers	2%
Restaurants	5%

- Government may convert existing Area based exemption schemes into reimbursement based scheme
- Four tax rates namely 5%, 12%, 18% and 28%
- Some goods and services would be exempt
- Separate tax rate for precious metals
- Cess over the peak rate of 28% on specified luxury and sin goods
- To ensure single interface – all administrative control over
- 90% of taxpayers having turnover below Rs. 1.5 cr would vest with State tax administration
- 10% of taxpayers having turnover below of Rs. 1.5 cr. would vest with Central tax administration
- taxpayers having turnover above Rs. 1.5 cr. would be divided equally between Central and State tax administration

### ➤ Compensation Mechanism for States

- Revenue of all taxes subsumed in GST by the State for 2015-16 as the base
- Assumption of 14% Annual Growth Rate
- Compensation to be provided through Cess
- Cess only on few specified luxury and demerit goods

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

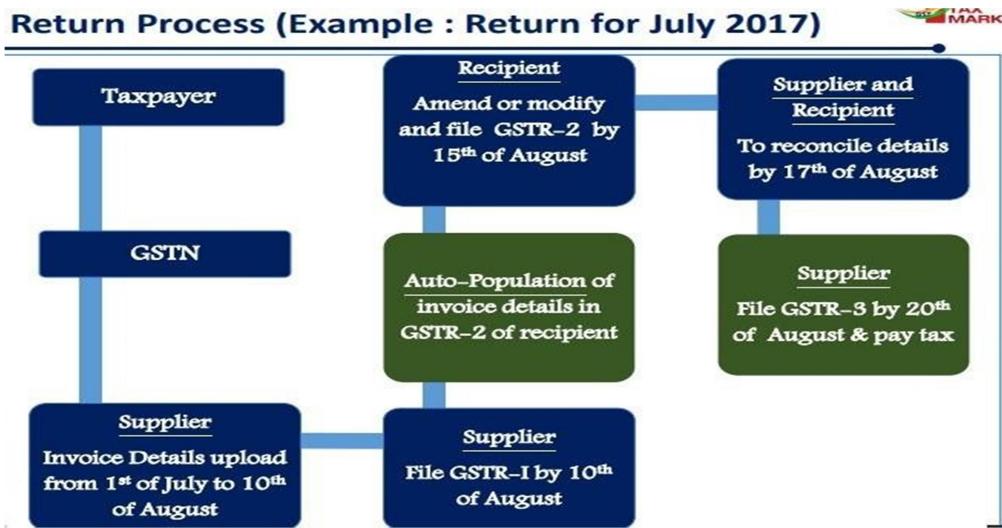
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## ➤ Main Features of the GST Act

- All transactions and processes only through electronic mode – Non-intrusive administration
  - PAN Based Registration<sup>θ</sup> Registration only if turnover more than Rs. 20 lack
  - Option of Voluntary Registration Deemed Registration in three working days
  - Input Tax Credit available on taxes paid on all procurements (except few specified items)
  - Credit available to recipient only if invoice is matched – Helps fight huge evasion of taxes
  - Set of auto-populated Monthly returns and Annual Return
  - Composition taxpayers to file Quarterly returns
  - Automatic generation of returns
  - GST Practitioners for assisting filing of returns
  - GSTN and GST Suvidha Providers (GSPs) to provide technology based assistance
  - Tax can be deposited by internet banking, NEFT / RTGS,
  - Debit/ credit card and over the counter Concept of TDS for certain specified categories
  - Concept of TCS for E-Commerce Companies<sup>θ</sup> Refund to be granted within 60 days
  - Provisional release of 90% refund to exporters within 7 days
  - Interest payable if refund not sanctioned in time
  - Refund to be directly credited to bank accounts
  - Comprehensive transitional provisions for smooth transition of existing tax payers to GST regime
  - Special procedures for job work
  - System of GST Compliance Rating
  - Anti-Profiteering provision
- ## ➤ GST NETWORK (GSTN)
- A section 25 private limited company with Strategic Control with the Government
  - To function as a Common Pass-through portal for
  - taxpayers-
  - submit registration application

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

- file returns make tax payments
- To develop back end modules for 25 States (MODEL –II)
- Infosys appointed as Managed Service Provider (MSP)
- 34 GST Suvidha Providers (GSPs) appointed



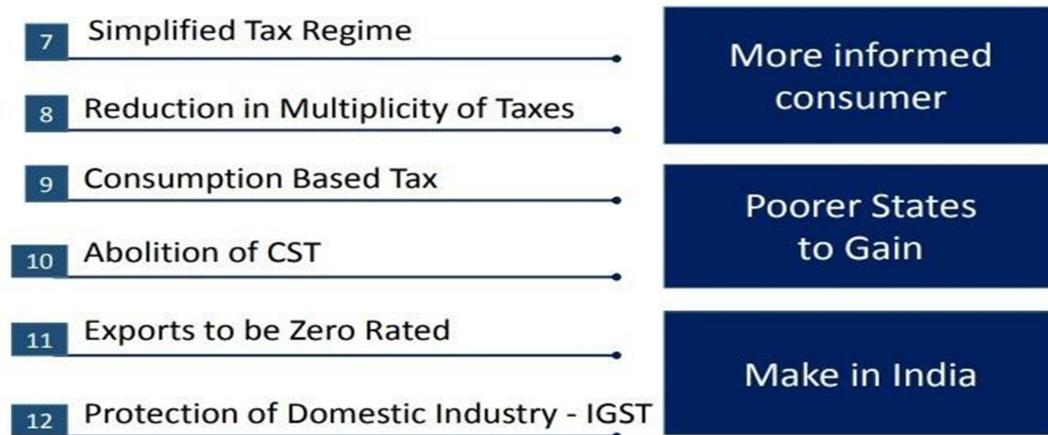
## 2.7. ROLE OF CBEC (CBIC)

- Role in Policy making: Drafting of GST Law, Rules & Procedures – CGST, UTGST & IGST Law
- Assessment, Audit, Anti-evasion & enforcement under CGST, UTGST & IGST Law
- Levy & collection of Central Excise duty on products outside GST – Petroleum Products & Tobacco
- Levy & collection of Customs duties
- Developing linkages of CBEC – GST
- System with GSTN Training of officials of both Centre & States
- Outreach programs for Trade and Industry

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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## 2.8. BENEFITS OF GST

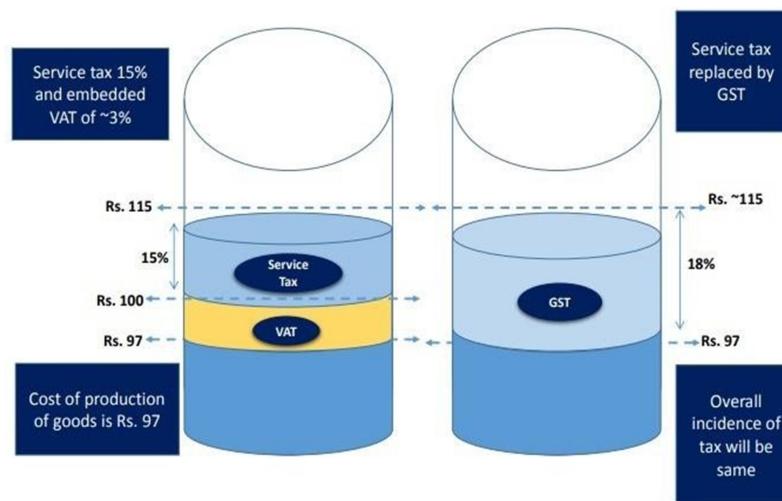
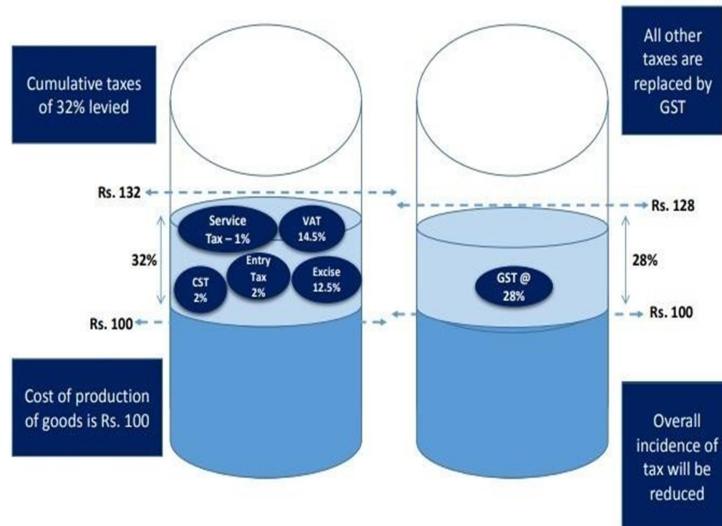


