

Restaurant Bills under a Scanner!

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ABSTRACT

This paper tries to answer the question: What kind of inconsistencies are there in restaurant billing and how is it likely to change after GST is introduced? Photographs of pre and post GST bills were used to collect information from Delhi, Mumbai and Pune. An online survey was used to check awareness amongst consumers about the taxes charged. Interviews with tax experts were used to understand tax rules. Our data confirmed many inconsistencies in billing before GST was introduced. Our hypothesis that bills will be simpler and more consistent after GST has been proved to be correct to a large extent. Earlier there were up to six different taxes charged and it varied from state to state but now there are a maximum of three taxes charged at the same rate across the country. There were differences in Service Charge, cost of bottled water and VAT on alcoholic beverages but these inconsistencies remain. We have also found that restaurants that used to charge no tax on take-away, and if we sat in a Non- AC section, now charge 18% tax. However, fully AC restaurants have not become more expensive. We believe that our research is very useful to the general public since findings from the survey indicate that awareness about taxes and rules is low. We heard many people say that by just answering the survey they had started noticing and questioning the inconsistencies. If the full report is shared with the public, it will definitely help them too.

(249 words)

INTRODUCTION

The Research Question:

What kind of inconsistencies are there in restaurant billing and how is it likely to change after GST?

Rationale:

Personal reasons:

“My father used to own a restaurant and I would observe the bills carefully when they were brought home for checking. I found many differences and spelling mistakes on the bills so I thought I had to work on it.” Ranveer

“I was initially interested in corruption in public life and then we started talking about corruption in restaurants. We discussed how we as consumers were being fooled with high price of food and numerous taxes. I was introduced to new terms like VAT, Service Tax and the Cesses. These fascinated me and I decided to find out more about billing in restaurants.” Shreenaya

“My father has made an application to help with the restaurant billing system. So I was interested in this topic.” Arnav

Other reasons:

During a preliminary study of restaurant bills we found many discrepancies in them. For example:

- Taxes varied amongst restaurants and percentages too.
- Service Charge, Service Tax, VAT on beverages, VAT on food was charged but no percentages given
- Value Added Tax (VAT) was sometime charged and sometimes not and the percentages also differed from one restaurant to another
- Swach Bharat Cess and Krishi Kalyan Cess was sometimes charged and sometime not. We also read that they should be charged at 0.2% but some restaurants charged 0.5% instead.
- Some restaurants did not charge any tax at all

Some sample bills may be seen in Appendix1

References

We also read articles, which made us think about the inconsistencies.

1. One article from Times of India (2016 Oct 15) said that Ram Vilas Paswan the Minister of Consumer Affairs had said bottled water and packaged drinks should not be charged above MRP in hotels and restaurants and could be punishable by a fine and jail term. But our experience told us that most charged above MRP.
2. Another article from Times of India (2017Jan 02) said that paying Service Charge was not compulsory and that the government has announced that it is at the consumers discretion, however many restaurants still charge it.
3. We also found that it was mandatory for restaurants to mention the Service Charge in the menu card-This was according to an article in Midday (2015 July 24)) as quoted by NDTV. But we do not always see this in restaurants.
4. An article in Economic Times dated (2015 June 10) stated that the Finance Ministry had clarified that Non AC restaurants should not charge Service Tax but we found that some did.
5. Some restaurants charged Service Charge and some did not. Though a letter by the Ministry of Consumer Affairs, Food and Public Distribution (2017 April 17) said that it is actually up to the customer to decide how much to pay.
6. And then we heard that the Goods and Services Tax (GST) was to be implemented from 1st July and that it would simplify taxes. It was to replace all Central and State taxes. But we also heard that many people doubted whether GST would really help. This can be seen in this video interview of a restaurant owner in Bangalore by a journalist from Bloomberg Quint, in a TV program called Fineprint.
<https://www.youtube.com/watch?v=CP0NW8R8yoQ>
7. After the introduction of GST we came across an interesting article which stated that all take away from AC restaurants and even restaurants with an AC section must charge GST of 18%. This made many restaurants more expensive.

Links to all articles can also be found at the end of this document under 'Citations'.

Relevance of our research- Based on the above information, observations and experiences we believe our research question is very important to our community in Pune and even for people across India because-

1. People in cities visit restaurants often. If we share our research they will become more aware and alert about the billing. They can question inconsistencies and not be cheated. Just participating in the awareness survey made people more aware and they started questioning the billing. We heard of many instances where people started noticing the inconsistencies after they had participated in our online survey and told us about it. Moreover, 66 people said they would like to read our report in an answer to a question in the survey.
2. If we share our research with restaurant owners they may become more particular about how they create the bills. In our experience we found that even restaurant owners were not sure about some tax rules.
3. If we share the report with someone from the press it will get more exposure and more people will become aware of the tax rules and their rights

Hypothesis- We think that presently there are too many discrepancies in restaurant billing but after GST is introduced bills will become simpler and very consistent since GST will wipe out VAT, Service Tax and many other taxes.

Conclusions- Our data confirmed many inconsistencies in billing before GST was introduced. Our hypothesis that bills will be simpler and more consistent after GST has been proved to be correct to a large extent. Earlier there were up to six different taxes charged and it varied from state to state but now there are a maximum of three taxes charged at the same rate across the country.

There were differences in Service Charge and cost of bottled water and beverages but these inconsistencies remain. So also, VAT on alcoholic beverages is still different in different states.

A surprising finding was that restaurants, which used to charge no tax for take-away, and if we sat in a Non-AC section of an AC restaurant, now charge 18% tax irrespective of where we sit. However, fully AC restaurants have not become more expensive.

METHODS OF DATA COLLECTION

We used the following methods because we wanted to collect information from a large number of restaurants and customers across Delhi, Mumbai and Pune.

- 1) Photographs and observation table – We used photographs of restaurant bills because paper bills fade and we were able to collect bills from many cities very easily through WhatsApp. It was also easier to store and find the relevant photograph when needed. We collected 124 bills which covered the period from May to September 2017. 67 were from pre GST period (May to June) and 57 bills from the post GST period (July to September). The photographs were collected by all members of the group through their contacts in Pune, Mumbai and Delhi. They were sent over WhatsApp and then downloaded to the laptop and stored in a particular folder.

Photographs of some sample Pre GST bills can be found in Appendix 1 and sample Post GST bills can be found in Appendix 2. All bills are available on request.

We observed restaurant bills carefully and looked specifically at Service Tax, VAT, Service Charge, Krishi Kalyan Cess, Swach Bharat Cess and other taxes that are charged during the Pre GST period. We also looked for the VAT TIN and Service Tax numbers. Post GST we looked for changes in the billing system and whether it had become simpler and less prone to inconsistencies.

Two separate sheets were maintained on an Excel document as can be seen in the screen shots below.

Excel spreadsheet titled "Data table_with gst.xlsx" showing a table with columns: NAME OF RESTAURANT/CITY, BILL DATE, AC/NON AC, Service Tax, ST NO., VAT ON FOOD, VAT NON ALCOHOLIC BEVERAGES, VAT ON ALCOHOLIC BEVERAGES, VAT TIN, SWACHH BHARAT CESS, KRISHIKALYAN CESS, Service charge, Cost bottled water/beverages, Miscellaneous, and others. The table lists various restaurants and their GST-related details. A large watermark "Pre GST Data Table" is visible across the middle of the table.

Excel spreadsheet titled "Data table_with gst.xlsx" showing a table with columns: City, NAME OF RESTAURANT/CITY, BILL DATE, AC, GST NO., SGST Rate, CGST Rate, Total GST, GST Rate on Non alcoholic beverage, CGST Rate on Non alcoholic beverage, VAT on alcoholic beverages, Service charge, and others. The table lists various restaurants and their GST-related details. A large watermark "Post GST Data Table" is visible across the middle of the table.

The Excel document can be seen at

...<https://drive.google.com/file/d/0B-1zldYQ4zvmMjgxbEVDm2IlbFk/view?usp=sharing>

- 2) Survey – We used an online survey to understand a restaurant customer's personal opinion and their awareness of tax rates in restaurants and their opinion about GST. We did this to understand whether our research would be

of help to them since it was sent out in the month of May before GST was introduced.

We received 100 responses within a week of the survey having been sent out. We used the online survey for restaurant customers since we could reach many friends and relatives through our parents WhatsApp groups. We forwarded the following link so that they could fill in the survey easily.

