

**SVMVV SANGHA'S  
SHRI VIJAY MAHANTESH ARTS AND COMMERCE  
COLLEGE FOR WOMEN, ILKAL.**



***PROJECT WORK ON GST***

Submitted to

**DEPARTMENT OF COMMERCE**  
Shri Vijaya Mahantesh Arts & Commerce  
College for Women, Ilkal.

Guided By  
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**2021-22**

SVMVV'S  
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We Sincerely thank to Hanorable 'Smt K. D. Biradar' Without Whom we wouldn't have Completed this project report.

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And above all We are thankful to our family and friends who helped us for the Completion of this project report

Date: 10/09/2021

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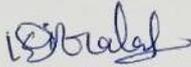


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DEPARTMENT OF COMMERCE

CERTIFICATE

This is to Certify that Miss, Sharanamma B.H. ,Kaveri. S, Kamma Kammar, Sangeeta Shekaragouda, Shreedevi Kirasur, of Bachelor of Commerce, ILKAL. Have Successfully Completed their Fifth Semester 'Project Work on G S T (Goods and Services Tax)' under my guidance as a value addition to academic curriculum.

  
Assistant Professor  
Project Guide

  
Principal  
**PRINCIPAL**  
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**DECLARATION**

We hereby declare that the project on GST Submitted for academic  
Curriculum is our original work

**Students Name**

- |                                 |                                                                                       |
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# **HDFC BANK**

Housing Development Finance Corporation

Project report on implications of Goods & Service Tax  
(GST) On Automobile Industry of India.

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## Executive Summary

The internship report on implications of goods and service tax on automobile industry of India was assigned by Mr. Vikas Tuteja, the Branch manager at HDFC Bank G14-1 Branch.

The objectives of the study was to find implications of goods and services tax on automobile industry of India, whether it will act as a boon or bane for industry. The other sub-objectives are as follows:

- To study how auto loans will get impacted after GST implementation.
- How GST will affect Indian Economy.

Any Secondary data was used to prepare this report. This report is divided into few chapters such as introduction to banking sectors, impact overview of company profile (HDFC Bank), introduction to tax and elaboration of GST in-sights, impact of GST on automobile sector and Indian economy. The last chapter is about conclusion and recommendations which are drawn from analysis of whole study.

## Banking Sector

As per the RBI of India, India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic company industry.

Market Size : The Indian banking system consists of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1574 urban cooperative banks and 93,913 rural co-operative banks, in addition to co-operative credit institutions. Public sector banks control more than 70% of banking system assets. Thereby leaving a comparatively smaller share for its private peers. Banks are also encouraging their customers to manage their finances using mobile phones.

## About HDFC Bank

The HDFC Bank was incorporated on August 1994 by the name of HDFC Bank Ltd. with its registered office in Mumbai, India. HDFC Bank commenced operations as a scheduled commercial bank in January 1995. The Housing Development Finance Corporation (HDFC) was amongst the first to receive an in principle approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of RBI's liberalization of the Indian Banking Industry in 1994. Few facts about HDFC Bank.

- \* HDFC Bank has 84,325 employees as on March 2017 and has a presence in Bahrain, Hong Kong and Dubai.
- \* HDFC Bank is India's second - largest private sector lender by assets.
- \* It is largest bank in India by market capitalization as of February 2016. It was ranked 69<sup>th</sup> in 2016. Brandz<sup>TM</sup> Top 100 most valuable global brands.
- \* HDFC Bank merged with Times Bank in February 2000. This was the first merge of two private banks in the new generation private sector

banks category.

→ In 2008, Centurion Bank was acquired by HDFC Bank. HDFC Bank Board approved the acquisition of CBOP for 95.1 billion INR in one of the largest mergers in the financial sector in India.

→ The largest entry in the league is 'project AI', under which HDFC Bank over the next few weeks would deploy robots at select bank branches. These robots will offer options such as cash withdrawal or deposit, forex, fixed deposits and demat services displaying on the screen to persons coming into the branch.

Share holders	Shareholding
Promoters Group (HDFC)	21.57%
Foreign Institutional Investors	32.4%
Individual Shareholders	8.75%
ADR / GDRS	18.78%
Insurance companies	5.38%
Mutual Funds	68.65%

Products and Services:

- Travellers cheques
- Credit card
- Home loan
- Personal loan

- \* Foreign currency cash.
- \* Foreign currency demand drafts
- \* cheque deposits
- \* Remittances
- \* Trade services
- \* mutual funds
- \* Insurance

## SWOT Analysis

### Strength:

- \* HDFC is one of the leading new page private banks.
- \* HDFC Bank has over 4500 + branches and over 12000 ATMS, in more than 800 cities in India as on March 2017.
- \* HDFC has a large collaborations with corporate for employee salary accounts.
- \* Acquisitions have boosted operations of the bank.
- \* HDFC has been responsible for several CSR activities and has also been recognized with several banking awards.