## ➤ WAY FORWARD

- SGST law to be passed by the State Legislatures
- GST Council to fit tax rates to various categories of Goods or Services
- Sector Wise guidance notes to be prepared
- Migration and handholding of existing tax payers
- Outreach program for trade and industry Change Management

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

## Reduction in Price of Goods under GST



# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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## CHAPER-3

### AN OVERVIEW OF SANDUR PROFILE

#### INTRODUCTION:

##### 3.1 LOCATION AND SIZE WITH MAP

Location and size with map: Sandur is located at  $15^{\circ} 06' \text{N}$   $76^{\circ} 33' \text{E}$  /  $15.1^{\circ} \text{N}$   $76.55^{\circ} \text{E}$ . It has an average elevation of 565 metres (1853). The Sandur town is situated at a distance of 50 kilometres from 23 district, head quarters the town is location on almost plain ground valley running along north-west to south-cast and enclosed by lofty parallel ridges rising as high as 960 meters 1080 meters Sandur town is situated in the centre.



##### 3.2. HISTORY OF THE STUDY AREA:

Sandur is a enjoys the destination of being a very picturesque as well as a historical place of considerable tourist interest in Bellary district. It is the head quarter town of the taluk of the same name according to one version the name of the town is derived

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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from 'SANDU+UR' WHICH means is Kannada gap and town respective 'SKADAPURI' city of 'SKANDA' or 'KUMARSWAMY' whose temple is situated near by it is a pretty been fortified in olden days Sandur was the capital of Sandur state. A princely state formerly rule by GHORPADE family at a distance of about 12 kilometres from the town there Karthikeya or kumara son of SIVA is said to have rested there with sage agasthya while he there are two temples dedicated to Parvathi the mother and her son Kumaraswamy south boundary of the town. Perinial springs called bheemathertha, and bhairavathertha, hearly sandur.



### 3.3 PHYSICAL ASPECTS OF THE STUDY AREA:

Sandur by bounded kurbaramatti place dry agriculture lands on the western side narihalla and Lakshmipura village, on the eastion side Krishnagar village, and agriculture lands a northern side Kudlige road and agriculture lads on the southernboundary of the town. Ghorpade family two perinnicall springs called Bheematheertha.

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-1 Physical aspects of the study area**

<b>Particulars</b>	<b>Art hectares</b>	<b>Percent</b>
Tungabhadra project high level Percent canal	334	6.38
Tungabhadra project low level Percent canal	-	-
Total Tungabhadra project	334	6.38
Narihalla project	800	15.28
Tanks	2410	46.04
Wells bore wells and	1691	32.30
<b>Total are under irrigationation</b>	<b>5235</b>	<b>100</b>

(Source: ballari Glance at 2020)

### **3.4 CLIMATE:**

Sandur town is characterized by weather in major part of the year prevailing hot Summer specially the periods from March season during period from June to September temperature generally, be 40 C average temperatures or January is 25 "C. it is BELONG 30 "C, during the Mounts of December.

### **3.5 DEMOGRAPHIC ASPECTS IN THE STUDY AREA:**

#### **3.5.1 Population:**

In population generics a sexual populations is a organisms which any pair of members can breed together according to censes of 2011 in Sandur taluk population.

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-2: Table-1 Population in the study area**

Taluk	Male	Female	Rural	Urban	Total
Sandur	134034	126179	181097	79116	26.213
	52%	48%			

**Table-3 Population in the study area**

	Male	Female	Total	PERCENTAGE
SC	23256	213141	46411	18%
ST	34411	33744	68189	26%

### **3.5.2. Population growth:**

In the change in a population over time and can be quantified as the change in the number of individuals of any species in a population using a per unit time for measurement decadal growth rate 22.44.

### **3.5.3. Density of population:**

Measurement of population per unit area or unit volume it is a quantity of type number density it is key geographic term, in 2011 censes 10,000 males or female 934 rural areas 970 urban 877 population density (per, km) 152.

## **A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**

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### **3.5.4. Sex ration:**

Is the ratio of males of females in a population, the human sex ratio of particular interest to anthropologists and demographers in human socials skewed by factors. Such as the age of mother at birth and by sex selective abortion and in feticide sex ratio females per 1000 male 911 0-6 in Sandur taluk 2001-males 14440-females 13161 ratio-911.

### **3.5.5. Literacy rate:**

Literacy rate is the ability to read and write, the inability to do so is called illiteracy or analphabetism visual literacy inches in addition the ability to understand visual forms of communication such as body language, picture, map, and video. The sandur taluk literacy total is n146508. 56% Illiteracy 2011 senses per 44% total 113705, illiteracy.

Table 4 Literacy rate:

Male	Female	Total
86772	59436	146508
33%	23%	56%

Is scarcity, dearth, or the state of one who lacks a certain amount of material possessions

SL.No	Below poverty line (BPL)		
1	BPL households as 1997 censes	Numbers	13217
2	BPL households as PER 1997 censes	Percent	42.00

Source: [www.bellary.nic.in](http://www.bellary.nic.in) data is accessed on 07.09.2022.

BPL households as per 1997 censes 13217, 42% percentage

### **3.6 LABOUR FORCE IN STUDY AREA:**

Total Barbour force in sandur talk the labour force is the actual number of people available for work, total agriculture male 5577 members and agriculture female 79802 agriculture labours 13557.

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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Table-.6: Labour Force in Study Area

SI. No	Cultivations male and female (2001 censes)	Numbers
1	Cultivations male(2001 censes)	22067
2	Cultivations female (2001 censes)	3299
3	Total	25366
4	Agriculture labourers female	5577
5	Agriculture labourers male	79980
6	Total	13557

Source: [www.bellary.nic.in](http://www.bellary.nic.in) data is accessed on. 07.09.2022.

### **3.7. LOCAL ADMINISTRATIVE SET-UP:**

Sandur is revenue sub-division head quarters with 2011 censes per 125 villages is divided in to 3 hoblis, 22gram panchayats, gowripar is the smaller village and kurekappa is the biggest village it is in the 489 elevation.

### **3.8. SOIL, AGRICULTURE, CROPPING PATTERN AND IRRIGATION:**

The soil content of the taluk is black cotton with red loamn, the soil in the western parts of Sandur is red loamy with hilly area having rich minerals like iron are and manganese ore of 40-48% manganese. The social is moderately sandy red loan; rich in iron and quartz content which gives 65.75% ore content. The social is not feasible for cultivation of agriculture and horticulture crops. Seasonal and climatic conditions the sandur taluk has a minimum temperature 40 degree calluses with a normal rainfall of 806.8 mm, the district fall under semiarid zone with dry climate. The taluk is known for it is hot summer and dry weather persists for a major part of the year. Average rainfall for the taluk about 806mm per annum which precipitates in about 32 rainy days: Usually august and September months get maximum rainfall.

## **A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**

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### **3.9. INDUSTRY PROFILE:**

Industrialization is one of the important means of promoting economic development of the country. Sandur is one the important taluk in the district where industrialization is taking place rapidly this is because of the establishment of jindal steel factory at toranagallu. In this taluk there are 857industrial units with unit provides employment to 3084 persons among medium and large scale units sandur whose activity comprises of carpentry, blacksmith, goldsmith, rope making, pottery lather, tailoring, stone cutting, mat weaving, and mirror embroiders sander is a taluk in Bellary district of Karnataka state, India. Sandur taluk head quarters are sandur town. It is located 47km towards west from district head quarters Bellary, 305 km from state capital Bangalore towards by hospet dist towards north, kudlige, taluk towards south, district hirchal taluk towards cast Hagaribammanahalli taluk towards west Sandur city.

