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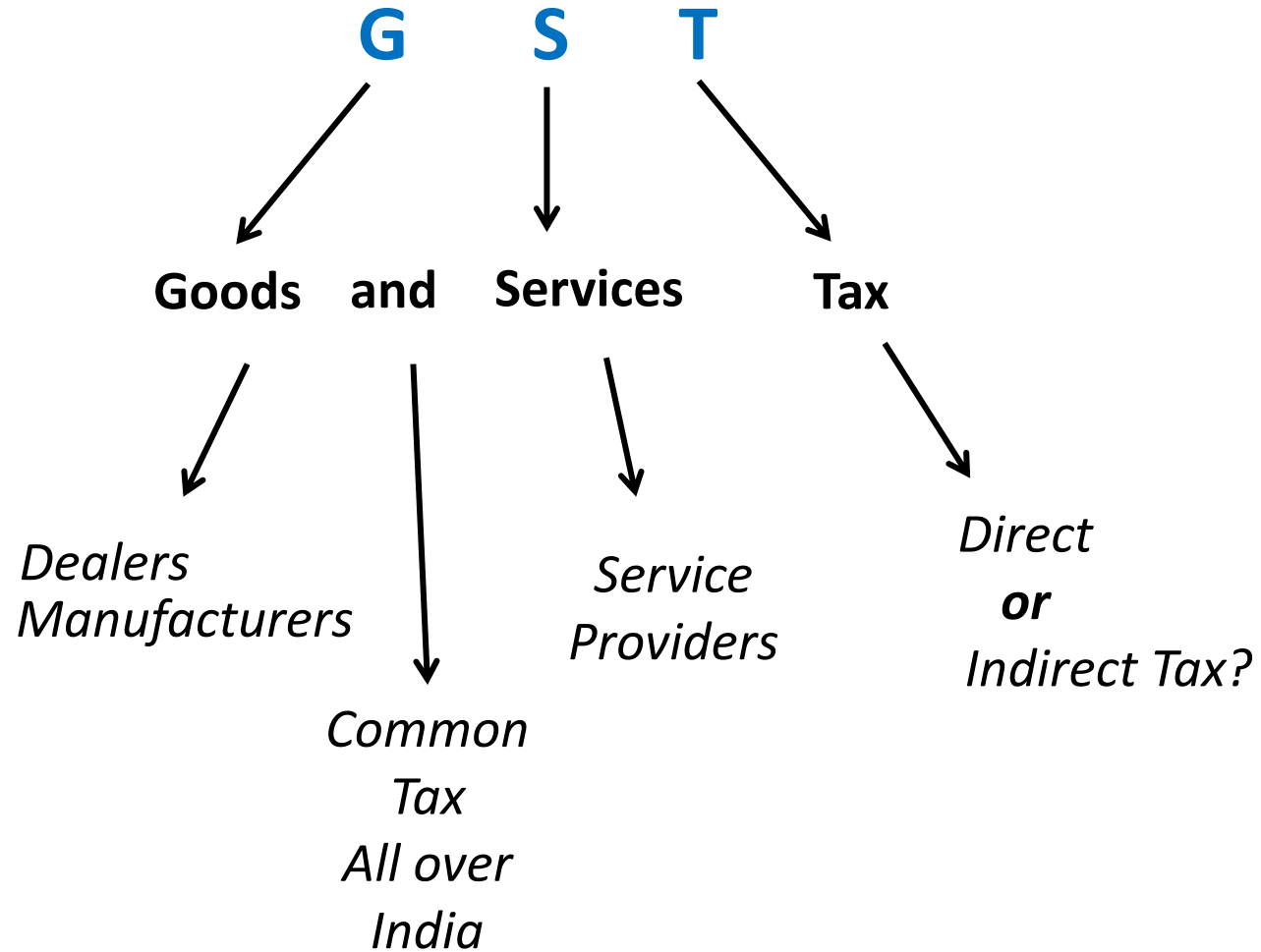
Best place to learn Accounts, Tax, GST

# Assignment 1

## GST Basics

by [CA Maninder Singh](#)