<https://docs.google.com/forms/d/1ToomLHLJMp-sPQ3SbFoTPHZjPYQijWreGgMPC-EYslHM/edit?ts=5991c2c5>

3) Interviews with restaurant owners- We had planned on meeting and interviewing 5 restaurant owners each, since we wanted to know their opinion too. But 3 of us did not complete these interviews. The sample questionnaire is in Appendix 3.

4) Interaction with experts- We spoke to two experts, one was a Chartered Accountant, Mrs Priyanka Agarwal and the other was a GST expert Mr Sumit Bansal.

We had a face to face interview with Mrs Priyanka Agarwal in the month of May but missed recording it. So we had to send her a written questionnaire later. This can be found in Appendix 4 along with her responses.

We asked her basic information about tax rates and what she thought about the introduction of GST and how it was likely to affect business and the customers.

Later in the month of August after GST was introduced we spoke with Mr Sumit Bansal to understand more about GST. He is a Sr. Partner in a leading CA firm in NCR and has its offices in New Delhi, Ghaziabad and Meerut. Currently he is also serving as Chairman, Indirect Taxes of Mahanagar Tax Bar Association, Ghaziabad. We used a telephonic interview with him since he resided in another city. The recording of his interview can be found at the link that follows. It can be downloaded and then heard.

<https://drive.google.com/file/d/0B-1zldYQ4zvmbGt6UTZSeWhIZ2xXYmxSOWdQX2JEb0RTYXRr/view?usp=sharing>

FINDINGS

Major Findings

1. We collected a total of 124 bills. 67 bills were from the pre GST period from the months of May and June and 57 from the post GST period from July and August.
2. The bills from the pre GST period showed taxes like 1) Service Tax, 2) Value Added Tax or VAT on food, 3) VAT on alcoholic beverages 4) VAT on non-alcoholic bevarages, 5) Swach Bharat Cess and 6) Krishi Kalyan Cess. VAT was also different in different states across the country. After GST we found only 1) Central GST 2) State GST or a combined GST and GST is the same across all states so it has brought in more uniformity. But VAT on alcoholic beverages varies from state to state so there is still some inconsistency in the bills. From 1st July itself bills became much simpler as was predicted by our hypothesis.
3. Inconsistency in Service Charge also did not change. Earlier it was charged by 30% restaurants and the same percentage continues to charge it after GST was introduced. Now more number of restaurants charge 10% than

before. However, 70% do not charge it, in line with the government directive that Service Charge is totally voluntary and should not be charged in the bill.

- One surprising finding was that AC restaurants have become slightly cheaper since they used to charge 5.6% Service Tax and 13.5% VAT in Pune, that is a total of 19.1%. Now they charge only 18% GST. However, take-away and Non AC restaurants have become more expensive. Earlier they were not supposed to charge Service Tax and even VAT was not charged by such restaurants, but now they all charge an additional 6% CGST and 6% SGST. Evidence of two such bills from pre and post GST period from the same restaurant can be seen below. If the restaurant has an AC section then they charge 18% GST. So the cheaper restaurants have become more expensive.



	Qty	Rate	Amount
Mulke Kofte	1	150.0	150.0
	3	20.0	60.0
Sub Total (RS) :			210.0
SGST 6.00% (RS) :			12.6
CGST 6.00% (RS) :			12.6
Total (RS) :			235.2
Gr.Total (RS) : 235			
GSTIN-27A.KPV71088124			

Post GST bill



	Qty	Rate	Amount
Pineapple Juice	1	90.0	90.0
Mineral Water	1	25.0	25.0
Set Dosa	1	100.0	100.0
Mysore Sada Dosa	1	70.0	70.0
Sada Dosa	1	60.0	60.0
Onion Uttappa	1	70.0	70.0
Medu Wada	2	70.0	140.0
Total (RS) :			555.0
Grand Total (RS) : 555			
GSTIN-27A.KPV71088124			

Pre GST bill

- People ate out fairly frequently but were not very aware of tax rates that were applicable in a bill, as is evident from the findings of the online survey.

Some sample bills are in Appendix 1 and 2

Findings from Pre-GST Bills

We collected 67 bills from the pre-GST period. Raw data is available at this link...

<https://drive.google.com/file/d/0B-1zldYQ4zvmZHdQSG9aXzZkcN/view?usp=sharing>

The Excel document has two different sheets for pre and post GST bills.

- Restaurants charged taxes like Service Tax, VAT on food, VAT on alcoholic and non-alcoholic beverages, Swach Bharat Cess and Krishi Kalyan Cess. Besides the taxes some restaurants also charged Service Charge which they are not supposed to. We also found that all the customers who bought bottled water paid more than MRP. This too was against government rules.

2. In Figure 1 you will see that 24 out of 67 (35.8%) restaurants charged 5.6% Service Tax which was the correct rate. And 16/67(23.8%) restaurants charged 6% which included Krishi Kalyan Cess and Swach Bharat Cess. 21/67(31.3%) restaurants did not charge any tax at all. These last ones were the Non AC restaurants. So there were different rates in different restaurants. A couple even had rates that did not seem relevant and a few charged without stating the percentage. So we do see many inconsistencies as stated in the hypothesis.