### **3.10. CO-OPERATIVE SOCIETIES:**

It is multipurpose co-operative societies its objectives are developing women dairy. Co-operative societies its loans provides of the women empowerment and agricultural product sales and power event of those products and distribution of pads.

### **3.11. INCOME:**

Sandur taluk is also a source of mine and the income of sandur's people is mined. Some people are getting income from agriculture. Yet many people's income is mined. Sandur has many mining companies and the workforce working on it is from their salaries. Most of these are privately owned by private lorry drivers.

### **3.12. URBANIZATION:**

Urbanization diversion of forest area in the 3 taluk has shown that the forest area is reduced from 8.55 to 2.51% of total geographical area with highest reduction in sandur taluk (from 38.31 to 38.06%) where mining lease is maximum. The loss of forest is

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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maximum in donimalai and swamimalai forests which are considered as biodiversity rich forest areas. Use change in sandur taluk.

### 3.13. INFRASTRUCTURE AND SOCIAL OVERHEADS:

- Education facility.
- Drainage system
- Street lights system
- Water facility
- Health facility
- Transportation system

**1. Education facility:** Children in this area get better education facilities. Many senior school colleges today do not face any problems in getting good education. Here is the education facility best.

**2. Drainage system:** The drainage system in this area is a bit chaotic though the sewers are better. The municipal authorities are doing a good job here.

**3. Street lights system:** Street lights are good in this area. Each street light has a lighting system. There is no problem in the streets of these street lights.

**4. Water facility:** Water facility in this area is excellent. But in the present day people are experiencing difficulties accessing the water. Because water is supplied once every two days. So it's a bit difficult but not so much a problem. People here are getting good water supply.

**5. Health facility:** People in the area are experiencing some problems in the health condition. Because there are small scale clinics in the government hospital and many private hospitals but there is no treatment system for major diseases. There are so many people here that have died.

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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**6. Transportation system:** The road length of sandur is 47.35km long, so the road of sandur is now development. The transport system is not good, even though the selected area is a city for this study. The roads are dirt roads because of the mining. The roads are deteriorating because of the lorry where the mining area is., because the bypass roads are constructed here, the road in town is quite good. However, transportation in this area can be said to be good in the present days.

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# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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## Chapter-IV

### IMPACT OF GOODS AND SERVICES TAX

#### “Survey data analysis and interpretation”

Research analysis is based on the responses given in the questionnaire by the ballari district tax payers on GST. A detailed and systematic analysis was done, so as to complete information about their GST. Every question was analyzed individually.

Firstly the information's collected from tax payers through questionnaire collected information.

Secondly, it is put in to the form of tables analysis was done and interpretation was drown on basis of tabulated data.

Most of the analysis is done on the basis of percentage method; most of the analysis is represented graphically in the form of column charts, many of the findings have been also represented in the form of charts.

All the data analyzed in this chapter is strictly on the basis of the information obtained from GST tax payers on Sandur city. No personal preconceptions and judgments have been added in the “discussion on finding”.

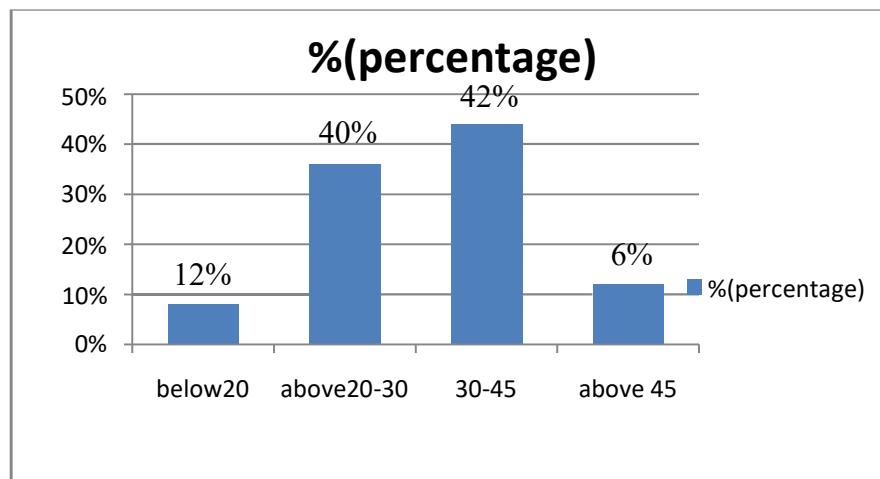
## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-4.1**  
**Showing Age of the Respondent**

SL.No	Age	No of tax payer	%(percentage)
1	Below20	6	12%
2	Above20-30	20	40%
3	30-45	21	42%
4	Above45	3	6%
5	Total	50	100%

(Source: field study)

**Chart-4.1**  
**Created by the researcher based on the above table**



### **Data analysis and interpretation:**

From The above table and graphs shows that maximum number of respondents i.e., 12% of respondents fall under the age group of below 20 years and 40% fall under the age group of above 20-30 years and 42% fall under the age group of 30-45 and 6% fall under the age group of above 45 year out of 50 respondents maximum respondents are belongs to 42% dealers are 30-45 years.

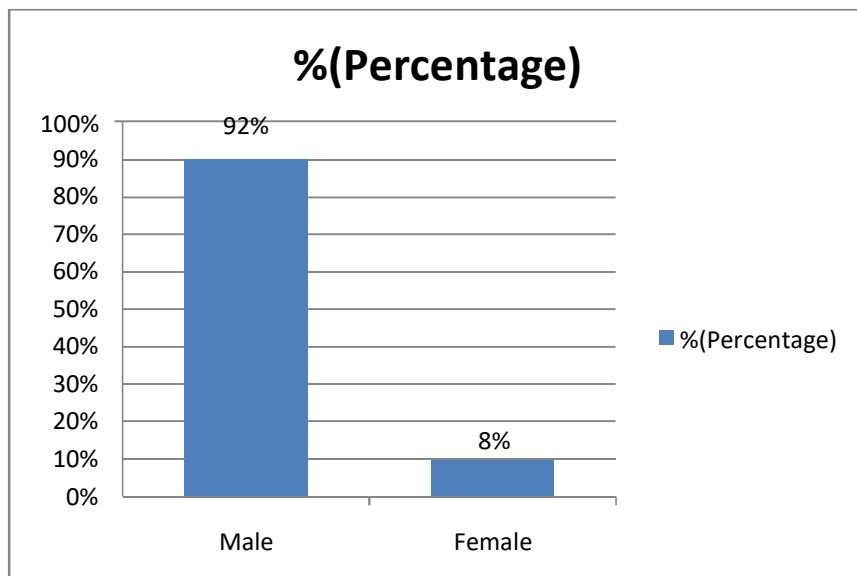
## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-4.2**  
**Showing Gender of the respondent**

SL.No	Gender	No of tax payer	%(Percentage)
1	Male	46	92%
2	Female	4	8%
3	Total	50	100%

Source: field study

**Chart-4.2**  
**Created by the researcher based on the above table**



### **Data analysis and interpretation:**

From the above table it is inferred that 100% respondents are total gender 92% for male and 8% respondents for female. The majority of the respondents are male.

