WHAT IS GST

G S T

Goods **and** **Services** **Tax**

Dealers
Manufacturers

Common
Tax
All over
India

Service
Providers

Direct
or
Indirect Tax?

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

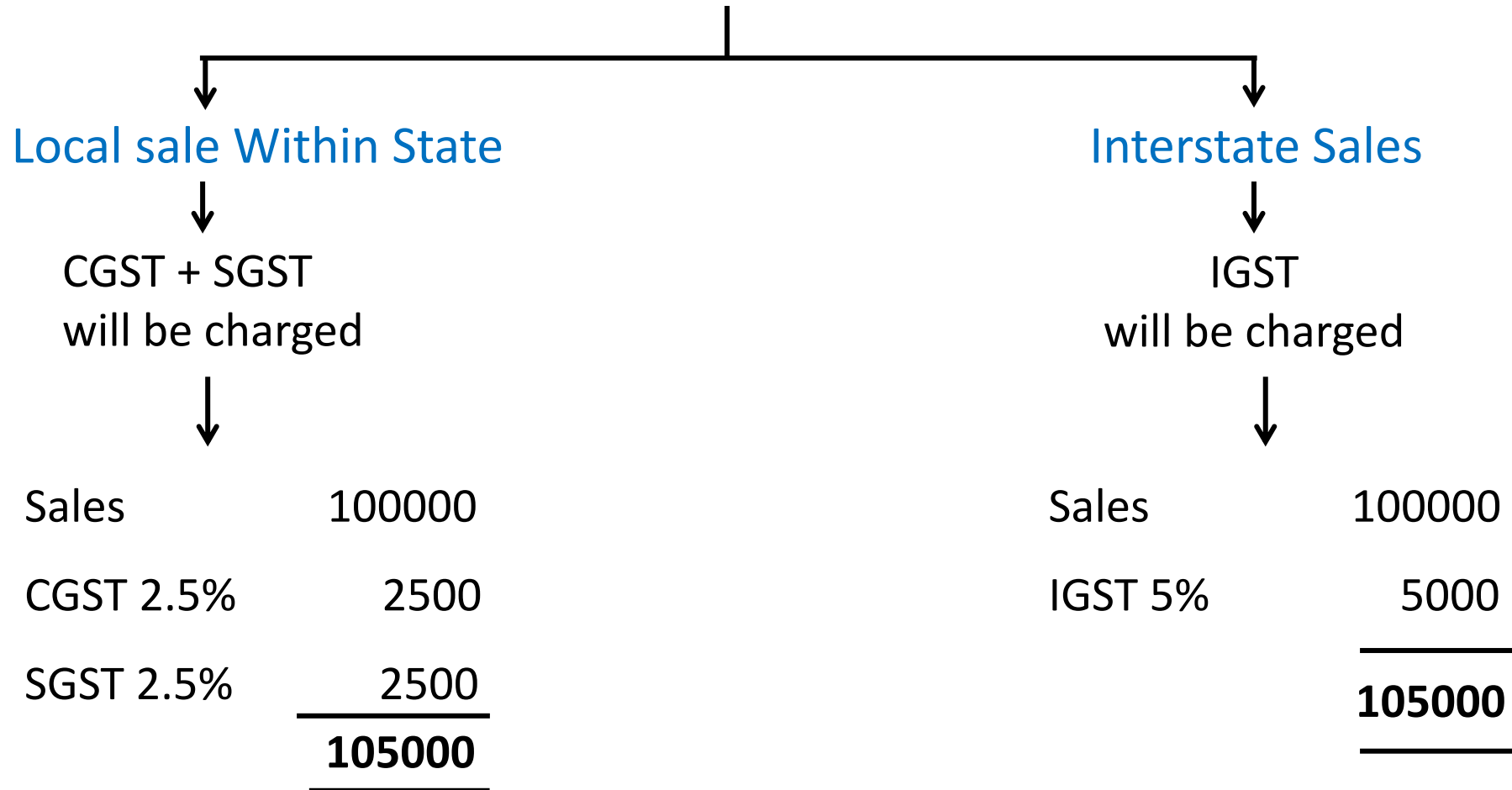Rules Different in Different States

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%	2500
	105000

Interstate Sales

IGST
will be charged

Sales	100000
IGST 5%	5000
	105000

Different Types of GST

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CGST   **SGST**   **IGST**

Central GST   *State GST*   *Integrated GST*

(Collected by   (Collected by   (Collected by
Central Govt)   State Govt)   Central Govt)