FIGURE -1

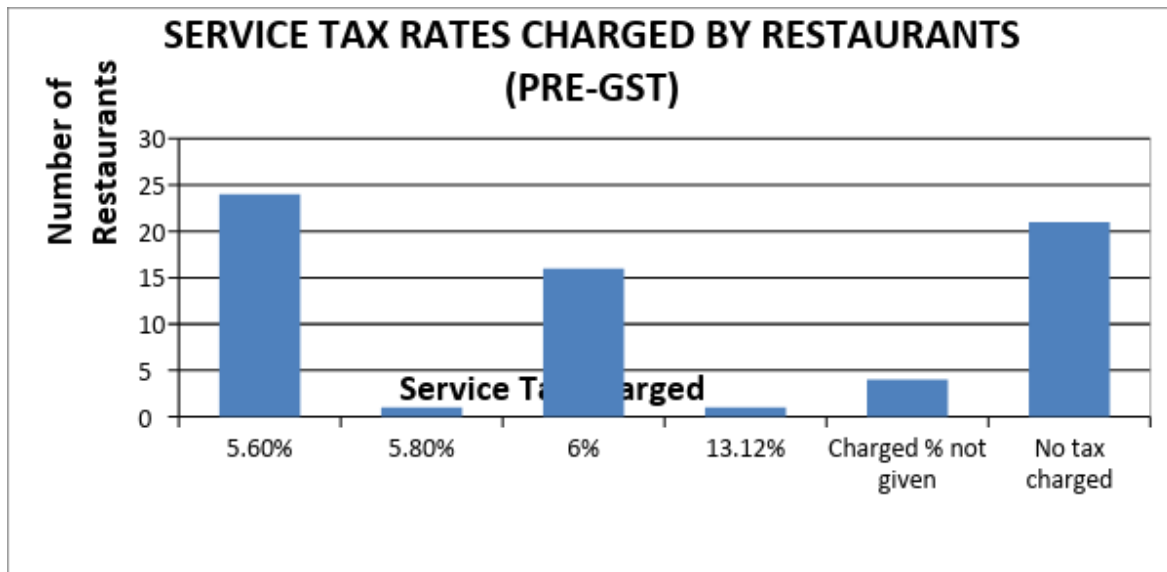
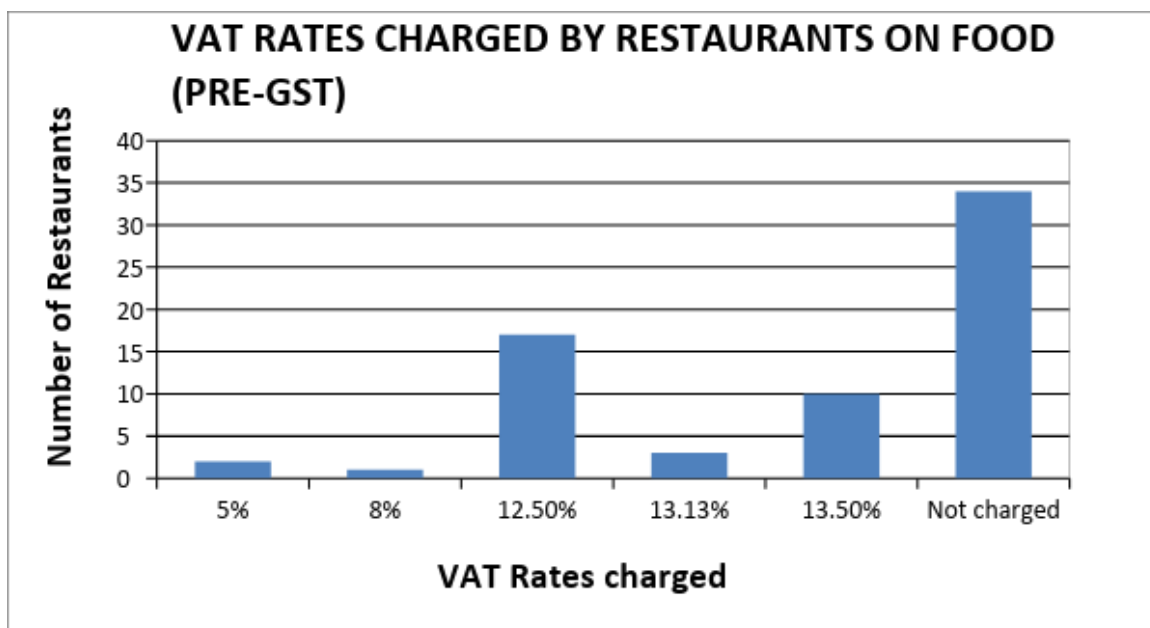
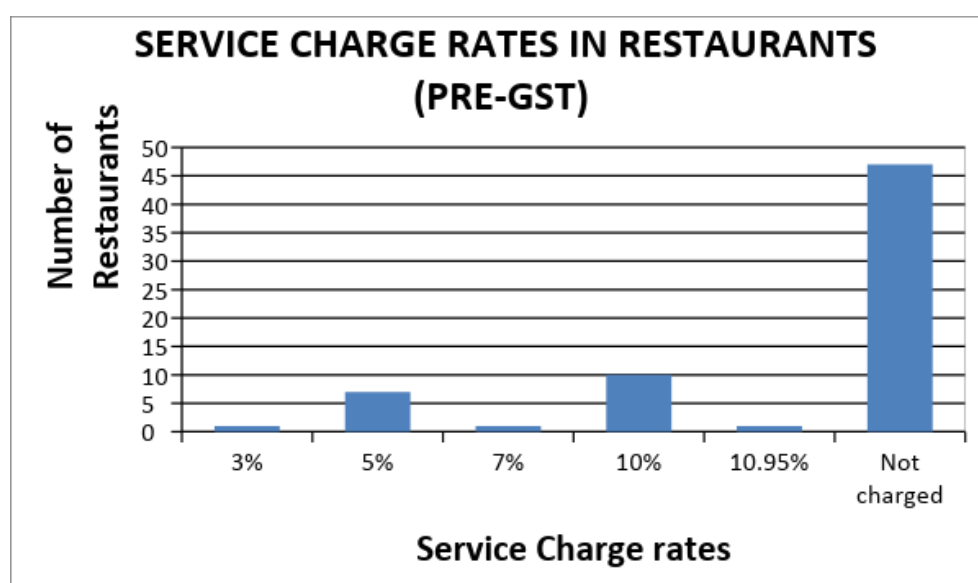


FIGURE-2



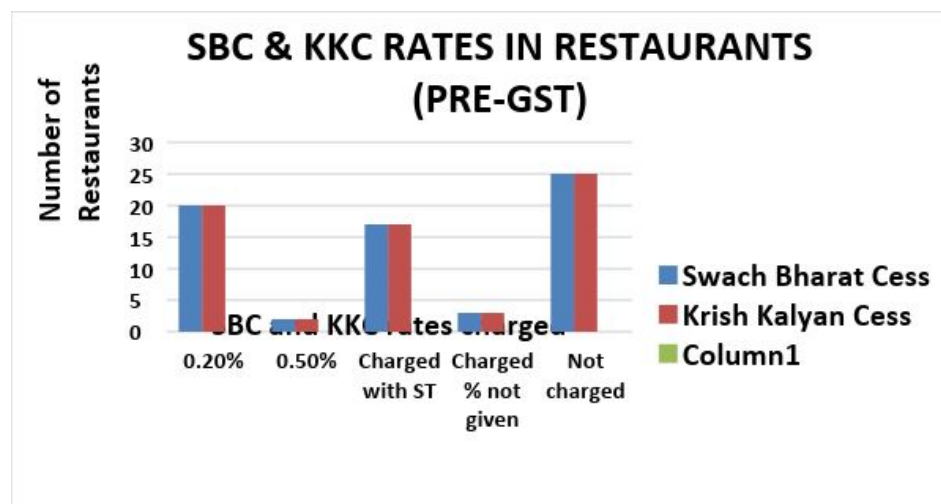
3. Figure 2, shows VAT rates charged in different restaurants. 34/67(50.7%) or half the restaurants did not charge VAT at all. 12.5% was charged by restaurants in Delhi and 13.5% by restaurants in Maharashtra. Before GST was introduced states had different rates of VAT so across the country there were lots of differences too and this added to the inconsistencies.
4. In Figure 3 we see the rates of Service Charge in various restaurants. 47/67 (70.1%) restaurants did not charge any Service Charge which was according to government rules but the rest did charge it at varying rates from 3% to 10.95%.

FIGURE 3



5. In Figure 4 below we can see that those restaurants that charged Swach Bharat Cess also charged Krishi Kalyan Cess but only 20/67(29.8%) clearly stated that it was 0.2%. Many (17/67 or 25.3%) combined it with Service tax and 25/67 (37.3%) did not charge it all. Two restaurants even charged at 0.5% and three of them did not state the percentage. Once again we see inconsistencies as stated in our hypothesis.