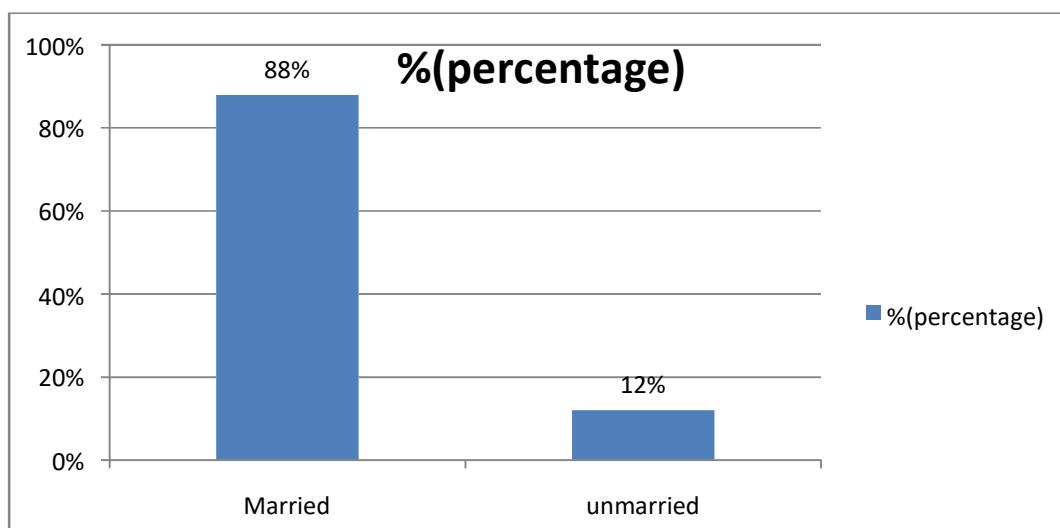
## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-4.3**  
**Showing marital status of the respondent**

SL.No	Marital status	No of tax payer	%(percentage)
1	Married	44	88%
2	unmarried	6	12%
3	Total	50	100%

Source: field study

**Chart-4.3**  
**Created by the researcher based on the above table**



### **Data analysis and interpretation:**

From the above table, the 88% respondents are married and 12% respondents are unmarried so the majority of the respondents are married

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table -4.4**

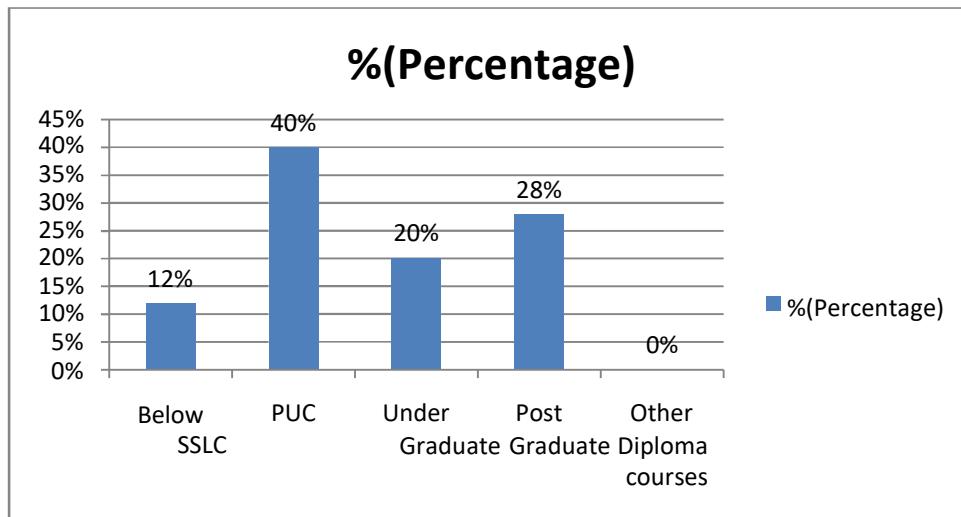
**Showing educational qualification of the respondent**

<b>SL.No</b>	<b>Qualification</b>	<b>No of tax payer</b>	<b>%(Percentage)</b>
<b>1</b>	Below SSLC	6	12%
<b>2</b>	PUC	20	40%
<b>3</b>	Under Graduate	10	20%
<b>4</b>	Post Graduate	14	28%
<b>5</b>	Other Diploma courses	0	0%
<b>6</b>	Total	50	100%

Source: field study

**Chart-4.4**

**Created by the researcher based on the above table**



### **Data analysis and interpretation:**

The analysis of the above table shows that 12% of respondents for below SSLC.40% of respondents for PUC and 20% of respondents for under graduate and 28% of respondent's for post graduate other diploma courses 0%. The majority of the respondents are PUC.

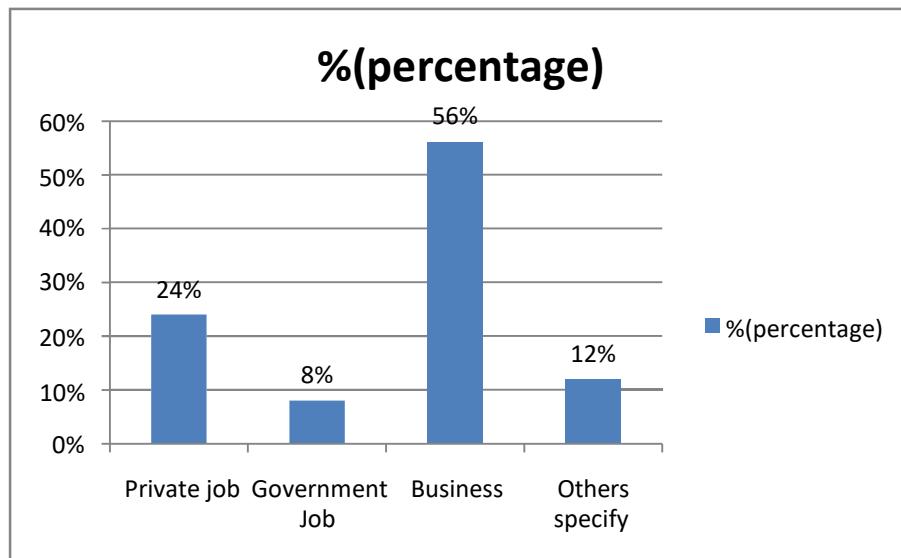
## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-4.5**  
**Showing occupation of the respondent**

SL.No	Occupation	No of tax payer	%(percentage)
1	Private job	0	0%
2	Government Job	0	0%
3	Business	50	100%
4	Others specify	0	0%
5	Total	50	100%

Source: field study

**Chart-4.5**  
**Created by the researcher based on the above table**



### **Data analysis and interpretation;**

From the above table, it is inferred that 24% of the respondents are doing private job, 8% of the respondents are doing government job, 56% of the respondents are doing business so all respondents are Businessmen, and 12% of the respondents are doing others specify the majority of the respondents are businessmen.

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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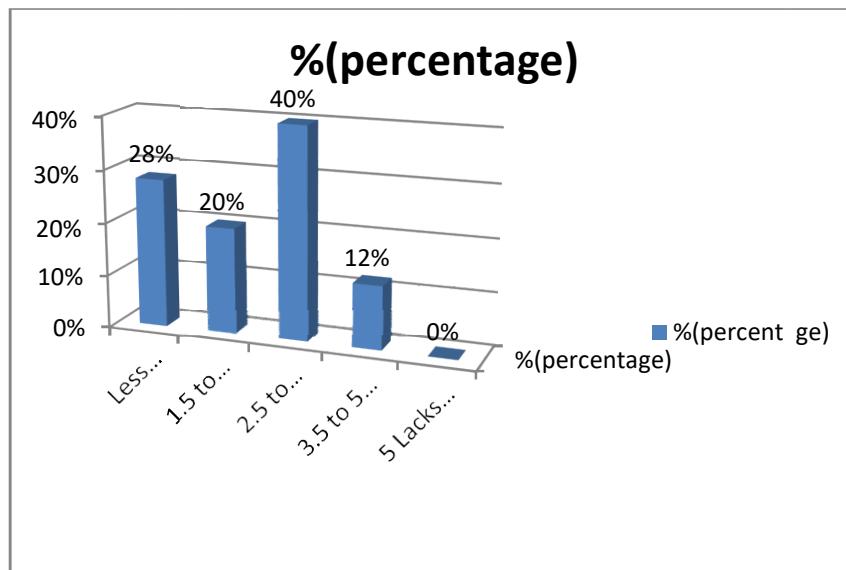
**Table-4.6**

**Showing respondent Annual Income**

<b>SL.No</b>	<b>Annual Income</b>	<b>No of tax payer</b>	<b>%(percentage)</b>
<b>1</b>	Less than 1.5 Lacks	14	28%
<b>2</b>	1.5 to 2.5 Lacks	10	20%
<b>3</b>	2.5 to 3.5 Lacks	20	40%
<b>4</b>	3.5 to 5 Lacks	6	12%
<b>5</b>	5 Lacks above	00	0%
<b>6</b>	Total	50	100%

Source: field study

**Chart-4.6**  
Created by the researcher based on the above table



## **Data analysis and interpretation;**

The above table, it is inferred that 28% of the respondents annual income belongs less than 1.5 lacks 20% of the respondents annual income belongs 1.5 to 2.5 lacks. And 40% of the respondents annual income belongs 2.5 to 3.5 lacks, and 12% of the respondent's annual income belongs 3.5 to 5 lacks. And 5 lacks above respondents annual income is 0%.the majority of the respondents is 40%