# WHAT IS GST



# Tax

## Direct Tax

*Person pays  
tax from own pocket*

### Example

Income Tax

## Indirect Tax

*Person collects Tax from  
Customer Pays to Government*

### Example

VAT, Service tax, Excise,

GST

## Tax which are Replaced

*Vat*

*CST*

*Service Tax*

*Excise*

*Luxury Tax*

*Entertainment Tax*

*All the above now Replaced  
By GST*

## Tax which are Same

*Customs*

*Income Tax*

*TDS*

*Payroll (PF, ESI)*

## When was GST Introduced

01-July-2017

## Why was GST Introduced

### Earlier

Lots of Taxes- Vat,Service Tax,Excise

Rules Different in Different States

### Now

One Nation One Tax - GST

Same Rules all over India

# Suppose Sales 100000, GST Rate is 5%

## Types of Sales

Local sale Within State

CGST + SGST  
will be charged

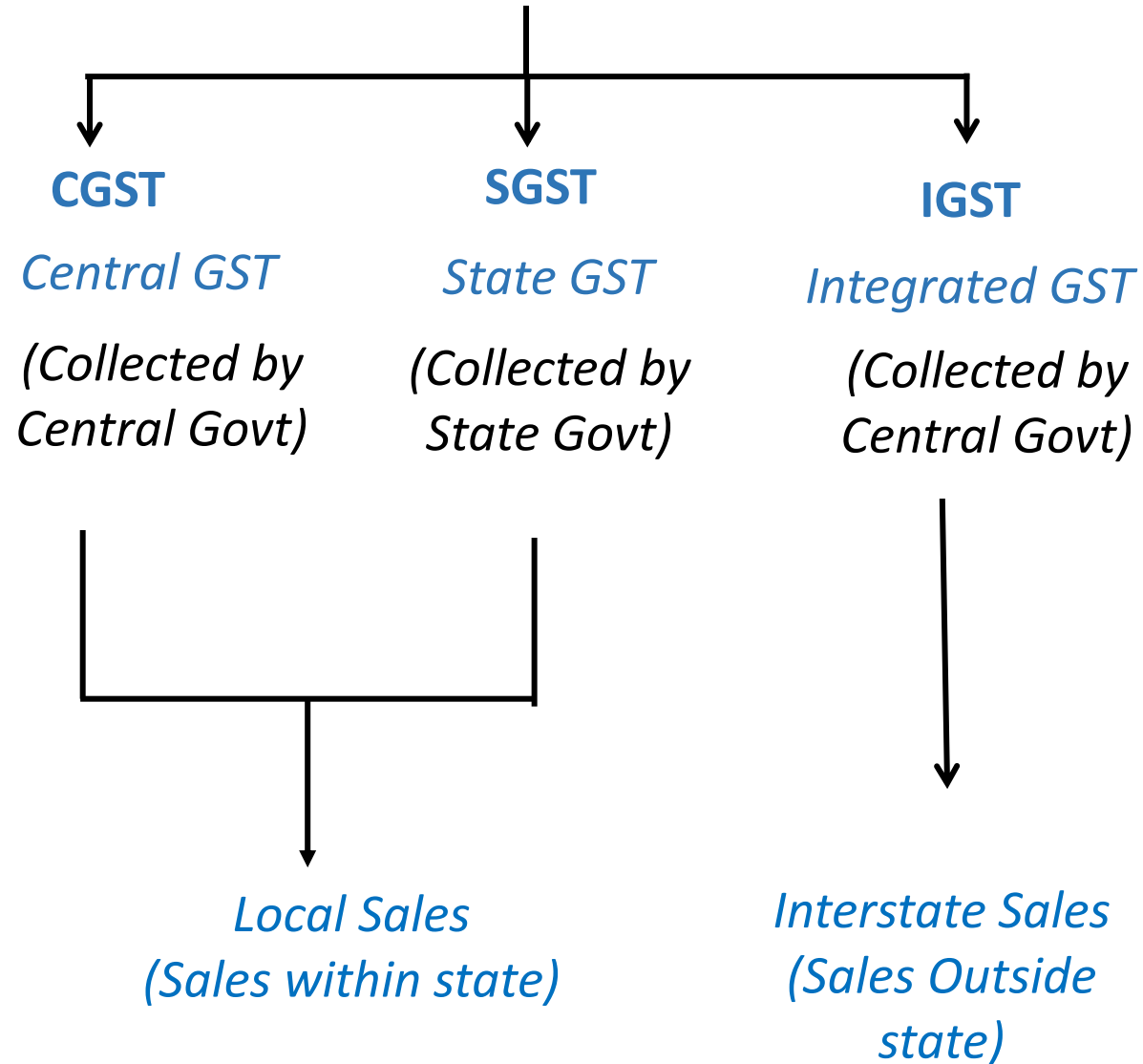
Sales	100000
CGST 2.5%	2500
SGST 2.5%	<u>2500</u>
	<u><b>105000</b></u>