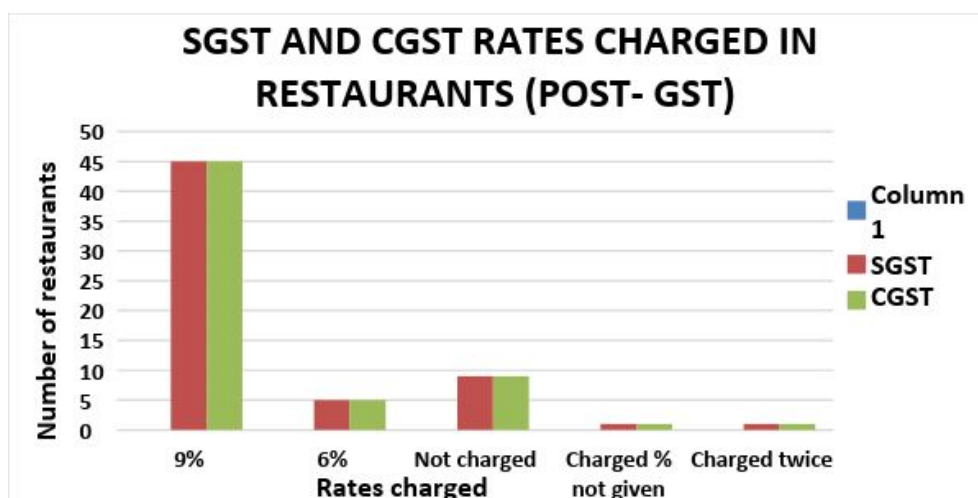
FIGURE 4



Findings from Post-GST bills

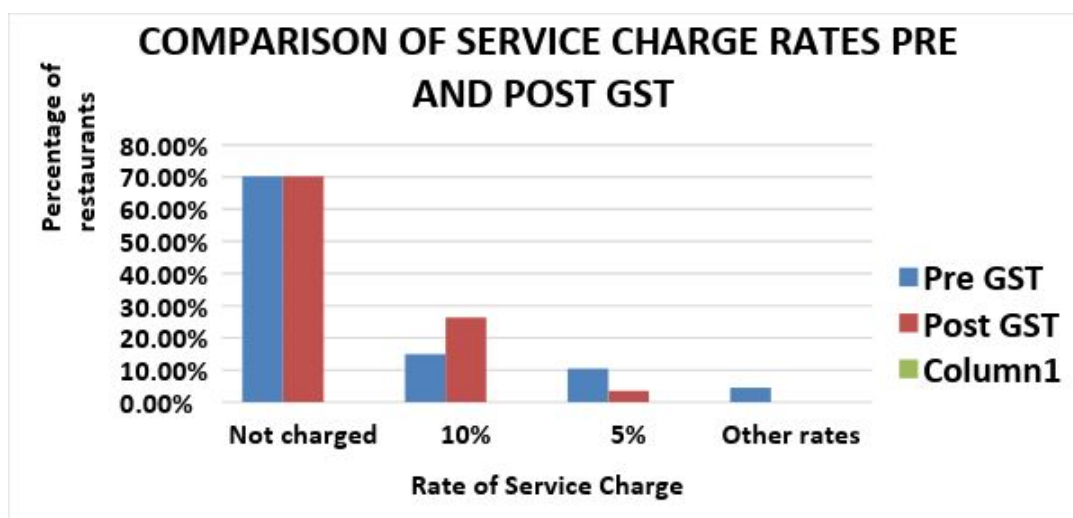
1. We collected 57 bills from the Post GST period between July and September. From July 1st we found that bills became much simpler. Since there were only two tax categories, State GST (SGST) and Central GST(CGST) we could compare the figures in just one chart as is shown in Figure 5. All tax rates were consistent across the three cities that we studied. 40 out of 57 stated SGST and CGST separately but 5 restaurants clubbed it as either 12% or 18% as was applicable.

FIGURE 5



2. Figure 6 shows a comparison of Service Charge rates before and after GST was introduced. Service Charge is still not charged by the majority of restaurants 40/57 (70.2%) but a fair number continue to do so. This inconsistency continues.

FIGURE 6

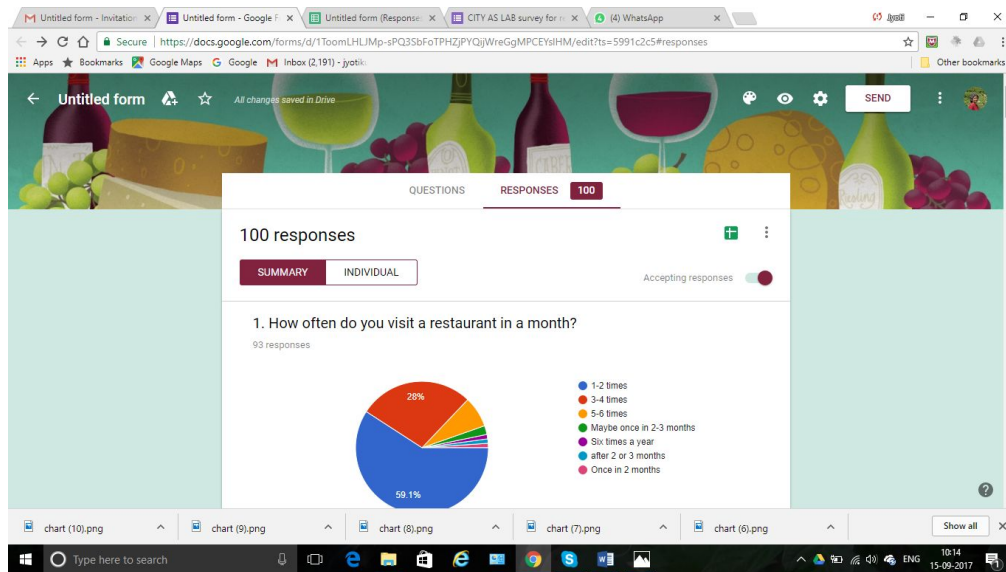


3. VAT on alcoholic beverages and cost of bottled water varied but we did not have much evidence to come to an unbiased conclusion. What we can say is that not many people buy bottled water in a restaurant but they were charged more than MRP.

Findings from Online Survey

The online form was sent out before GST was introduced. We got 100 responses as can be seen from this screenshot of the survey in Figure 7. However since we had not made the questions mandatory not all questions were answered by all 100 respondents. The number of responses varied from question to question.

FIGURE 7

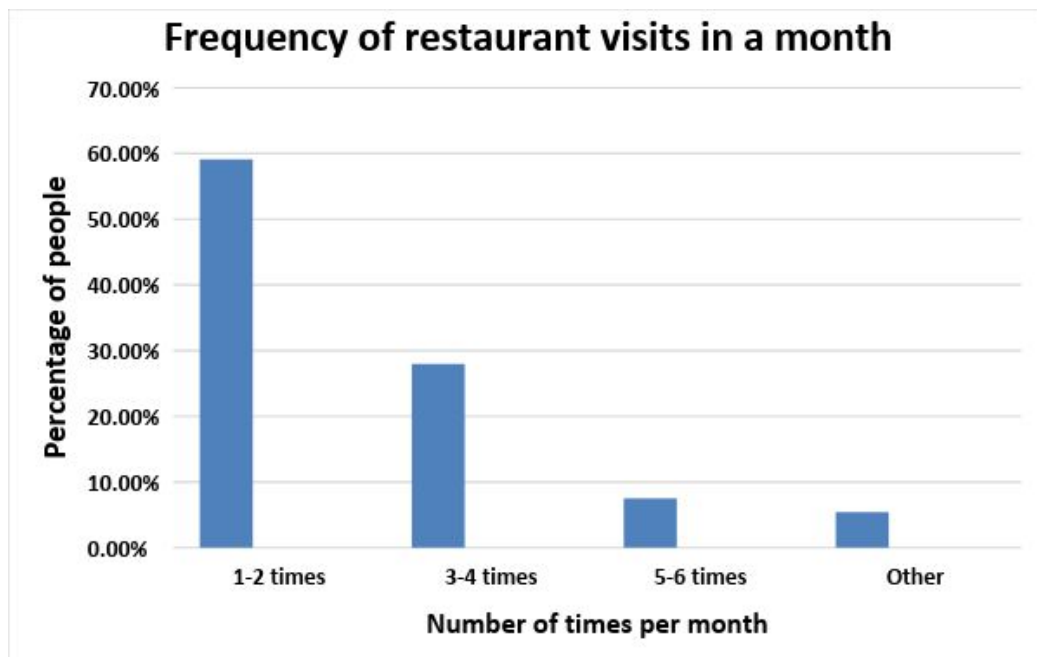


Original analysis of the entire survey can be seen on this link <https://docs.google.com/forms/d/1ToomLHLJMp-sPQ3SbFoTPHZjPYQijWreGgMPC EYsIHM/edit?ts=5991c2c5#responses>

But some important findings are duplicated below.

1. In Figure 8 we see that eating out was fairly common amongst our family and friends. 59.1% visited restaurant 1-2 times in a month and 28% visited a restaurant 3-4 times in a month. So our research will definitely be of interest to them since they can now make well informed choices.

FIGURE 8



2. In Figures 9a and 9b we can see that 79.8% people read their bills carefully and 63% had questioned them at some time but we think these questions should have been framed differently. We should have asked “Do you check for tax rates applied in the bill?” On questioning people at random we found that many people check totals and items bought but rarely check the taxes that have been added to the bill. This can be validated from the findings in Figures 10 and 12.

FIGURE 9a

**Percentage of people who read bills
carefully before paying them**

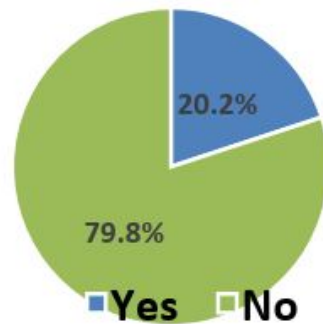
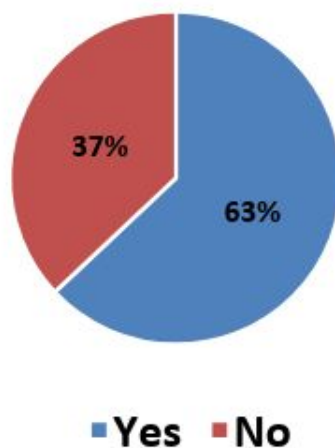


FIGURE 9b

**Percentage of people who have questioned
a bill**



3. In Figure 10 only 34.8% people (31 from 89 responses) knew that ST was 5.6%. A majority of people did not know the correct percentage of ST. So awareness of this was low.