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

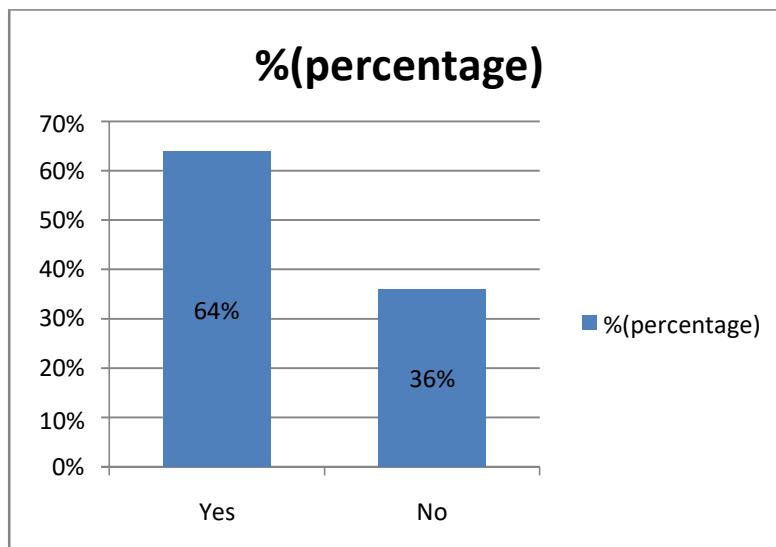
**Table-4.7**

**Showing opinion of respondent towards superiority of GST over VAT**

<b>SL.No</b>	<b>Respondent opinion</b>	<b>No of tax payer</b>	<b>%(percentage)</b>
<b>1</b>	Yes	32	64%
<b>2</b>	No	18	36%
<b>3</b>	Total	50	100%

Source: field study

**Chart-4.7**  
**Created by the researcher based on the above table**



### **Data analysis and Interpretation;**

From the above table, shows that 64% of respondents have opinion comparing VAT, the GST is beneficial and remaining 36% of respondents have opinion will not comparing VAT, the GST is beneficial.

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

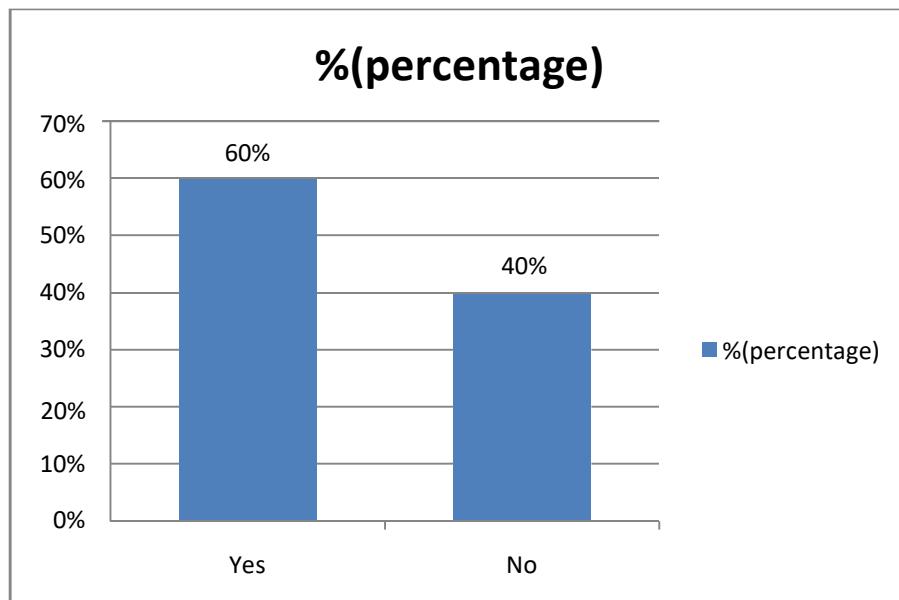
**Table-4.8**

**Showing opinion of respondent towards implementation results in positive impact**

SL.No	Opinion	No of tax payer	%(percentage)
1	Yes	30	60%
2	No	20	40%
3	Total	50	100%

Source: field study

**Chart-4.8**  
**Created by the researcher based on the above table**



### **Data analysis and Interpretation;**

From the above table, it is 60% of the respondents have opinion about implementation of GST positive impact on Dealers and 40% of the respondents negative opinion about implementation of GST will not positive impact on dealers.

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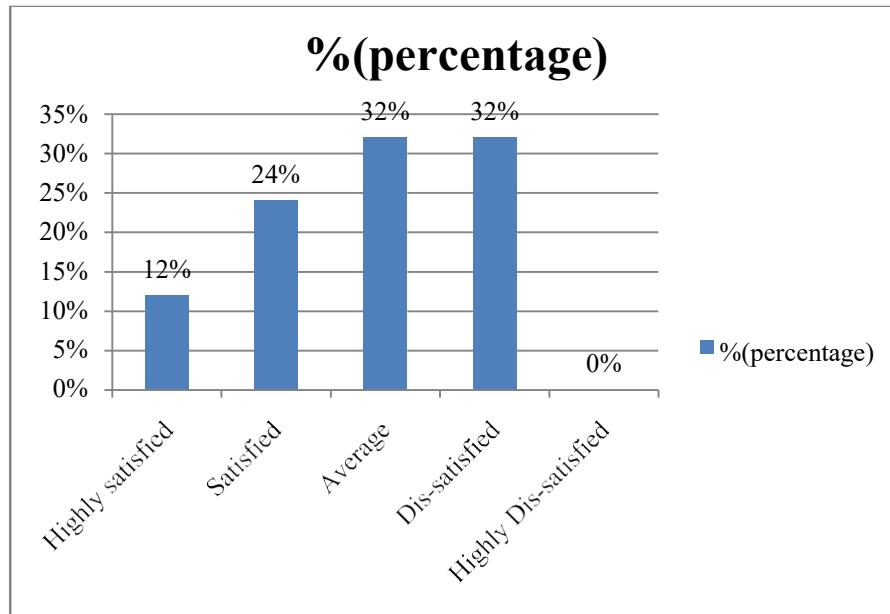
**Table-4.9**

**Showing respondent satisfaction with the present VAT system**

<b>SL.No</b>	<b>Satisfaction level</b>	<b>No of tax payer</b>	<b>%(percentage)</b>
1	Highly satisfied	6	12%
2	Satisfied	12	24%
3	Average	16	32%
4	Dissatisfied	16	32%
5	Highly Dissatisfied	00	0%
6	Total	50	100%

Source: field study

**Chart-4.9**  
**Created by the researcher based on the above table**



### **Data analysis and Interpretation;**

From the above table, it is inferred that 12% of the respondents are highly-satisfied with the present VAT system, 24% of the respondents are satisfied and 32% of the respondents are both average and Dissatisfied with the present VAT system

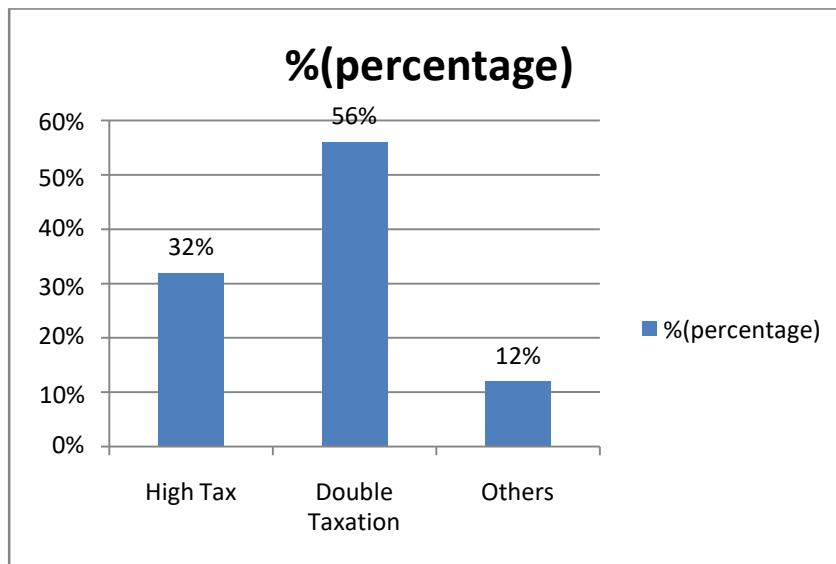
## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-4.10**  
**Showing reasons for Dissatisfy towards earlier VAT system**

SL.No	Reasons	No of tax payer	%(percentage)
1	High Tax	16	32%
2	Double Taxation	28	56%
3	Others	6	12%
4	Total	50	100%

Source: field study

**Chart-4.10**  
**Created by the researcher based on the above table**



### **Data analysis and Interpretation;**

From the above table, it is inferred that 32% of the respondents are high tax towards present VAT system for the reason and double taxation will be 56% of the respondents for the reason of other taxation 12% of the respondents with present VAT system. So many of the respondents are dissatisfied for the reason of double taxation.