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Local Sales   *Interstate Sales*
(Sales within state)   *(Sales Outside*
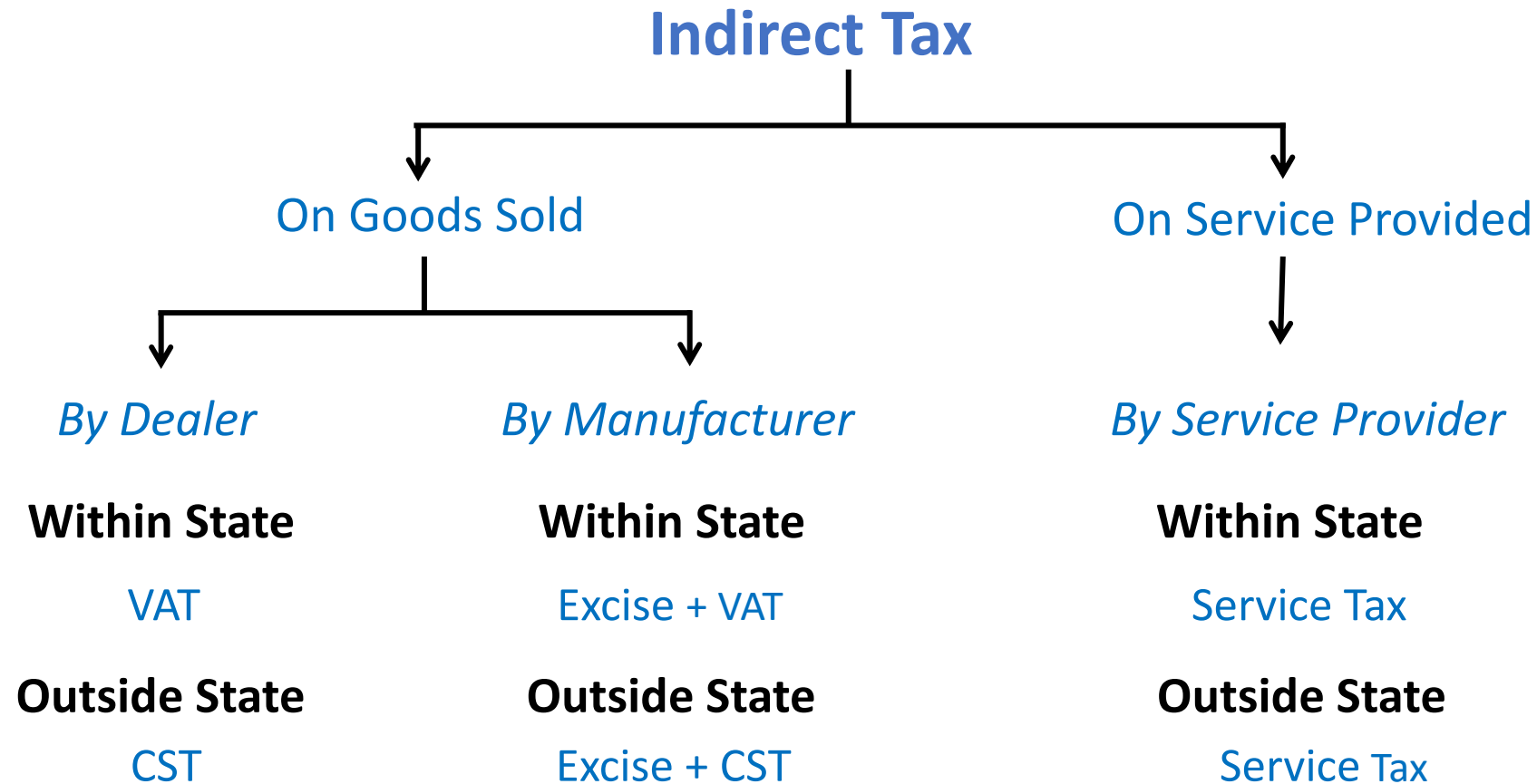   *state)*
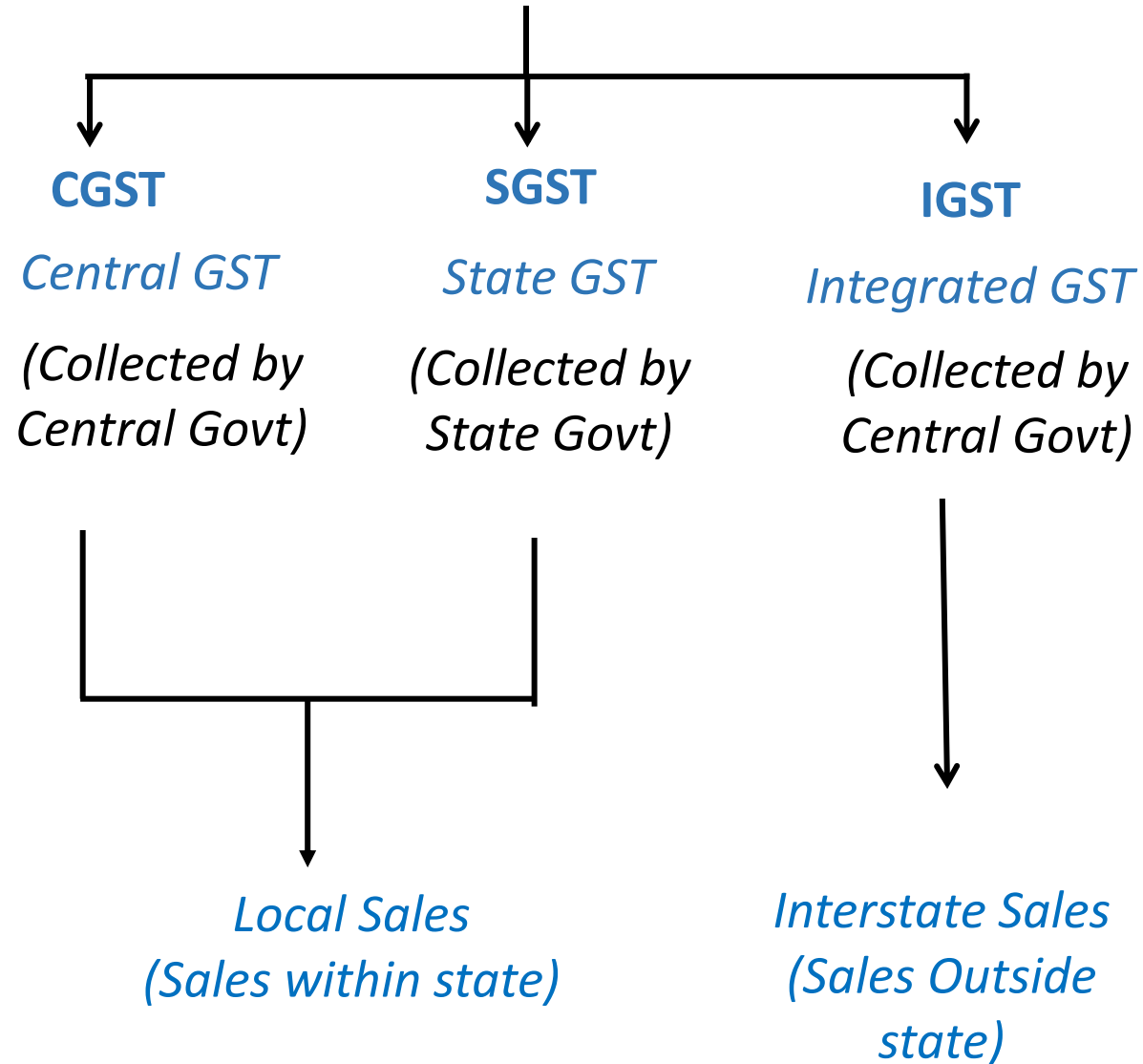
Earlier Indirect Tax before GST

