

Transition From Traditional Taxation To GST: A Study Of The Hospitality Industry In Navi Mumbai

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Abstract

India has long been celebrated for its rich culinary heritage and diverse regional flavors, making it a global hub for food lovers. However, in recent decades, there has been a noticeable transformation in eating habits. With the rise in disposable incomes, a growing trend toward dining out, the influence of tourism, evolving lifestyles, and increasingly hectic schedules, people are stepping away from traditional food practices. This change has led to a boom in the food service industry, making it a magnet for entrepreneurs and investors alike.

The sector has evolved significantly, introducing innovative business models such as cloud kitchens, food trucks, specialty snack centers, and themed dining spaces. Additionally, premium restaurants offering international cuisines are gaining traction among urban consumers with global tastes. As a result, the food and hospitality industry has witnessed rapid growth and continues to be a focal point for business opportunities and customer interest.

The introduction of the Goods and Services Tax (GST) has reshaped the taxation landscape in India by replacing a complex web of state and central taxes with a unified, destination-based system. GST aims to simplify compliance, reduce the cascading effect of multiple taxes, and ensure a fairer ecosystem for businesses operating across states.

This doctoral research focuses on evaluating the influence of GST on the food and hospitality segment, specifically in the Navi Mumbai region. Through a structured survey involving 1,044 participants, findings reveal a significant link between the implementation of GST and the perceptions held by both restaurant owners and their customers. The study highlights how taxation policies can shape business dynamics, consumer behavior, and overall satisfaction in this rapidly growing industry.

Keywords: Hospitality sector, Navi Mumbai, taxation, goods and services tax, reformation.

INTRODUCTION

Following the implementation of the Goods and Services Tax (GST), dining out in India has undergone a transformation in terms of billing transparency and tax structure. Previously, restaurant bills included a combination of taxes such as VAT, service tax, and various cesses like the Krishi Kalyan cess. GST unified these into a single system, streamlining the overall process. Though consumers initially noticed a reduction in the effective tax burden on food bills, the savings were relatively minor. Importantly, the GST framework did not eliminate service charges imposed by restaurants, which remain an additional expense for diners.

For restaurant businesses, GST initially offered benefits such as the Input Tax Credit (ITC), which was expected to enhance liquidity and operational efficiency. However, subsequent policy revisions curtailed this advantage. Presently, only establishments that apply an 18% GST rate are eligible for ITC; those charging 5% GST on food services are excluded from this benefit.

When it comes to GST on essential food commodities—like fresh fruits, vegetables, and meats—the government has maintained a zero-tax rate. Taxation is only applicable to branded and packaged food products. The highest GST rate applied to any food item or service remains capped at 18%, avoiding the top 28% slab. Thus, no significant increase or decrease in food prices has been observed post-GST enforcement in this segment.

The issue of service charges levied by restaurants continues to be contentious. The Central Government is exploring legislative measures to ban such charges, branding them as "unfair trade practices" under the Consumer Protection Act. According to the Ministry of Consumer Affairs, many customers confuse service charges with statutory taxes, leading to inadvertent overpayment. Officials argue that these charges are unjustified and infringe upon consumer rights.

Understanding the impact of GST on the rapidly growing food and hospitality sector is crucial. Another important dimension relates to the Integrated GST (IGST), which involves complexities in its revenue sharing between the Centre and states. In April, IGST collections stood at ₹9,749 crore, a notable jump from just ₹564 crore the previous year. However, without finalized settlement of IGST revenue allocation, it remains difficult to assess the precise GST shortfall at the state level.

The COVID-19 pandemic has further disrupted the economic landscape, impacting production, supply chains, and daily business operations across industries. In response, the government introduced various relief measures. For instance, GST-registered entities with annual turnovers below ₹5 crore were allowed to defer their tax filings for March, April, and May 2020 until the last week of June, without facing interest or penalties. Larger entities were given until May 5 to file their returns for March, post which a reduced interest rate of 9% per annum (as opposed to the standard 18%) was applicable until June 30.