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

Table-4.11

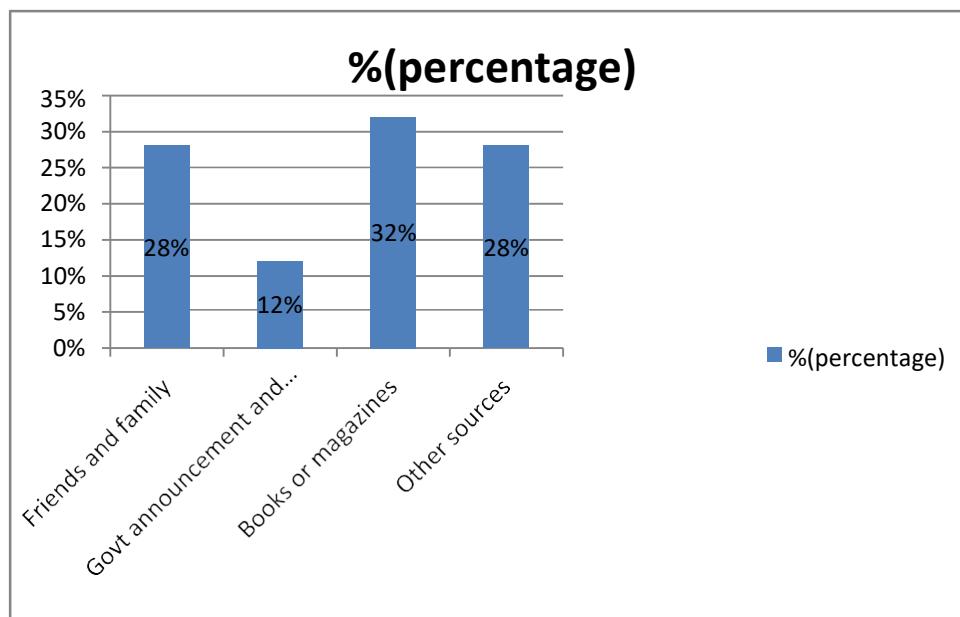
Showing source of information about GST

SL.No	Source of information	No of tax payer	%(percentage)
1	Friends and family	14	28%
2	Government announcement and notification	6	12%
3	Books or magazines	16	32%
4	Other sources	14	28%
5	Total	50	100%

Source: field study

Chart-4.11

Created by the researcher based on the above table



## Data analysis and Interpretation;

From the analysis of above table shows that 28% of the respondents know about GST through the both friends and family and other sources. 32% of the respondents know through the books or magazines. The 12% of respondents know through the government announcement and notifications.

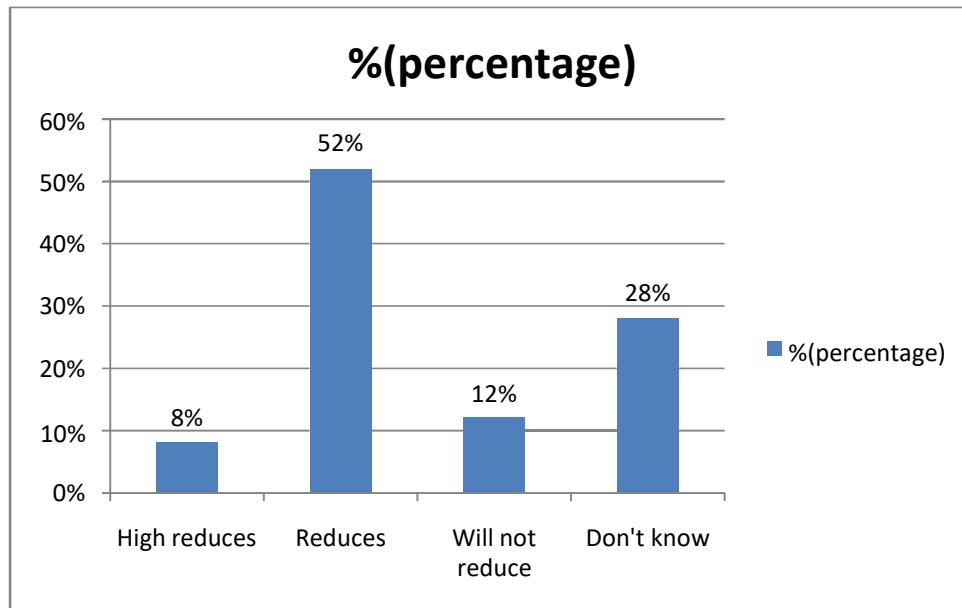
## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

**Table-4.12**  
**Showing implementation of the GST**

SL.No	Respondent opinion	No of tax payer	%(percentage)
1	High reduces	4	8%
2	Reduces	26	52%
3	Will not reduce	6	12%
4	Don't know	14	28%
5	Total	50	100%

Source: field study

**Chart-4.12**  
**Created by the researcher based on the above table**



### **Data analysis and Interpretation;**

From the above table shows that 8% of the respondent have opinion if implementation of GST it is reduces the corruption and 52% of the respondent have opinion if implementation of GST it is reduces the corruption and 12% of the respondents have opinion that implementation of GST will not reduce the corruption free Tax. And remaining balance 28% opinion there is no wards implementation of GST

## A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

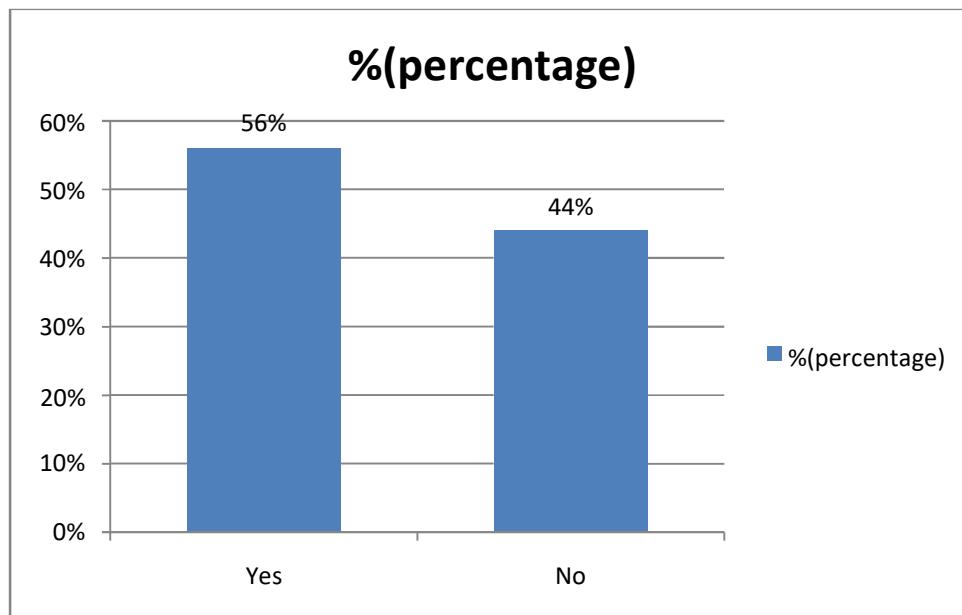
**Table-4.13**

**Showing opinion of respondents towards reduction of cascading effect (double taxation) by the implementation of GST**

SL.No	Respondent opinion	No of tax payer	%(percentage)
1	Yes	28	56%
2	No	22	44%
3	Total	50	100%

Source: field study

**Chart-4.13**  
**Created by the researcher based on the above**



### **Data analysis and Interpretation;**

From the above table, it is inferred that 56% of respondents are gave positive opinion that if implementation of GST it is reduce the cascading effect (double taxation). And remaining 44% of the respondents have opinion will not reduce cascading effect.