FIGURE 10

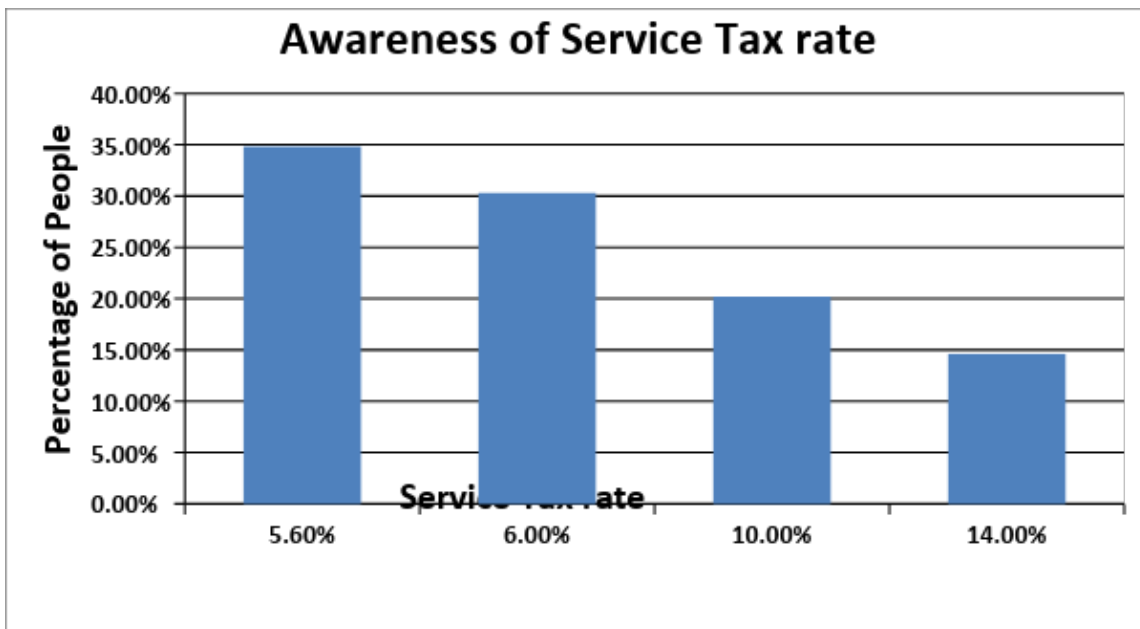
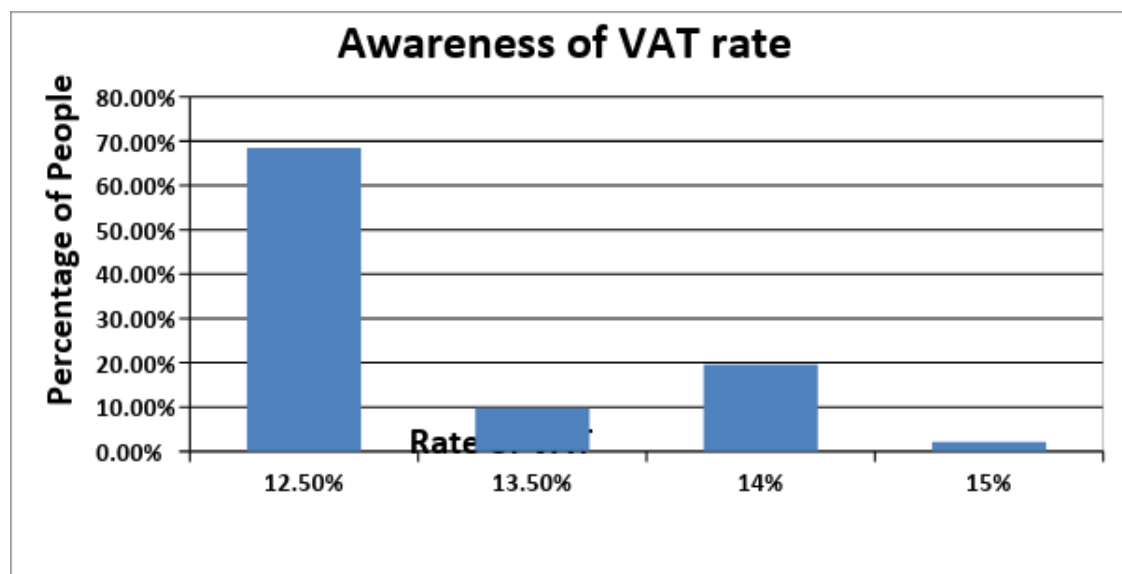


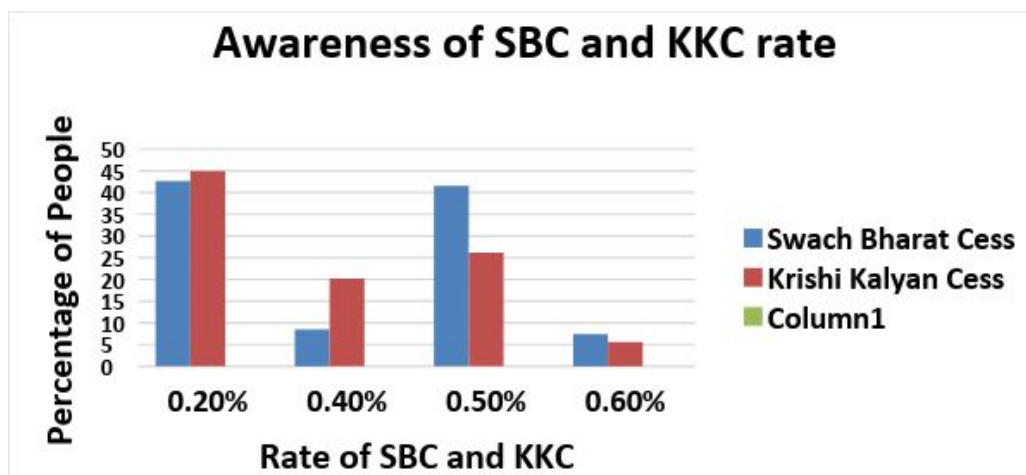
FIGURE 11



4. Figure 11 does not give us a true picture of the number of people who knew the correct VAT percentage that should be applied in restaurants since VAT was different in different states and our surveys were sent to people in different cities. It would have been valid only if all people were from the same state.
5. However, in Figure 12 we can clearly see that only 40 out of 94 people (42%) knew the correct percentage of Swach Bharat Cess and 40 out of 89 people (44.9%) knew the correct percentage of Krishi Kalyan Cess. So a majority of

customers were unaware of the cess rates that should be applied in a bill, which is 0.2% for each of them.

FIGURE 12



- When we asked customers if GST would improve restaurant billing and if they were happy about GST being introduced, 53.3% thought that it would improve billing and 60.2% said that they were happy GST was being introduced. This is seen in Figures 13a and 13b. There were many who were not as hopeful or did not know. So the findings from the bills will help such customers decide whether GST is beneficial to them or not.