To support transparency and improve tax compliance, the Indian government in 2020 launched the 'Transparent Taxation Platform'. This initiative integrates advanced technologies like artificial intelligence and machine learning to minimize fraud, eliminate human bias, and encourage ethical tax practices. Despite being hailed by Finance Minister Nirmala Sitharaman as a significant milestone in tax reform, concerns were raised about the inadequate infrastructure supporting its implementation.

GST TAX RATES FOR HOTELS AND RESTAURANTS

- **Hotel Accommodation Charges:**
Rooms priced below ₹1,000 per day are exempt from GST. For room tariffs ranging between ₹1,000 and ₹2,500 per night, a GST rate of 12% is applicable. Rooms with daily rates from ₹2,500 to ₹7,500 attract an 18% tax, while those exceeding ₹7,500 per night are taxed at 28%.
- **Food Services in Restaurants:**
In non-air-conditioned (non-AC) restaurants, a 12% GST is levied on food bills. Air-conditioned (AC) restaurants are subject to an 18% GST on the total bill amount.
- **Alcoholic Beverage Services:**
Restaurants serving alcohol—regardless of whether they are AC or non-AC—are taxed at 18% on the overall bill.
- **Cab Rental Services:**
When the cost of fuel is included by the service provider, a GST rate of 5% applies. If the customer bears the fuel expense separately, then an 18% tax rate is charged.
- **Venue Rentals for Events and Conferences:**
Leasing premises for conducting events or conferences is subject to an 18% GST.
- **Other Services:**

Telecommunications, laundry, fitness centers (gymnasiums), beauty salons, business support services, and recreational clubs all attract GST at 18%.

APPLICABLE GST RATES FOR FOOD SERVICES AND RELATED OFFERINGS

Restaurants (General): A flat 5% GST is applied to restaurant services, whether air-conditioned or not.

Hotel-based Restaurants (Room Tariff < ₹7,500): Restaurants operating within hotels where room charges are less than ₹7,500 per night also levy 5% GST on dine-in, takeaway, and room service.

Contract-Based Food Services: Food or beverages (excluding alcoholic drinks) served in facilities like office canteens, hostels, industrial messes, and educational institutions under contract are taxed at 5%.

Railway Catering: Food and meal services provided on trains or at platforms by Indian Railways, IRCTC, or their licensees are taxed at 5%.

Hotel-based Restaurants (Room Tariff > ₹7,500): Restaurants situated in hotels where the room tariff exceeds ₹7,500 per day are required to charge 18% GST on all food-related services, including room delivery and takeaways.

Club or Guest House-Based Services: Food and beverage services offered within clubs or guest houses are taxed at 18%.

Outdoor Catering: All catering services provided outside the restaurant premises attract an 18% GST.

REVIEW OF LITERATURE

- GST will be advantageous to the Middle, States, industrialists, makers, the everyday person and the country on the loose since it would bring more prominent straightforwardness, better consistence, expansion in Gross domestic product (GDP) development and income assortments (The Money Priest 2010).
- GST being a Double idea includes the specialists of both Center along with Express that guarantees uniformity to both and straightforwardness (The IMF 2012).
- The reasonable guide of GST manages the controlling of dark cash in the economy (Girish Vanvari 2012).
- Execution of GST would prompt fascination of FDI, it would likewise decrease the assembling costs and advance the idea of "Make in India" (Srinivas K. R 2016).
- Outcome of execution of GST in country like India would prompt acknowledgment by additional countries across the world (Dr. R. Vasanthagopal 2011).
- According to the review led by Garg in 2014, he reasoned that GST will further develop the Indian Tax collection framework and it will be a sensible expense change to be presented in India. He likewise featured the significant targets, potential difficulties in the execution of GST and the open doors that GST brings. (Garg 2014)
- According to this review, it was recommended that GST will assist in killing the financial imbalances and will with empowering equal expense structures in various areas of India which is liberated from predisposition and treachery. (Kumar 2014)
- Sherawat and Dhandha in 2015, through their stud, reasoned that GST will guarantee an elite duty structure in India that is liberated from predisposition and is profitable to the Indian economy. They featured the benefits and potential difficulties in its execution. (Sehrawat & Dhandha 2015)
- They presumed that the execution of GST will be extremely gainful to the shoppers and makers. They led this review with a significant spotlight on the different advantages and open doors

connected with GST in the wake of concentrating on its experience, targets and its effect on the Indian Duty structure. (Khurana& Sharma 2016)