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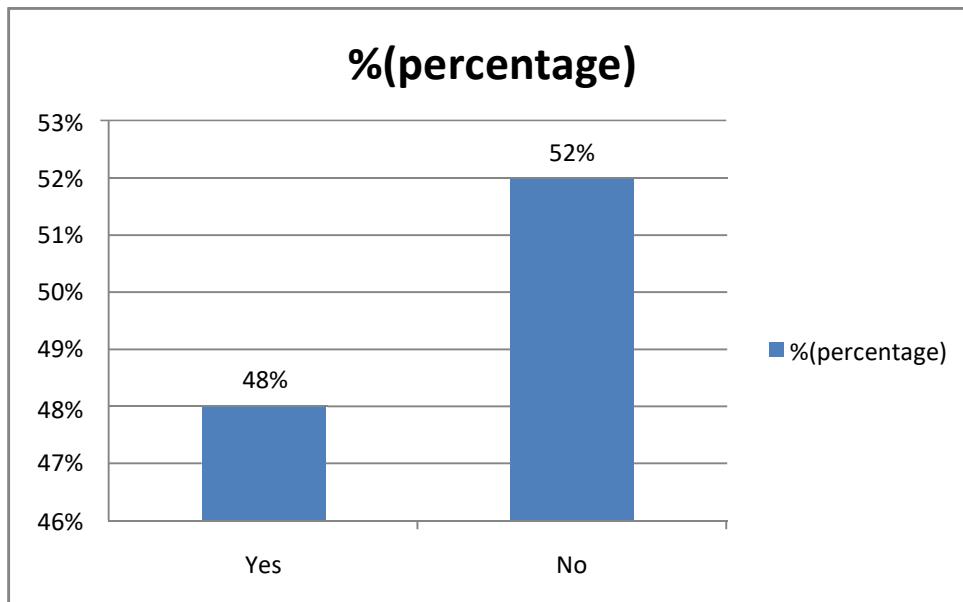
**Table-4.14**  
**Showing opinion of respondent towards the price reduction by the implementation of GST**

SL.No	Respondent opinion	No of tax payer	%(percentage)
1	Yes	24	48%
2	No	26	52%
3	Total	50	100%

Source: field study

**Chart-4.14**

**Created by the researcher based on the above the table**



### **Data analysis and Interpretation;**

From the above table, it is shows that 48% respondents have opinion implementation of GST will reduce the price of the goods and remaining 52% of the respondent opinion will not reduce the price of the goo

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**Table-4.15**

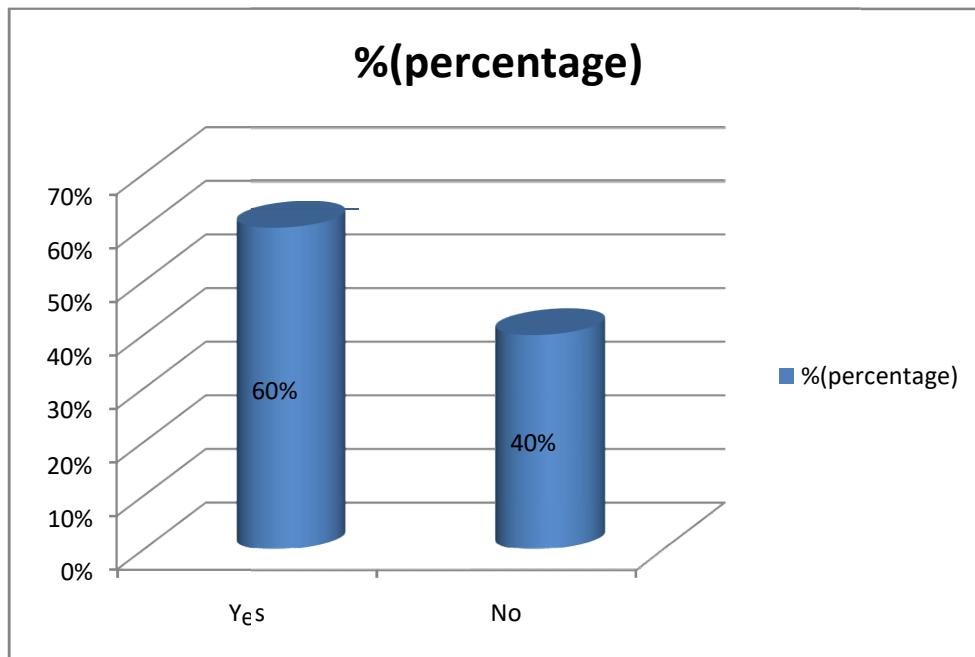
**Showing opinion of respondent towards export promotion by the implementation of GST**

SL.No	Respondent Opinion	No of tax payer	%(percentage)
1	Yes	30	60%
2	No	20	40%
3	Total	50	100%

Source: field study

**Chart-4.15**

**Created by the researcher based on the above table**



### **Data analysis and Interpretation:**

The above table reveals that the maximum number of respondents i.e.60% have opinion that implementation of GST promotes export and 40% of the respondents have opinion that implementation of GST will not promote export.

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**Table-4.16**

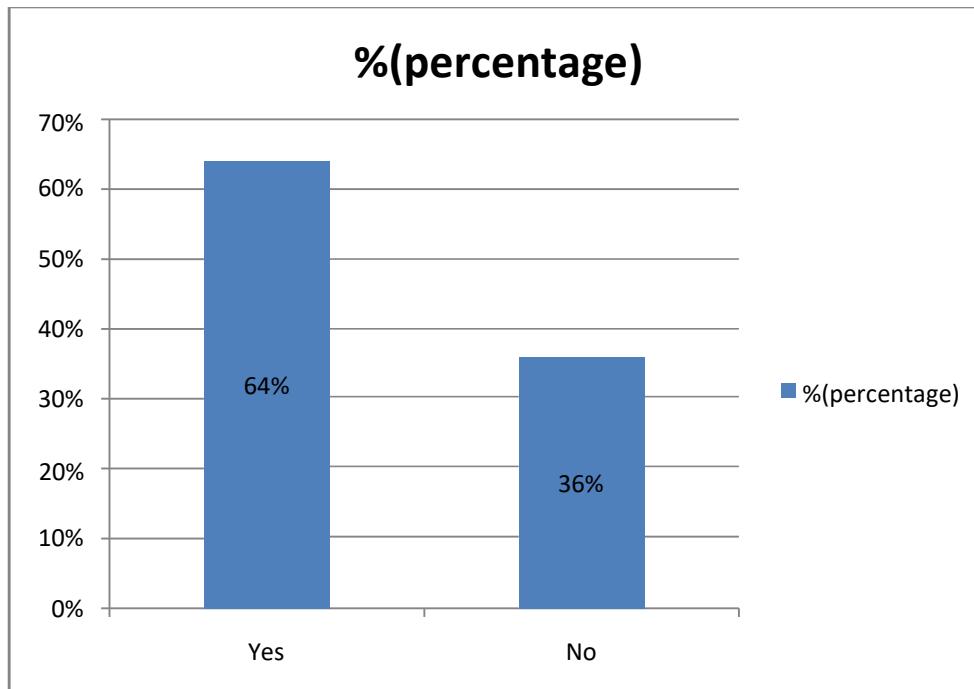
**Showing opinion of respondents towards in boosting employment opportunity by the implementation of GST**

SL.No	Respondent opinion	No of tax payer	%(percentage)
1	Yes	32	64%
2	No	18	36%
3	Total	50	100%

Source: field study

**Chart-4.16**

**Created by the researcher based on the above table**



### **Data analysis and Interpretation;**

From the above table, it is maximum number of respondents i.e. 64% have opinion that if implementation of GST it will increase the employment opportunity and 36% of the respondents gave opinion if implementation of GST will not increase employment opportunity.