FIGURE 13a

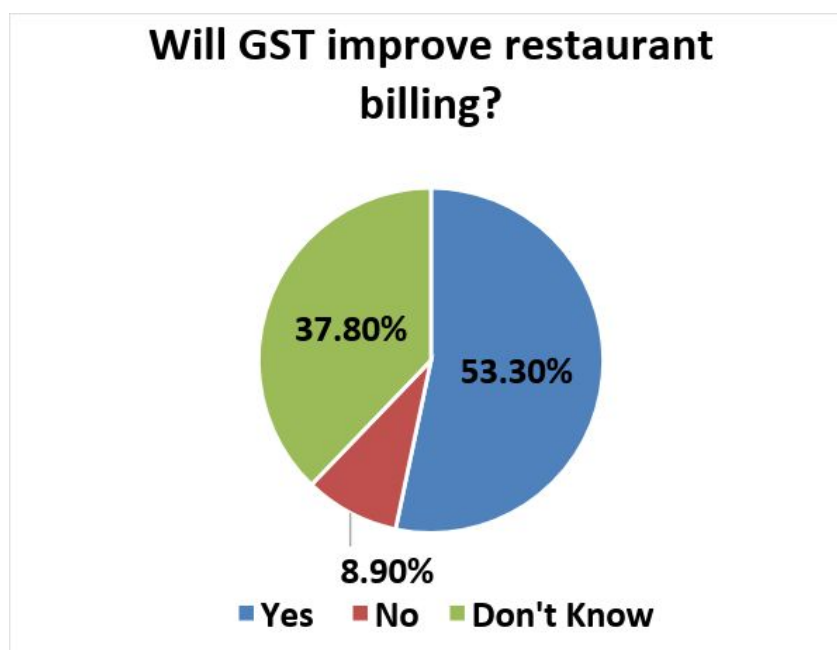
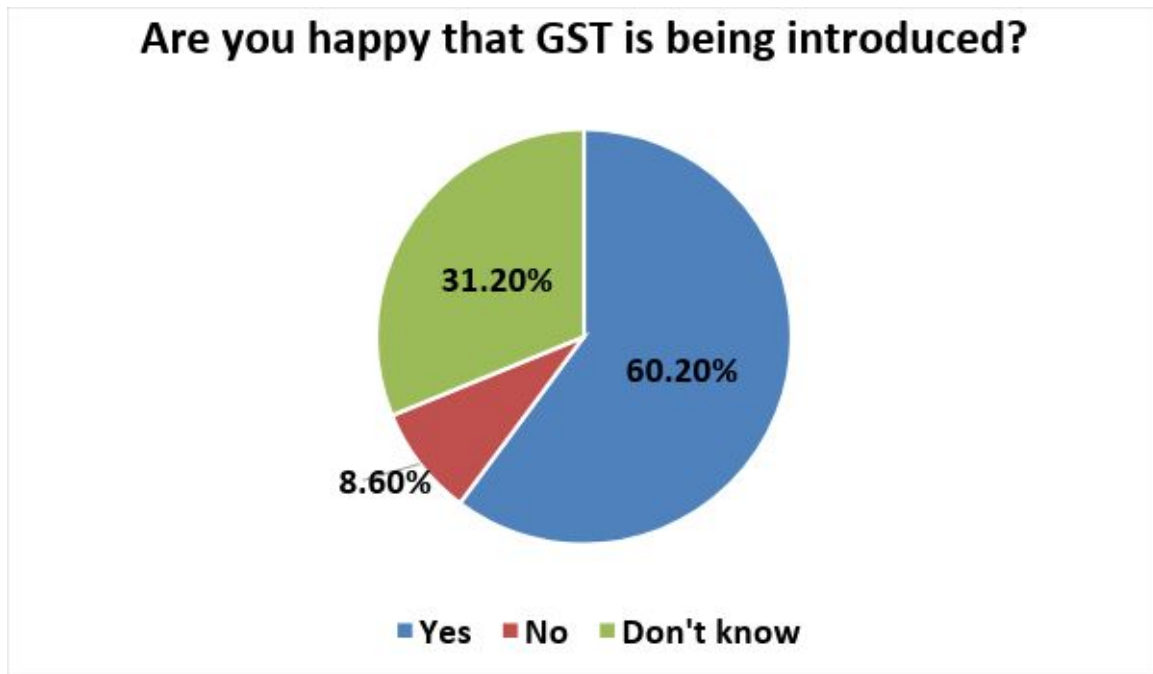


FIGURE 13b



Findings from the questionnaire to owners-

We do not have any conclusive evidence from the questionnaires since only 5 were filled, though we had planned on getting 20. This was because we had personal difficulties in meeting with the owners/managers and even those questionnaires that were filled usually incomplete.

DISCUSSION

Research Question

What kind of inconsistencies are there in restaurant billing and how is it likely to change after GST?

Hypothesis

We think that presently there are too many discrepancies in restaurant billing but after GST is introduced bills will become simpler and very consistent, since GST will wipe out VAT, Service Tax and many other taxes.

Summary of Key Findings

The bills from the pre GST period showed 6 different taxes and VAT was also different in different states across the country. After GST we found only two taxes mainly Central GST and State GST. Sometimes even this was combined under GST and since GST is the same across all states it brings in more uniformity as was predicted by the hypothesis.

VAT on alcoholic beverages still varies from state to state so this inconsistency remains.

The inconsistency in Service Charge did not change. Earlier it was charged by 30% restaurants at different rates ranging from 3% to 10% and the same percentage continues to charge it after GST was introduced. The only difference is that it is now it is charged at 5% or 10%.

One surprising finding was that AC restaurants have become slightly cheaper and take-away and Non AC restaurants have become more expensive.

Factors that could have influenced the results

Since the observations of the bills were very specific and based on numbers and percentages there is not much likelihood of bias. However, the online survey could have been open to error since it may have been answered on guesswork and not really knowledge of the tax rates.

Significance to our city

People in cities visit restaurants often. If we share our research they will become more aware and alert about the billing. They can question inconsistencies and not be cheated. Just participating in the awareness survey made people more aware and they started questioning the billing. We heard of many instances where people

started noticing the inconsistencies after they had participated in our online survey and told us about it.

66 out of a total of 100 respondents to the online survey have asked for the report after we complete it. They have given us their email addresses. This too indicates how keen people are to know about our project.

If we share the report with someone from the press it will get more exposure and more people will become aware of the tax rules and their rights.

If we share our research with restaurant owners they may become more particular about how they create the bills. During our informal conversations with some restaurant owners and managers we found that even they were not very sure about some tax rules.

Action steps for future

- 1) We will be sending our report to all those who said they wanted to read it. 66 people gave their email addresses in our online survey.
- 2) We will also be doing a presentation of our project to parents and children in our colony.
- 3) We would like to make a video about our research and post it on YouTube.
- 4) We can share the report with restaurant managers whenever we visit a restaurant.

New research questions that emerge

The research questions that have emerged from our research are:

How much does cost of bottled water and VAT on alcohol vary from one restaurant to another?

What is the procedure for paying taxes to the government and is there scope for corruption at this stage?

What kind of inconsistencies are there in pricing of hotel rooms and how is it decided?

REFLECTIONS

Arnav Badhe- The most enjoyable part of the process was making the charts from the data in the Excel sheets.

I struggled with the paper questionnaire for restaurant owners.

If we have to do our research again than we will make all the question mandatory because in our online survey over 100 people filled it but everyone did not fill all the questions.

In the process I learnt about VAT, GST, Service Charge, Service Tax, Excel sheets and much more

Shreenaya- The most enjoyable part of the process for me was to choose the topic and to figure out the question, and in fact each and every step which we took to finish the project.

The difficult part for me was to collect restaurant bills. Others were pretty easy and fun like to research about the taxes.

I would really like to change the survey form to the restaurant customer (To make every question compulsory) and to collect more bills and take the questionnaire to more restaurant owners/managers

What I learned from this project- I learned a lot about the taxes of pre and post GST and got to know a lot about restaurant billing.

Ranveer- The most enjoyable part was making charts on Word.

I struggled with getting the restaurant owner questionnaires filled.

I would change the questionnaires to restaurant owners into online surveys.

I learnt that team work is important. I learnt about taxes and I also learnt that some restaurants are corrupt because they charge wrong tax rates.

Vasu- Working on this project was very interesting, informative and a great learning for me. From each answer a new question arose. This was a thoughtful and brainstorming project.

It was hard to understand it but I got it slowly.

There is nothing that I would like to change about the project.

I learnt about components of bills, understood discrepancies in bills, understood rate of taxes, GST and Service Charge.

CITATIONS

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<http://www.ndtv.com/mumbai-news/upset-over-service-charge-diner-drags-mumbai-eatery-to-cops-1200057>
4. PTI (2015 June 10) retrieved from Economic Times states that Service Tax was applicable only to AC restaurants
<http://economictimes.indiatimes.com/news/economy/finance/service-tax-only-in-ac-restaurants-effective-rate-5-6/articleshow/47601274.cms>
5. The Ministry of Consumer Affairs, Food and Public Distribution letter (2017 April 15) states that Service Charge should not be charged by restaurants as it was voluntary. <http://consumeraffairs.nic.in/writereaddata/Guidelines.pdf>
6. PTI (2017August15) retrieved from Times of India
<http://m.timesofindia.com/business/india-business/18-gst-on-food-takeaway-from-non-ac-area-at-ac-restaurants/articleshow/60044358.cms>
7. Video interview of a restaurant owner in Bangalore by a journalist from Bloomberg Quint, in a TV program called Fineprint. .
<https://www.youtube.com/watch?v=CP0NW8R8yoQ>