- They concentrated on the upsides and downsides connected with the GST and different escape clauses that should be manage before the execution of GST so that individuals are prepared to acknowledge it and will prompt financial turn of events and cost defense. It is a basic duty structure that should be carried out by disposing of the provisos. (Munde & Chavan 2016)
- Correlation among Labor and products Expense and Current Tax assessment Framework and viewed that as assuming that we analyze different charges and obligations forced under the ongoing duty framework and GST, GST would improve on the strategies, bring lucidity, higher result, open positions and monetary development. (Raj Kumar 2016)
- The 33rd GST board meeting had proposed to slice the paces of reasonable lodging to 3%, but it was simply decreased to 1% without the advantage of ITC. Rates for non-reasonable lodging decreased to 5% (prior 12%) without ITC. GST pace of 28% on concrete remaining parts unaltered. GST exception on TDR-Move Advancement Privileges, JDR-Joint Improvement Freedoms, FSI and so forth absolved under the GST. (33rd GST Chamber Meeting, twentieth February 2019, Video Conferencing)
- Essential exception limit expanded for provider of merchandise to Rs 40 lakhs which was beforehand Rs 20 Lakhs. In any case, fundamental exception limit for specialist co-ops is Rs 20 Lakhs. Specialist co-ops delivering autonomous administrations or blended labor and products, having yearly turnover upto Rs50 Lakh can decide on arrangement plot, the GST pertinent is 6% (CGST-3% and SGST - 3%). The province of Kerala given an endorsement to require 1% of Catastrophe/Disaster cess on all intra-state supplies of labor and products in Kerala. (32nd GST Committee Meeting, tenth January 2019, New Delhi)
- The committee chose to execute the GST 2.0 on the preliminary premise from first April 2019. E-way bill standards likewise made harsh by the public authority; a citizen can't create an E-way bill until they don't record the GST returns for two continuous periods. Improvement of Structure GSTR-9 and GSTR-9C. Augmentation of due dates for recording Yearly Return and Compromise explanation stretched out till 30th June 2019. (31st GST Chamber Meeting, 22nd December 2018, New Delhi)
- The 30th GST chamber meeting was expected to survey the headway made such a long way in the GST framework. The two fundamental plan of the gatherings were: (A) Development of GoM (B) Income position in all states. GoM is a seven-part bunch shaped to investigate the issues like: Burden of cess under GST that can be utilized in Kerala Help reserve and furthermore an arrangement to have an extra cess on specific products to be utilized in by states in the event of exigencies. Likewise, there has been a conversation on defense of expense rate on journey the travel industry and it is proposed to present to ATF that is Flying Turbine Fuel under the ambit of GST. (30th GST Chamber Meeting, 28th September 2018, Video Conferencing)
- To guarantee more digitisation in the economy, proposition for cash back program has been presented by expanding the client base of advanced exchanges. Likewise, a gathering to settle the issues looked by the MSME a sub-panel has been shaped. (29th GST Board Meeting, first August 2018, Delhi)
- Different measures to improve on returns and abrogation of the GST enlistment have been presented. Additionally, GST relocation window returned for the citizens who didn't move to the GST system. Different advances like - Discount of collected ITC, various enrolments in a state, changed edge limit for the GST Enlistment have been presented. (28th GST Committee Meeting, first July 2018, Delhi)
- According to the GST board, presently the citizens in the class of arrangement vendors and having nothing exchanges can record quarterly returns. Online course of giving notification and orders for inversion of info credits and recuperation of duty. Easy to use IT connection point to transfer solicitations that permits to transfer vender solicitations whenever so the purchaser can

profit ITC, which can be determined consequently. Government to present worked on bring process back. (27th GST Board Meeting, fourth May 2018, Kolkata)