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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## Chapter-V

### FINDINGS SUGGESTIONS AND CONCLUSION

#### **Findings:**

1. Out of 50 respondents nearly 42% of the respondents are belongs to 30-45 age group.
2. By the field survey out of the 100%.The 92% is male respondents and remaining 8% female category.
3. Out of 100% respondents the 88% is married and remaining 12% is unmarried respondents.
4. Majority of the respondents are having PUC educational qualification.
5. The all respondents are having a business occupation.
6. The majority of respondent's annual income is 40%.belongs to annual income group 2.5-3.5 lack.
7. The majority of respondents opinion that GST is beneficial than VAT.
8. The majority of respondents they are paying VAT and majority of the respondents paying tax yearly and quarterly.
9. Most of the respondents give positive opinion about the implementation of GST
10. The study area survey by the researcher came to know that very less i.e.12% of the respondents are highly satisfied with the present VAT system.
11. Majority of the respondents is 32% of dissatisfied and average through present VAT system.
12. Majority of the respondents are dissatisfied through present VAT system for the reasons of high tax and double taxation.
13. The study of survey area most of the respondents have lack of awareness about GST
14. The out of 50 respondents 32% of the respondents they know about GST through their books and magazines of members.
15. Majority of the respondents opinion that implementation of GST reduces the Corruption free tax.
16. Many of the respondents have opinion implementation of GST reduces the double taxation, and it is not reduces the price of the goods.

## **A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**

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17. The majority of respondents opinion that GST is beneficial than VAT.
18. NO one should define correct procedure of GST.

### **Suggestions:**

1. Uncertainty of states charging laws, rates of taxation and like will continue affecting business sentiments.
2. Taxation of services at state level especially service provided nation-wide (e.g. telecommunication service, transportation service) will pose challenge.
3. Government take decision for implementation of GST
4. The dealers are not aware of GST hence government and tax authorities therefore to organize programs to create awareness among dealers.
5. Retailers and wholesalers are aware about the GST system but they lack prominence about rules.
6. For Successful implementation of GST system, it is necessary for the wholesalers and retailers need to upgrade their IT framework.
7. Due to decision of government to deploy Tax bracket which has left some wholesalers and retailers feels discontent. Initially GST has left a negative impact and also Demonetization affected wholesaler and retailers quite badly.
8. Some wholesalers and retailers before and after demonetization have upgraded IT framework so they have been able to handle GST requirements. GST results in deterioration of margins for retailers and wholesalers.
9. Post GST implementation, sales may go down either temporarily or for a long time which might send businesses to closure
10. Sales and margins of wholesalers and retailers has no significant effect on sales even if there is reduction in free gifts to be seen.
11. GST will bring monetary benefits for the FMCD sector in long run
12. Government and FMCG Companies should find a way to help the Retailers and Wholesalers in understanding the rules for GST implementation

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13. FMCG Companies should provide guidelines to wholesalers and retailers regarding how to easily upgrade IT framework which is done through cloudbased videos.
14. FMCG Companies should aid wholesalers and retailers for promotional activities and they should come up with a scheme to motivate retailers to sell products in the higher tax bracket.
15. Huge discounts should be offered to retailers and wholesalers for the products which has higher tax brackets.
16. Credit time for payment of products should be increased by the FMCG Companies. Free gifts to be replaced by cash discounts.

### **CONCLUSION:**

#### **The main conclusion of project work as are follows:**

The GST being a consumption tax is likely to have an inflationary effect on taxpayers but as consumers, they have a choice to a certain extent whether to pay the tax should they decide to consume any of the non-essential goods and services. One of the biggest taxation reforms in India, The Goods and Service Tax (GST) -- is all set to integrate State economies and boost overall growth. GST will create a single, unified Indian market to make the economy stronger. Experts say that GST is likely to improve tax collections and boost India's economic development by breaking tax barriers between States and integrating India through a uniform tax rate. Under GST, the taxation burden will be divided equitably between manufacturing and services, through a lower tax rate by increasing the tax base and minimizing exemptions.

The GST is avoiding the snowball cascading effect and the ultimate burden in equity beryllium are not shifted to ultimate customer.

From this research work, it has been concluded that implementation of Goods and Services Tax (GST) in India is now necessary and deployed in 2016-17. It has created a significant effect on dealers and retailers. By the implementation of proposed system of taxation dealers and retailers will have high beneficiaries. Though retail sector has evolved into an organised revenue generating sector still, number of obstacles is posed due to the taxation system.

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The effect of GST which has on retail sector has positive significance as it will reduce indirect tax, facilitates seamless input tax credit and increase supply chain efficiency.

From taxation and documentation point of view, state boundaries will be irrelevant after the implementation of GST. Complexity will be reduced for retailers; distribution reach will be increased and efficiency also seem to be improved by vanishing state boundaries

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it will take some years to show the effect because economic

# A STUDY ON IMPACT OF GOODS AND SERVICES TAX ON RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY

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## QUESTIONNAIRE

Dear Sir\Madam,

I am **S R VENKATA SANDEEP** A student of B.com Final year **Vishnupanth Nanavate Degree College Sandur, Sri Krishnadevaraya University, Ballari.** This survey is carried out to explore "**Impact of goods and services tax on retail shops with special reference of Sandur city**" I request you to kindly fill up the questionnaire for the same. The data provided by you will be kept confidential and is purely used for academic purpose

### Thanking you

Yours faithfully

S R Venkata Sandeep

B.com final year student

Vishnupanth Nanavate Degree

College Sandur

1. Name of the respondent \_\_\_\_\_
2. Age of the respondent \_\_\_\_\_
  - a) 0 to 20
  - b) 20 to 40
  - c) 40 to 60
  - d) 60 to above
3. Gender of the respondent \_\_\_\_\_
  - a) Male
  - b) Female
4. Showing educational qualification of the respondent \_\_\_\_\_
  - a) SSLC
  - b) PUC
  - c) Under graduate
  - d) Post graduate
  - e) Other diploma courses
5. Showing Marital status of the respondent \_\_\_\_\_
  - a) Married

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- b) Unmarried
6. Showing occupation of the respondent \_\_\_\_\_
- a) Private job
  - b) Government job
  - c) Business
  - d) Other specify
7. Showing respondent Annual Income \_\_\_\_\_
- a) Less than 1.5 lacks
  - b) 1.5 to 2.5 lacks
  - c) 2.5 to 3.5 lacks
  - d) 3.5 to 5 lacks
  - e) Above 5 lacks
8. Showing opinion of respondent towards superiority of GST over VAT \_\_\_\_\_
- a. Yes
  - b. No
9. Showing opinion of respondent towards implementation results in positive impact \_\_\_\_\_
- a. Yes
  - b. No
10. Showing respondent satisfaction with the present GST system \_\_\_\_\_
- a. High satisfied
  - b. Satisfied
  - c. Dissatisfied
  - d. High dissatisfied
11. Showing reasons for dissatisfaction towards earlier VAT system \_\_\_\_\_
- a. High tax
  - b. Double taxation
  - c. Others
12. Showing source of information about GST \_\_\_\_\_
- a. Friends and family
  - b. Government announcement and notification
  - c. Books or magazines

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- d. Other \_\_\_\_\_
13. Showing opinion of respondent towards GST implementation and corruption reduction \_\_\_\_\_
- a. High reduces \_\_\_\_\_
  - b. Reduces \_\_\_\_\_
  - c. Will not reduces \_\_\_\_\_
  - d. Don't know \_\_\_\_\_
14. Showing opinion of respondents towards reduction of cascading effect (Double taxation) by the implementation of GST \_\_\_\_\_
- a. Yes \_\_\_\_\_
  - b. No \_\_\_\_\_
15. Showing opinion of respondent towards export promotion by the implementation of GST \_\_\_\_\_
- a. Yes \_\_\_\_\_
  - b. No \_\_\_\_\_
16. Showing opinion of respondent towards the price reduction by the implementation of GST \_\_\_\_\_
- a. Yes \_\_\_\_\_
  - b. No \_\_\_\_\_
17. Showing opinion of respondents towards in boosting employment opportunity by the implementation of GST \_\_\_\_\_
- a. Yes \_\_\_\_\_
  - b. No \_\_\_\_\_
18. If any suggestions \_\_\_\_\_

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RETAIL SHOPS WITH SPECIAL REFERENCE OF SANDUR CITY**

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