APPENDICES

Appendix 1- Pre-GST Photographs

NEAR GURU DRONACHARYA METRO STATION, GUR
TIN: NO-06281323075

-----CASH/BILL-----

TABLE 0029 KOTS 02 LOR 01 WAITER 00
NO.000041 DATE:-06-04-2017

DESCRIPTION	QTY	RATE	AMOUNT
GLASS	4.00	10.00	40.00
MINERAL WATER	1.00	40.00	40.00
CHIK LULIPOP	1.00	320.00	320.00
FRENCH FRIES	1.00	140.00	140.00
CHILLI PNR DRY	1.00	330.00	330.00
SUB-TOT	ITEM: 5	0 8.00	870.00

TAX-D	@13.12% ON	870.00	114.1
SURCHAR	@10.00% ON	870.00	87.0

BL - TOT <ROUNDED>

TOTAL 1071.0

KOT NO 0088 0089

THANKS FOR VISIT

C 6

21:51:33 M/C NO

Phone: 919999258597
TIN: 7537153877
Service Tax Number: ACXFS7716ESD001
Invoice No: 2653

New Bill
Table: 3

Order Time : 2017-05-21 21:35:18
Print Time : 2017-05-21 22:34:42
Order Number : ORDER-111-3187-2017-05-20-5768
Pax Size : 2
Server Name : Cashier One

Item	Rate	Qty	Amount
[H4] - Fire Bomb (N. Veg)	179.00	1	179.00
[H5] - Cheesy Mushro	139.00	1	139.00
om Cigar			
[H13] - Falafel With Hummus N Pita	149.00	1	149.00
[V5] - Aerated Cola	59.00	1	59.00
[M1] - Virgin Mo!!!	109.00	1	109.00
[R2] - Salty Lemonad	89.00	1	89.00
e			
[E6] - Chicken Kiev	269.00	2	538.00
[E4] - Grilled Chick	269.00	1	269.00
en Steak			
[E2] - Peri Peri Chi	279.00	1	279.00
cken			

Subtotal INR 1810.00
Service Charge INR 90.50
Service Tax INR 114.05
VAT @ Beverage INR 33.73
VAT @ Food INR 203.83
Rounding -0.11
Net Payable QTY : 10 AMT : 2252.00
(Indian Rupee Two Thousand Two Hundred
Fifty Two and Zero Paise Only)

Thanks for your visit!



FAB - 18 SR, No 21 Parashih Business
Balewadi, Pune 411045
020-65288033/ 65386161

Order No : 000135549,000135585,00013
5607

BILL NO DATE AND TIME PAX
B00043209 26/05/2017 11:40 PM 2

TABLE : B22
CASHIER : Super
WAITER : MASHAK

Qty	Menu Item	Amount
1	TRADITIONAL KHACHAPURI	300.00
1	TANDOORI MURG	345.00
1	PENNE POMODORINI	365.00
1	CHICKEN CACCIATORE	430.00
1	KNICKERBOKER GLORY	235.00
1	ICED TEA	125.00

Total 1800.00

Krishi Kalyan Cess 0.5

0% 3.78

SBC @ 0.5% 3.78

SERVICE CHARGE@ 5% 90.00

SERVICE TAX @ 5.60% 105.84

VAT ON FOOD@13.50% 255.15

Round Off 0.45

Grand Total 2259.00

VAT TIN NO : 27880003247V

ESI TIN NO : 27880003247C

STR NO : AABC108950ST001

THANK YOU VISIT AGAIN !!!

Rachana Trade Estate, 105, Near FTII, Intersection
of Canal Road & Law College Road Main Chowk,
Erandwana, Pune-04
020-65310203
www.fishcurryrice.in

BILL MEMO

Bill No: 133327 Tbl No: L7
Waiter: 1 Covers: 7
Date: 2017-05-18 Time: 14:07

Dish	Qty	Amount
Surmai Fry Full	1	800.0
Bangada Fry	2	500.0
Veg Bhaji	1	50.0
Bombil Fry	2	500.0
Pomfret Curry	2	1060.0
Surmai Curry	2	960.0
Plain Rice Full	2	160.0
Prawns Khichadi	2	800.0
Solkadi-Glass	7	350.0

Sub Total: 5180.0

Service Charge:(5%) 259

Service Tax:(5.6%) 290.08

Total Bill: 5729.08

Aquafina Water Bot 2 40.0
tle

Sub Total: 40

Grand Total:
5769.0

Service Tax No.AACCF1680QSD001

For any Suggestion & Complaints mail us
fishcurryrice1904@gmail.com

Appendix 2 – Sample Post GST Bills

No : K/1508	Table : 18
ode :	Sr No : 34
: 18/07/17	Time : 21:43
in : 1	

rticulars	Qty	Rate	Total
g Bhuna Ball Mas	1	180	180.00
ratha	3	40	120.00
sala Papad	1	35	35.00
lf rice	1	50	50.00

Sub Total	385.00
Discount @10.00	39.00
SGST@9	31.18
CGST@9	31.18
Total	408.00

PAID

GST NO 27AABCG8442Q1Z0

RAND TOTAL	408.00
-------------------	---------------

emo# 17/99

er: Adm

11:24 PM

13-Aug-2017

Pax# 1

Table# C5

Product	Qty	Rate	Amount
Garlic Fries	1	168.00	168.00
gin Mojito	1	200.00	200.00
ngfisher Premium Pin	3	150.00	450.00
lgogi Chicken Nanzza	1	268.00	268.00
rmese Khowsuey With	1	300.00	300.00
riyaki Chicken	1	302.00	302.00
ai Chilly Mushroom	1	250.00	250.00
hestic Bottled Water	1	50.00	50.00

Total 1988.00
 st@9% 115.92
 ervice Charge @5% 64.40
 st@9% 115.92
 t@9% 63.00
 nd Off: -0.24

Total Qty: 10 Amt: **2347.00**
 pees Two Thousand Three Hundred Forty Seven
 ly) **2347.00**
 der: **2347.00**
 Mode: Cash:
 27AAGCR2806N1Z2
 NK YOU...VISIT AGAIN

DATE : 25/07/17 TIME : 15:35
TABLE NO. 14 USER : 101
Bill No : U002493 SAC :996331

Item Name	Qty.	Rate	Amount
BLUEBERRY CHEESE CAK	1	225	225.00
BREAD BASKET	1	0	0.00
GUNPOWDER ALOO	1	345	345.00
RAILWAY CUTLET	1	285	285.00
TIRAMISU ALLA CASA	1	275	275.00

Items : 5 Bill Total : 1130.00
Service Charge @ 10.00% : 113.00
* SGST @ 9.00% : 111.87
* CGST @ 9.00% : 111.87
R. Off: 0.26
Net To Pay : 1467.00

One Thousand Four Hundred Sixty
Seven only
C04799,C04800,C04814
bill comments

To whom:

THANK YOU, PLEASE VISIT AGAIN

07/07/2017
Server: KANHAIYA .

1:35 PM

Dine In
Table: 2456

1 CKN WRAPPER
WHOLE WHEAT
PLAIN MAYO
ONION
TOMATO
LETTUCE
15% DISCOUNT
Rs 145.00

1 CKN BOMBER WRAPPE
WHOLE WHEAT
PLAIN MAYO
ONION
TOMATO
LETTUCE
15% DISCOUNT
-Rs 21.75
Rs 145.00

1 VEGGIE TIKKI
WHITE BUN
CILANTRO MAYO
ONION
TOMATO
LETTUCE
15% DISCOUNT
-Rs 21.75
Rs 95.00

-Rs 14.25

SubTot
GST@12%
Coupons

Rs 327.25
Rs 39.27
Rs 0.00

Total
Round Off
Cash

Rs 366.00
-Rs 0.52
Rs 366.00

Change

Rs 0.52

www.rushhrs.com
VAT/TIN NO: 27180854613V
SERVICE TAX: AABCF5273ESD003
35

147/16/17, K...
Ph: 25390933, 25397040

TAX INVOICE

Date : 24/07/17
T.No.: 43

Bill No. : R/145
W. No. : 1

Particulars	Qty	Rate	Amount
MINERAL WATER PK	1	35	35
SWEET CORN VEG SOUP	1	120	120
MANCHOW SOUP	1	120	120
DAL TADKA	1	150	150
CHANA MASALA	1	160	160
VEG HANDI	1	200	200
ROTI	4	5	100
BTR ROTI	3	35	105
MSL PAPAD	3	5	165
CHAPATI	2	10	20
JEERA RICE HALF	1	90	90
TRIPPLE SUNDAE	1	160	160

Sub Total : 1425.00
Food Tax @10% : 142.00

Net Total : 1283.00
SGST @9% : 115.47
CGST @9% : 115.47

12/20/3 Total : 1514

GST NO. 27ACEPS8289D1Z4 (02:57 PM)
&O.E. Thank You Visit Again

2 WESTEND MARG,
SAIDULLAJAB, NEW DELHI - 110030
+91 (11) 65991116

503

Date:..... Invoice No:.....