- The significant focal point of this gathering was on the return rearrangements process, GSTR Documenting process that is of GSTR-1 and GSTR-3B reached out till June 2018. Deferment of converse charge component on exchanges from unregistered vendors, arrangements connecting with the execution of duty deducted at source and expense gathered at source till 30th June 2018. for simpler discount handling, Execution of e-wallets from first October 2018, Required E-way bill from first April 2018 on all between state supplies, where the worth of transfer is more than Rs. 50,000. (26th GST Chamber Meeting, tenth Walk 2018, Delhi)
- To determine the managerial issue between the middle and state regarding how much control place and state should have on surveys enlisted under Tank, extract and administration charge the gathering proposed two division (A) Even Division: where the evaluates to be split among focus and state in a proportion of 3 years. (B) Vertical Division: Surveys to be isolated based on turnover, otherwise called cross strengthening. (Fourth GST Gathering Meeting, third and fourth November 2016, New Delhi)
- Arrangement to remunerate the states in initial 5 years of the send-off of GST. First April chose as the authority date for carry out of GST. Pace of GST as the most significant as the costs of items would rely upon it. (Third GST Board Meeting, eighteenth and nineteenth October 2016, New Delhi)
- States to be repaid on the proper development pace of 14%. The committee settled on six issues up to this point. Rules connecting with Discount, Enrolment, Instalment, Invoicing, Charge and Credit notes were endorsed. North-East states the given exclusions via discounts. CBEC had proposed in the past gathering with respect to the control on help citizens to be under the purview of the middle however the state didn't consent to it as it will bring tremendous income misfortune for them. (Second GST Gathering Meeting, 30th September 2016, New Delhi)
- The principal meeting of GST committee was held with the assurance to present cross country GST on first April 2017. Rules connected with GST Rates, organization plan and edge limit were examined. It was likewise settled to charge GST at the pace of 1-2% from dealers, having a yearly turnover of up to Rs 50 lakhs. (First GST Gathering Meeting, 22nd and 23rd September 2016, New Delhi)
- Man-made brainpower or known as computer-based intelligence is a moderately new peculiarity in charge. As of late the public authority of India declared to utilize unremarkable expense appraisal framework engaged by artificial intelligence/ML. In the Current paper we endeavor to figure out the job of artificial intelligence/ML in Indian tax collection framework and based on variables, for example, charge information, charge schooling, lawful approval, intricacy of assessment framework, relationship with charge authority, saw decency of the duty framework, morals and perspectives towards charge consistence, consciousness of offenses and punishments, charge training, plausibility of being examined and so on. (A Concentrate on Use of Man-made brainpower and AI in Indian Tax collection Framework, Ankit Rathi, Dr. Saurabh Sharma, Dr. Gaurav Lodha, Dr. Manoj Srivastava).
- The present doctoral study is a lengthy piece of work (Halstead 1987) and consumed almost three to four years and during that time, I kept my enthusiasm level (Phillips 1980) up with full positive attitude and interest (Liam Hudson 1977).

GAP FINDING:

Although a wealth of secondary data is available on the topic, there is a noticeable scarcity of research specifically focused on the chosen geographical area for this study. The limited exploration in this domain has highlighted a significant gap, thereby prompting the need for a detailed investigation as part of my doctoral research. Navi Mumbai, being a growing socio-economic hub, warrants focused studies that delve

into the perceptions and experiences of both key stakeholders—namely, business owners and customers—regarding the implementation and impact of the Goods and Services Tax (GST).

This research aims to bridge the existing knowledge gap by offering insights into how GST has influenced the local hospitality and food service sectors. By analyzing this transformation, the study will provide a deeper understanding of the transition from conventional tax structures to the modern GST regime, which will be valuable for businesses operating in this dynamic region.

OBJECTIVES OF THE RESEARCH:

1. To study the impact of GST on the hospitality sector in Navi Mumbai .
2. To understand the impression of GST on hospitality business and its customers.