Interstate Sales

IGST  
will be charged

Sales	100000
IGST 5%	<u>5000</u>
	<u><b>105000</b></u>

# Different Types of GST

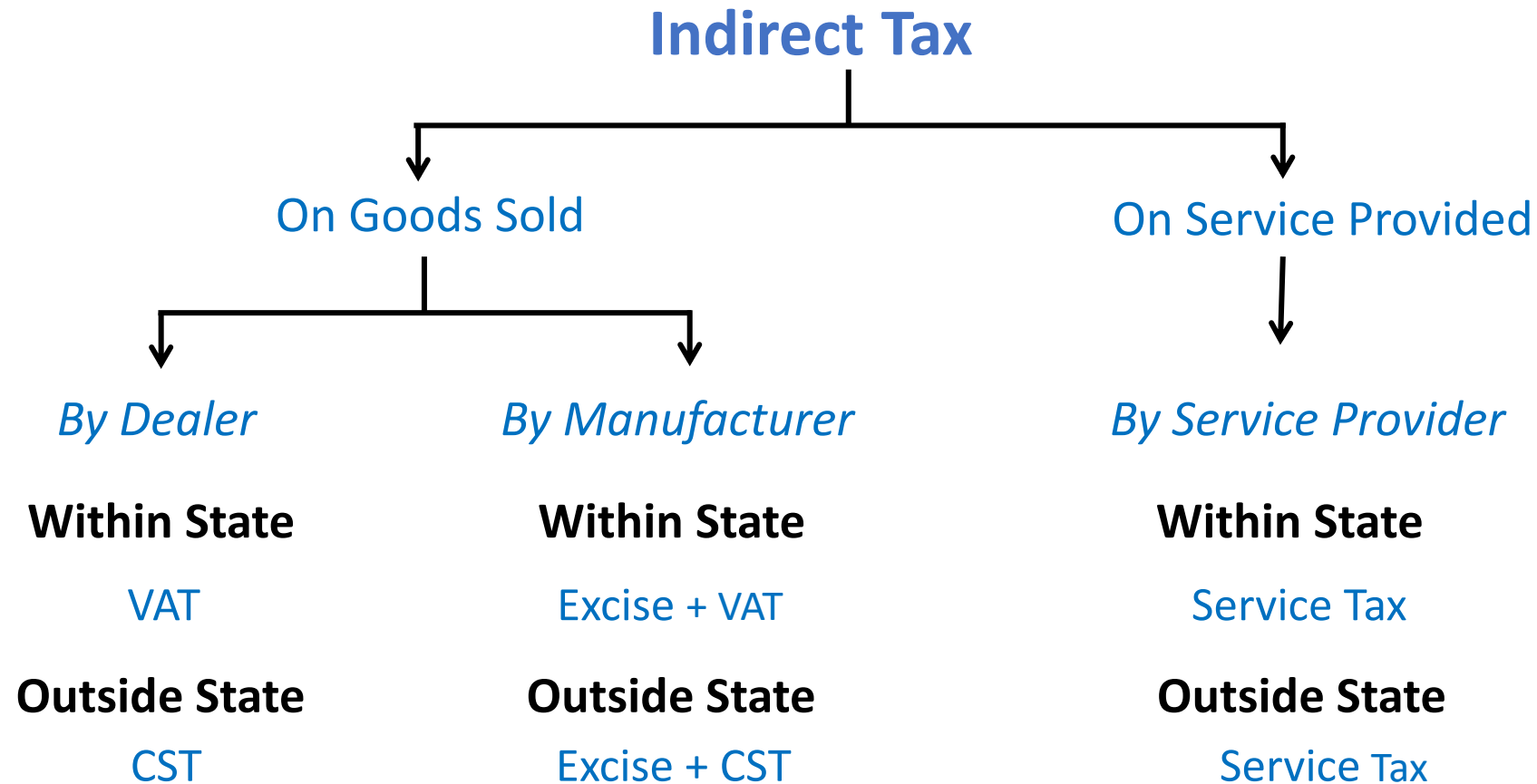


# Earlier Indirect Tax before GST

*Tax on Sale of Goods - Vat, CST*

*Tax on Sale of Services -Service Tax*

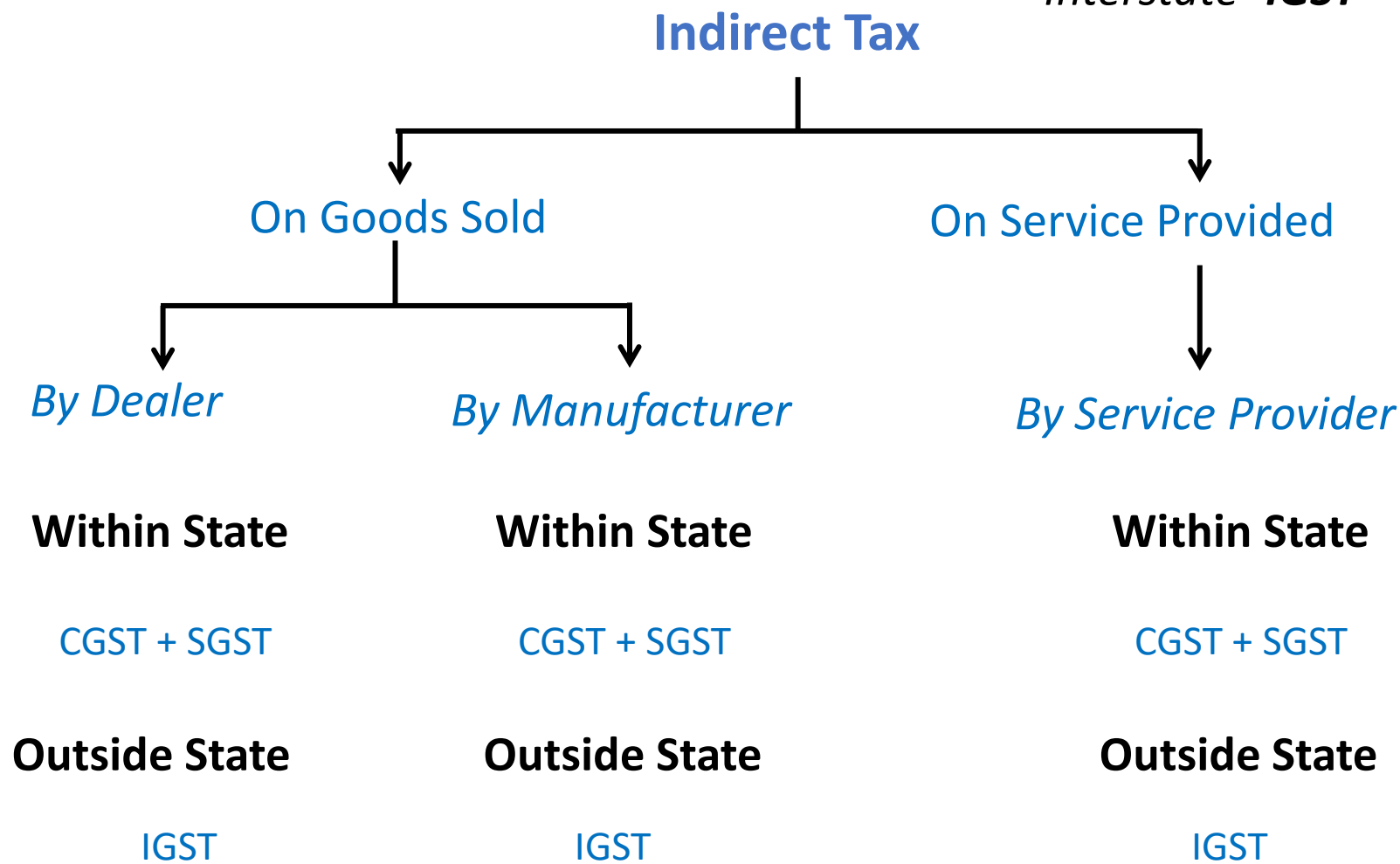
*Tax on Manufacturing-Excise*





# New Indirect Tax after Implementation of GST

Local – **CGST+SGST**  
Interstate -**IGST**



## What is Output and Input GST

Purchase	40000		
IGST	2000	————→	<b>INPUT GST 2000</b>
Total	42000		<i>Gst on Purchase is called Input GST</i>

Sales	60000		
IGST	3000	————→	<b>OUTPUT GST 3000</b>
Total	63000		<i>Gst on Sales is called Ouput GST</i>

$$\begin{aligned}\text{GST Payable} &= 3000 - 2000 \\ &= 1000\end{aligned}$$

$$\text{GST Payable} = \text{Output} - \text{Input}$$

## What is GST Credit

Purchase	40000		
IGST	2000	→	<b>INPUT GST 2000</b>
Total	42000		<i>Gst on Purchase is called Input GST</i>

Sales	30000		
IGST	1500	→	<b>OUTPUT GST 1500</b>
Total	31500		<i>Gst on Sales is called Output GST</i>

**GST Payable = 0**

**GST Payable=Output-Input**

**GST Credit= 500**

**GST Credit=Input-Output**

## GST Payable

If Output is greater than Input, difference is GST Payable

GST Payable =  
Output – Input



We need to pay GST Challan  
*Challan is a form to pay tax*

## GST Credit

If Input is greater than Output, difference is GST Credit

GST Credit =  
Input – Output



No need to pay GST Challan

### ***What happens to GST Credit?***

GST Credit is added to Input of Next Month

# GST Credit is Added to Input of Next Month

JANUARY		FEBRUARY	
Purchase	20000	Purchase	30000
IGST	1000	IGST	1500
Total	21000	Total	31500
Sales	18000	Sales	40000
IGST	900	IGST	2000
Total	18900	Total	42000
OUTPUT	900	OUTPUT	2000
INPUT	1000	INPUT	1500
GST Payable		<b>ADD OPENING CREDIT</b>	<b>100</b>
<b>GST Credit</b>	<b>100</b>	TOTAL INPUT	1600
		GST Payable	400