S.No.	Description of Goods	Quantity	Rate	
	ROSE CAF ☐ SUNDAE	1.0	200.	
	CGST 9% SGST 9%			
	Net Total	:	Rs.	
	Service Charge @10%	:	Rs.	
	CGST @9%	:	Rs.	
	SGST @9%	:	Rs.	
	Amount Due	:	Rs.	
	Covers: 6			
	GST No.: 07AAGPA5511L1ZY		Inv. N	
	Service Tax:			
	Cashier: Admin			I
	Section: INSIDE		Table	
	Steward: Admin	Kot No:	4477.4	
	Total			

Appendix 3- Survey for Restaurant Owners/ Managers

Dear Sir/Madam,

We, the children of Ramnagar Colony, are doing a research project for 'City as Lab', an All India competition for school children. Since our topic is 'Billing in Restaurants' we would be very grateful for your inputs. All individual information will be kept strictly confidential. If you would like to read our final report it will be ready by the end of October and we can send you a soft copy. We would be sincerely grateful if you fill in all the information that we require for our study.

Please tick mark the option that applies to your restaurant or fill in the blank spaces.

Date: _____

AC/Non AC _____

1) How much VAT did your restaurant charge customers earlier?

- a) 0% b) 13.5% c) 12.5% d) Other

2) How much Service Tax did you charge?

- a) 0% b) 5.6% c) 6% d) Other _____

3) Did you charge Service Tax on home delivery and how much?

- a) Yes _____ b) No

4) Is Service Charge mentioned in your menu card?

- a) Yes b) No

5) How much Service Charge do you charge?

- a) 0% b) 10% c) 20% d) Other _____

6) When do you offer discounts and why?

7) Do you think bills across restaurants are inconsistent and how/why?

8) What percentage of GST applies to your restaurant?

9) How do you think GST is affecting your business?

10) Do you think GST is benefitting customers?

11) Do you think GST is beneficial to your business?

12) What is the annual turnover of your restaurant?

13) Would you like to receive a soft copy of our report? If yes, please give us an email address so that we can send it to you.

THANK YOU FOR YOUR TIME!

Appendix 4- Questionnaire filled by Ms Priyanka Agarwal, CA

What is Service Tax rate for restaurants in Mumbai, Pune and Delhi?

Service tax is a levy collected by the Central Government for the provision of certain services. The rate of service tax includes the service tax and Swachh Bharat Cess of 0.5% and Krishi Kalyan Cess of 0.5%. Ideally, service tax should be imposed only on 40% of the value of the bill, which is assumed to be the standard service expense, as opposed to the remaining 60% that is the raw material of the food and beverages ordered by the customer. This means that the service tax is chargeable only on 40% of the bill and not on the entire amount.

Service taxes in different cities are as follows:

Mumbai – $14\% \times 40\% = 5.6\%$

Delhi – $14\% \times 40\% = 5.6\%$

Pune - $14\% \times 40\% = 5.6\%$

What is VAT and what rate is it in Mumbai, Pune and Delhi?

VAT is a kind of tax levied on sale of goods and services when these commodities are ultimately sold to the consumer. 'Value Added Tax is liable to be paid when an existing item undergoes processes which "add value" to it, and modify it into something else. As far as restaurants are concerned, raw vegetables, fruits, spices, and pastes are cooked into a meal, and therefore, VAT becomes chargeable. While VAT is levied on sale of goods and services and paid by producers to the government, the actual tax is levied from customers or end users who purchase these. Thus, it is an indirect form of tax which is paid to the government by customers but via producers of goods and services.

VAT = 12.5% in Delhi, in Mumbai, Pune

VAT on alcoholic beverages = 20%

What is the correct rate for SBC and KKC?

SBC is 0.5% and KKC is 0.5% on 40% of the bill so effectively 0.2% of entire bill

What is GST and why is GST being introduced? How will it affect the customer?

GST is set to single-handedly abolish all the unnecessary money-charging schemes, earlier adopted by retailers to make easy money. The reform will noticeably reduce the compliance cost for taxpayers, harmonise the tax structure, while transforming

operations into a uniform entity across states. Especially for food and beverages, its implications remain progressive. As per the current system of taxation, the restaurant sector is burdened with multiple high-costing taxes, charges and cesses. On each and every food and beverages bill, the diner pays additional VAT as well as service tax and service charge, not to forget the cesses. The range of VAT rate is generally between 12.5-14.5 per cent as per the individual State VAT laws and abatement rate on service tax on restaurant services is 6%. Thus, the effective tax rate comes to somewhere around 18.5-20.5 per cent that varies for different states.

With the execution of GST, all taxes will form under a single bracket, adding uniformity to a market plagued by unnecessary additional taxes. In context to restaurants, while they are paying tax, a total of VAT at (12.5 per cent)+ Service Tax (6 per cent) + Service Charge (10 per cent) is applied on it.

Under the new system, the restaurants are broadly divided into two areas: non-AC and AC restaurants. Dining out in air conditioned restaurants will attract tax of 18 per cent as against 10.6 per cent charged (including VAT and service tax) now. For low-cost restaurants, the tax rate would be 12 per cent as against 6 per cent now. Non-AC restaurants will charge 12 per cent GST on food bill. 5-star hotels will be even more expensive as the GST rate will be 28 per cent.

Initially it will cost more to

What is the rate for GST in the various cities?

The GST rates are same in all the cities:

Restaurant Type	Service Tax	VAT	Serving/ Not serving alcohol	GST Rate
Non-Air Conditioned	6% (60% abatement pay 40%)	14.50%	Not Serving Alcohol	12%
			Serving Alcohol	18%
Not Serving Alcohol			18%	
Serving Alcohol			18%	
Not Serving Alcohol			18%	
Serving Alcohol			18%	
Partly AC and Partly non-AC			All	18%
As per meeting of 18th June				
5 Star Restaurant				

How will GST affect the restaurant business?

GST will ensure all the restaurant under the same category charge the same rate of tax all across the country. Restaurant owners have more reasons to cheer in the GST regime. Under the VAT regime, restaurant business owners did not have any option to adjust the output service tax liability with the credit of input VAT on goods consumed. However, under GST both these taxes will be subsumed into GST and

thus credit of input will be available for adjustment against the output liability, irrespective of goods and services.

What is Service Charge and should restaurants be charging it?

Service charge is not a tax, and therefore, restaurants are not legally bound to enforce it. The amount of service charge a restaurant levies is entirely at its own discretion. Typically, 10% is charged, and it is mentioned on the menu. The customer stands the right to argue on service charge and get it reduced or removed.

What is the rule about cost of bottled water in a restaurant?

The government has forbidden companies from selling the same product at different 'maximum retail prices', bringing relief to customers who have complained against a higher MRP being charged at airports, malls and cinemas.

Restaurant owners said the rules won't apply to them. "This won't be applicable to restaurants as under GST they come under the category of supplier services. And the latest notification is applicable for retail services where customer buy off the counter," said Rahul Singh, secretary, National Restaurant Association of India (NRAI).

Appendix 5- Links to data maintained online

Online Survey for restaurant customers- <https://goo.gl/forms/EGMJonyQqM9Yjpvx1>

Data table of observations of Pre and Post GST bills-
<https://drive.google.com/file/d/0B-1zldYQ4zvmMjgxbEVDm2IbFk/view?usp=sharing>

Audio recording of Interview with GST expert Mr Sumit.....
<https://drive.google.com/file/d/0B-1zldYQ4zvmGt6UTZSeWhIZ2xXYmxSOWdQX2JEb0RTYXRr/view?usp=sharing>

Photographs of Pre-GST bills-
<https://drive.google.com/drive/folders/0B-1zldYQ4zvmZnc2c25iQ3JMNVE?usp=sharing>

Photographs of Post GST bills-
<https://drive.google.com/drive/folders/0B-1zldYQ4zvmMDRZZm5HUE5xUU0?usp=sharing>