RESEARCH DESIGN

- Mixed research - Qualitative and Quantitative
 - testing theory through observation and data (Primary & secondary).
- Exploratory Study
 - Purposive, (deliberate) self-selection sampling and area sampling.
- Collection of data
 - In- depth personal interview with respondents from hospitality sector.
 - Survey method to be applied for data collection from stake holders.
 - online / offline questionnaire method.
- Delphi method / expert advice for probable solutions and understanding.
- Self-completion diaries
 - to track issues and dynamism in industry.
- Sample size
 - 800 - 900 customers, 40-50 hotel officials and 40-50 restaurant officials [structured and semi-structured] approximately
 - Location of study - Navi Mumbai
 - Analysis - SPSS package and tools

ANALYSIS AND INTERPRETATION

Reliability test

Case Processing Summary

		N	%
Cases	Valid	1044	100.0
	Excluded ^a	0	.0
	Total	1044	100.0

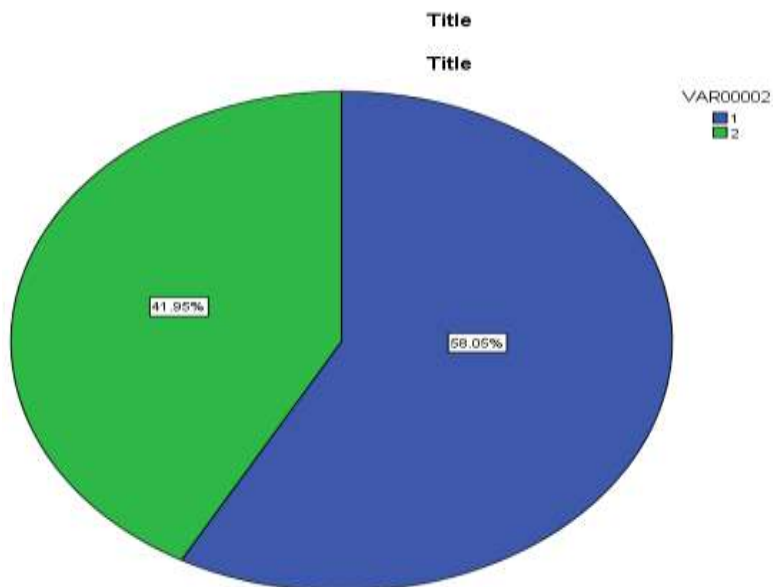
a. Listwise deletion based on all variables in the procedure.

Table - Reliability Statistics	
Cronbach's Alpha	N of Items
.796	20

Reliability analysis for each parameter was done using Cronbach's Alpha and the calculated value is given above. The value is found to be above 0.796 for most of the cases for 40 items in total. Hence, we conclude that the values of reliability are satisfactory and we shall proceed with further analysis of data.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q2	1044	1	2	1.42	.494
Gender	1044				



Out of the total sample of 1044 in the study it is found that 58.05% are female and 41.95 are male respondents.

Hypothesis of research

The research hypothesis is designed based on literature review and objectives.

Hypothesis 1

H0 - There exists no statistically significant correlation between GST and its impact on restaurant owners purchase bills and on restaurant food bills.

H1 - There exists a statistically significant correlation between GST and its impact on restaurant owners purchase bills and on restaurant food bills.

Case Processing Summary

		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent

Q9 Does Pandemic COVID -19 had challenges to business * Q17 GST would increase inflation in our country amid pandemic	1044	100.0%	0	0.0%	1044	100.0%
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Q9 * Q17 Crosstabulation

Count

		Q17					Total
		1	2	3	4	5	
Q9	1	0	6	6	6	0	18
	2	6	6	6	0	6	24
	3	0	6	54	6	0	66
	4	36	114	102	270	48	570
	5	6	48	114	132	66	366
Total		48	180	282	414	120	1044

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Phi	.447			.000
	Cramer's V	.224			.000
Interval by Interval	Pearson's R	.168	.030	5.506	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.163	.029	5.336	.000 ^c
N of Valid Cases		1044			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
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N of Valid Cases		1044			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As the Pearson Chi-Square significant level is $0.00 < 0.05$ from the results driven thus null hypothesis H0 is rejected and alternate hypothesis H1 is accepted showing good fit. Thus, we conclude that at 90% confidence level for exists a statistically significant correlation between GST and its impact on restaurant owners purchase bills and on restaurant food bills.

