

## GST AND ITS EFFECTS ON CONSTRUCTION INDUSTRY IN INDIA

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### ABSTRACT

Inside the development business the mix of an inexorably divided outline process, the unquenchable interest for definite data and developing customer desires in conveyance times, has set more noteworthy accentuation on the requirement for viable correspondence. Anyway data trade is famously deficient bringing about poor venture execution. Both customary arranging and administration strategies and hazard investigation and administration have neglected to reveal the most troublesome factors on ventures which prompt term overwhelm. It is currently being comprehended that the loss of key venture work force is exceedingly problematic to correspondence and the nonappearance of acknowledgment and remittance for this inevitability brings about a huge under-estimation of vulnerability. Framework flow is viewed as a way to deal with displaying ventures which underlines the interrelationships and focuses in general undertaking. This paper looks at the ideas of framework elements and how they improve our comprehension of the plan procedure. A model of the plan procedure is proposed which takes a gander at the causes behind disintegration of outline profitability emerging from staff changes. What's more it takes a gander at those issues which bother the digestion time of newcomers.

### 2.INTRODUCTION:

GST is an indirect tax which have replaced many indirect taxes in India. It was passed in parliament on 29<sup>th</sup> March 2017 , Goods and service tax law in India is a comprehensive , multi stage destination based tax that is levied on every value addition . GST regime the burden taxation will allocated fairly between manufacturing and service via . The lower tax

rates resulting in increased tax base and minimised exemption ( Monika Sehrawat , Upasana dhanda , 2015 ). GST is not good for low income countries and do not provide broad based growth to poor countries( Agogo mawoli , 2014) . Switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy( Dr. R. Vasantha Gopal ,2001). GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India ( Ehtishem Ahmed and Satya Poddar ,2009). Implementation of GST in India help in removing economic distortion by current indirect tax system ( Nitin kumar ,2014) . New NDA government in India is positive towards implementation of GST and it is beneficial for central government , state government and consumers ( pinky , Supriya kamma , Richa Varma , 2014) . GST will bring one nation and one tax market . So implementation GST may increase the Indian economy( Lousdunrathan . F and Xavier. P , 2017) . Tax policy play an important role on the economy through their impact on both efficiency and equity ( Nishita Gupta , 2014) . GST would translate into enhanced economic welfare and higher retain to the factors of production viz., land, labour and capital ( Rajesh Chandha , 2009) . GST is the most logical steps towards the comprehensive indirect tax reform in our country since independence ( Girish Garg – Basic concepts and concepts of GST in India) system of taxation by classification and valuation should be replaced by self assessment system ( S. chossen , 2013). The object is to compare the price of movie tickets before and after implementation of GST and to study the impacts of GST on entertainment industry.

**OBJECTIVES:**

1. To study about the impact of GST on construction industry
2. To study the price increase after GST on construction industry

**HYPOTHESIS:**

H<sub>0</sub>: There is no significant impact on construction industry due to implementation of GST tax

H<sub>a</sub>: There is significant impact on construction industry due to implementation of GST

**MATERIALS AND METHODS:**

Current paper attempts to analyse the GST act and it's effects on the Construction industry through a empirical study study by using sampling method. The collected response is 300 . The population size is 601 and we use random sampling method.

**FINDINGS:**

From the above survey we have find something's let's discuss. 56.6% people says that due to the implementation of GST the property price increases and 43.3% says that it doesn't increase. 50% people says that due to GST the EMI on home loans increases and 50% percent says that it doesn't. 63.3% people says that the under construction properties will be of higher rates when compared to ready to move on properties and 36.6% says that it is not. 79% says that the price of resale properties will increase due to GST AND 21% says that it will not. 40% says that the fluctuation of price of property will increase after GST and 60% says it will decrease. 47.3% says that the GST will affect the builders and and 53.6% says that it will not affect the builders. 88.3% people says that GST has created a impact on construction industry and 21.6% says that there is no impact

**DISCUSSION :**

From the above survey it is evident that the GST has wide impact on construction industry and it has also led to the increase in price of the properties and the rate of the under construction properties are also increased and it had let to the increased EMI for home loans and it is evident that it doesn't affect the builders and it is also led to the increase in rate of the construction materials.

**CONCLUSION :**

Here the researcher is concluding that the implementation of GST has led to the increased in rise of the properties and also led to the increase in EMI of house loans . Therefore, here the researcher is concluding that the GST has significant impact on construction industry

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#### **QUESTIONNAIRE:**

1: Will property prices go up, with the GST being applicable on all construction-related materials and services?

a.yes

b.no

2: Will the EMIs on home loan shoot up, due to the GST?

a.yes

b.no

3: Will borrowers need to shell out tax on the entire home loan amount, even in cases where only part of the EMIs are due?

a.yes

b.no

4: Is it true that under-construction properties will be costlier, compared to ready-to-move-in properties?

a.yes

b.no

5: Will resale properties become costlier under the GST?

a.yes

b.no

6: Can a businessman get input credit for GST paid, while purchasing an office?

a.yes

b.no

7: Will the GST impact the stamp duty on buying a property?

a.yes

b.no

8: What will be the overall increase or decrease in property prices, once the GST is implemented?

a.increase

b.decrease

9: Does the implementation of gst affects the builders?

a.yes

b.no

10. Is GST created any impact in construction industry?

a. yes

b. no

11. Does the GST affect the price of construction materials?

A. yes

B. No

1: Will property prices go up, with the GST being applicable on all construction-related materials and services?

	Respondents	Percentage
Yes	170	56.6
No	130	43.3

2: Will the EMIs on home loan shoot up, due to the GST?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>150</u>	<u>50</u>
<u>No</u>	<u>150</u>	<u>50</u>

3: Will borrowers need to shell out tax on the entire home loan amount, even in cases where only part of the EMIs are due?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>70</u>	<u>23.3</u>
<u>No</u>	<u>230</u>	<u>76.6</u>

4: Is it true that under-construction properties will be costlier, compared to ready-to-move-in properties?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>192</u>	<u>63.3</u>

<u>No</u>	<u>108</u>	<u>36.6</u>
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5. Will resale properties become costlier under the GST?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>213</u>	<u>71</u>
<u>No</u>	<u>87</u>	<u>29</u>

6: Can a businessman get input credit for GST paid, while purchasing an office?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>210</u>	<u>70</u>
<u>No</u>	<u>90</u>	<u>30</u>

7: Will the GST impact the stamp duty on buying a property?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>150</u>	<u>50</u>
<u>No</u>	<u>150</u>	<u>50</u>

8: What will be the overall increase or decrease in property prices, once the GST is implemented?

	<u>Respondents</u>	<u>Percentage</u>
<u>Increases</u>	<u>120</u>	<u>40</u>
<u>Decreases</u>	<u>180</u>	<u>60</u>

9: Does the implementation of gst affects the builders?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>142</u>	<u>47.3</u>
<u>No</u>	<u>158</u>	<u>52.6</u>

10. Is gst created any impact in construction industry?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>250</u>	<u>83.3</u>
<u>No</u>	<u>50</u>	<u>16.6</u>

11. Does the gst affects the price of construction materials?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>189</u>	<u>63</u>
<u>No</u>	<u>111</u>	<u>37</u>