### Weakness:

- \* Rural Penetration is low for HDFC as compared to nationalized banks.
- \* Competition from public and private sector banks means limited market share growth.

## Opportunities:

- Mobile banking, internet banking etc can be a huge boon for HDFC's business.
- Venturing more into rural areas can be done by HDFC.
- Providing more complex products to the ever increasing demands of the industry.

## Threats:

- Competitors increasing their business can adversely affect HDFC's business.
- New banking licenses and regulations can impact operations.
- Foreign banks that offer complex products.

## Vision Statement:

- "Become the undisputed market leader in providing housing related finances, to realize the dream of shelter for all in India".

## Mission Statement:

- Optimize returns for shareholders.
- Provide caring and satisfactory service to the customer.
- maintain the financing and national housing policy.

## Objective of study

The objective of the study is to find implications of Goods and Service Tax (GST) on automobile industry of India, whether it will act as a boon or bane for industry. The other sub-objectives are as follows:

### Sub-objectives

- To Study how auto loans will get impacted after GST implementation.
- How GST will affect Indian Economy.

Government rolled out GST on 1<sup>st</sup> July 2017.

## Goods and Service Tax (GST)

GST is an indirect taxation in India merging most of the existing indirect taxes into single system of taxation. It was introduced at the constitution act 2016, following the passage of constitution 122<sup>nd</sup> amendment bill. The GST is governed by GST council and its chairman is Union finance minister of India, Mr. Arun Jaitley.

GST is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India. (Except state of

Jammu and Kashmir), to replace taxes levied by the Central and State governments.

- \* SGST - State Goods and Service Tax
- \* CGST - Central Goods and Service Tax

### Facts:

- \* France, first country to introduce single GST (VAT) in 1954.
- \* Brazil, Canada has dual GST
- \* 160 countries have implemented GST/VAT in some form or other.
- \* India will follow Canadian model of GST.

GST has 4 tax Slabs

- 5% slab
- 12% slab
- 18% slab
- 28% slab

Tax at time of buying car.

Tax type	Percentages	Collectors
Excise duty	12%, 24%, 27% (Depending on the size of cars)	Central Government
manufacture cess	1% to 4%	Central Government
VAT	12.5% to 14.5%	State Government
Road Tax	3% to 24%	State Government
Entry Tax	4%	State Government

Segment	Excise	VAT	Others	Total Tax	Proposed GST Slab	Impacted cars
Small Hatchback Sedan and SUVs with length < 4m	13%	14%	2.7%	29.7%	38%	Alto, wagon R, Swift, Elite 130, 110, 744, Celerio, Amara, Amio, Baleno, Ecosport etc.
Mid size length > 4m but engine capacity less than 1500 CC	24%	14%	2%	40%	38% + 3% Cess	City, Ciaz, Vento etc.
Big cars / luxury cars length > 4m & engine capacity more than 1500 CC	27%	14%	2.1%	43.1%	38% + 15% Cess	Grand, E-Landia, Altis
SUVs / MPVs length > 4m, engine capacity > 1500 CC	30%	14%	2.1%	46.1%	38% + 15% Cess	Scorpio, Safari, Onix, Innova.

# How car will cost Less Post GST

	maruti swift Petrol	Honda city Petrol
Price	100	100
Central Excise Duty	12.50%	27%
Infrastructure Cess	1%	4%
Freight	5%	5%
Insurance	2%	2%
Octroi	4.5%	6%
VAT / CST	13.50%	19%
Total	143	<del>164</del> 164
Price	100	100
Freight	5%	5%
Insurance	2%	2%
GST	28%	30%
Total	137	137
change over Pre-GST Price (%)	-4.2	-16.3

## Limitations

- Lack of clarity on subsuming of cess.
- Impact on Registration, Return and Accounting
- Valuation Disputes
- Transfer of Right to use of car with accessories handling charges.
- Post supply discounts.

## Effect of GST on Indian Economy

- Increased FDI
- Growth in overall revenues
- Simplified tax laws
- Increased in exports and employment

## Conclusion

India has many taxes in place like excise, sales tax, service tax, entertainment tax, VAT etc. These taxes are divided at central as well as state level. These bundle amount of taxes are difficult to manage and sometimes causes inconvenience to business and customers. GST aims to solve it with single indirect taxation system.

GST has been the buzzword in the country for the last few days and finally the bill has passed leading to the realization of "one country one tax" at least on papers for now.

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