Hypothesis 2

H0 - There exists no statistically significant correlation between application of taxation and perceptions of customers.

H1 - There exists statistically significant correlation between application of taxation and perceptions of customers.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Q8 Are you stressed to pay so much of tax as a customer to hospitality industry * Q12 As a customer/Consumer you are aware about GST rates charged in Hotels/Restaurant	1044	100.0%	0	0.0%	1044	100.0%

Q8 * Q12 Crosstabulation

Count

		Q12					Total
		1	2	3	4	5	
Q8	1	6	0	6	6	30	48
	2	0	6	0	78	30	114
	3	6	0	30	96	30	162
	4	6	12	30	348	180	576
	5	0	6	0	42	96	144
Total		18	24	66	570	366	1044

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal Phi	.461			.000
Cramer's V	.230			.000
Interval by Interval Pearson's R	.147	.037	4.813	.000 ^c
Ordinal by Ordinal Spearman Correlation	.194	.032	6.395	.000 ^c
N of Valid Cases	1044			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

As the Pearson Chi-Square significant level is $0.00 < 0.05$ from the results driven thus null hypothesis H_0 is rejected and alternate hypothesis H_1 is accepted showing good fit. Thus, we conclude that at 90% confidence level, there exists statistically significant correlation between application of taxation and perceptions of customers.

EFFECTS OF GST ON THE HOTEL AND RESTAURANT INDUSTRY

- The introduction of GST has eliminated the need for multiple indirect taxes by bringing in a unified tax system. This simplified taxation has resulted in a lower effective tax rate, making India a more attractive destination for both domestic and international tourists.
- Businesses providing hotel accommodations, whether directly or through agents, are required to obtain GST registration in every state where such services are offered.
- An audit under GST becomes mandatory when a hotel or restaurant's total turnover surpasses the specified threshold limit.
- Establishments in this sector must define their policies regarding discounts and promotional schemes in advance, and such policies should be well documented and compliant with GST rules.
- All invoices and receipts for both incoming and outgoing supplies need to be reported and uploaded onto the GST portal for transparency and compliance.
- Since alcohol and electricity do not fall under the scope of GST, the hotel industry is unable to claim input tax credit on these expenses. This limitation can have an adverse financial impact on businesses in this sector.
- Only restaurants registered under the GST regime are permitted to charge GST on their food bills. Unregistered food establishments are not authorized to levy GST on customers.

CONSUMER IMPACT POST-GST IMPLEMENTATION

Before the rollout of GST, consumers dining at restaurants were subject to a combination of taxes—namely, a 6% service tax and an average Value Added Tax (VAT) of around 14.5%, though the VAT rate varied across states. This resulted in a cumulative tax burden of approximately 20.5% on food and beverage bills.

However, with GST in place, food and beverage services provided by restaurants are now considered a service under a single tax regime, attracting a flat 18% GST. This change has slightly reduced the overall tax burden for regular diners, effectively saving them around 2.5% to 3% on their bills.

That said, high-end or luxury restaurants, especially those located in 5-star and above-rated hotels, are now subject to a higher GST rate of 28%. This significantly increases costs for consumers who prefer dining in upscale environments.

Moreover, the cost of hotel accommodation has also risen under GST. While previously, a service tax of 9% was applicable, the revised GST rate for hotel stays has increased to 18%. For luxury hotel rooms priced above ₹5,000 per night, the tax rate now climbs to 28%, thereby making high-end hospitality experiences notably more expensive for consumers.

IMPACT ON RESTAURANT OWNERS

One of the primary benefits for restaurant owners under the GST framework is the ability to avail **Input Tax Credit (ITC)**, which was not as seamless in the pre-GST era. Previously, they had to comply with two separate taxation systems—Service Tax and VAT—which added to the administrative burden. The introduction of GST has simplified this by merging multiple taxes into a single unified tax regime, reducing complexity in compliance and reporting.

However, this system also brings certain challenges. Restaurants that serve alcoholic beverages face a unique issue, as liquor for human consumption falls outside the scope of GST. Consequently, these establishments must continue to adhere to the earlier tax structures, involving VAT and other applicable state taxes for alcohol sales. This dual compliance increases the administrative workload and creates complications in claiming input credits, as these are not available on liquor-related transactions.

IMPACT OF GST ON THE HOTEL INDUSTRY

The Indian hospitality and tourism industry is on a rapid growth trajectory, projected to rise from ₹15.24 lakh crore (approximately US\$234.03 billion) in 2017 to ₹32.05 lakh crore (roughly US\$492.21 billion) by 2028. The rollout of the Goods and Services Tax (GST) has brought several advantages to this sector. It has helped streamline the taxation structure, reduced transactional costs for businesses, and marginally lowered the financial burden on customers. However, the industry still faces a number of challenges under this new tax system. This section aims to explore the multifaceted impact—both positive and negative—of GST on India's hospitality and tourism sectors.

LIMITATIONS OF THE STUDY

Comprehensively covering every study conducted on Goods and Services Tax (GST) is a considerable challenge due to the vast amount of existing research. However, this study attempts to highlight the key areas of inquiry and summarize significant findings that have emerged. It also outlines the major issues identified and suggests possible approaches to address them. Despite best efforts, certain nuanced aspects may not be fully captured before the research conclusions are ultimately presented to stakeholders.

SUGGESTIONS FOR FUTURE RESEARCH

- i. Exploring new perspectives on the challenges associated with GST implementation across various sectors in India.
- ii. Evaluating the preparedness and efficiency of the Information Technology infrastructure in supporting the current GST framework within the Indian context.

Based on the hypothesis, the expected findings from our research on the impact of GST on the hospitality industry in Navi Mumbai would include the following:

1. **Positive Correlation Between GST and Growth Opportunities** : GST has facilitated expansion and modernization in the hospitality sector by simplifying tax structures and promoting operational efficiency.
2. **Customer Perceptions Are Influenced by Tax Policies** : GST has influenced consumer behavior and price sensitivity, with customers responding to simplified billing and single tax visibility.
3. **Impact on Restaurant Operations** : Restaurant owners have experienced measurable changes in their purchase and food billing systems. GST enabled input tax credit (ITC) benefits, though not uniformly across all items (e.g., alcohol not included), affecting cost structures.

4. Hotel Room Pricing Adjustments : Room tariffs were notably impacted in both the pre-COVID and post-COVID epochs, with GST implementation prompting a need for pricing strategy shifts.
5. Tax Literacy and Reform Awareness: A significant correlation exists between GST implementation and increased awareness or literacy about tax reforms among stakeholders.
6. Complexity and Legal Formalities: Rising ambiguity among taxpayers is significantly linked to increasing legal and procedural formalities under the GST regime.
7. Pandemic and Business Sustainability: The COVID-19 outbreak had a statistically significant correlation with sustainability challenges in the hospitality sector, highlighting operational vulnerabilities during crises.

CONCLUSION

The introduction of GST has reshaped the taxation framework for restaurants in Navi Mumbai. However, the true extent of its influence on this sector hinges on several factors, including shifts in tax rates, operational hurdles, consumer preferences, and adherence to regulatory norms.

To gain a deeper understanding of GST's implications in this area, further localized studies focusing on Navi Mumbai's restaurant industry are essential.

This tax reform is expected to streamline compliance efforts for taxpayers by standardizing processes across different states and promoting a unified tax regime. The restaurant industry, once weighed down by a variety of high-cost levies under the earlier system, now benefits from a more consolidated tax structure.

From the consumer's perspective, the removal of multiple layered taxes has been a welcome change, leading to greater satisfaction.