Tax on Sale of Goods - **Vat,CST**
*Tax on Sale of Services -***Service Tax**
*Tax on Manufacturing-***Excise**

Indirect Tax

On Goods Sold

On Service Provided

By Dealer

By Manufacturer

By Service Provider

Within State

VAT

Within State

Excise + VAT

Within State

Service Tax

Outside State

CST

Outside State

Excise + CST

Outside State

Service Tax

New Indirect Tax after Implementation of GST

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

Indirect Tax

On Goods Sold

On Service Provided

By Dealer

By Manufacturer

By Service Provider

Within State

CGST + SGST

Outside State

IGST

Within State

CGST + SGST

Outside State

IGST

Within State

CGST + SGST

Outside State
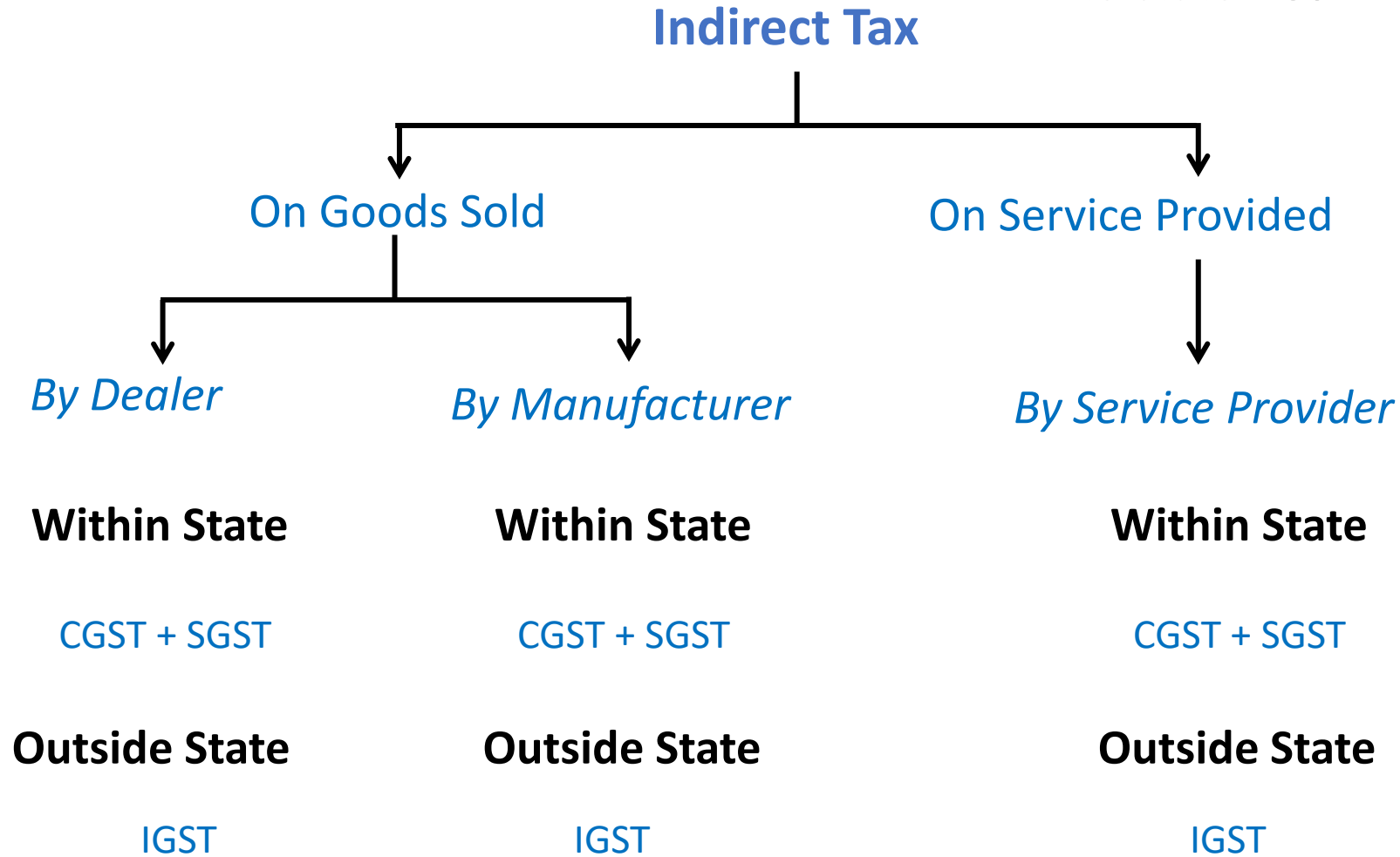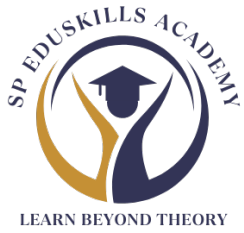
IGST

What is Output and Input GST

Purchase   40000

IGST   2000   ⟶   **INPUT GST 2000**

Total   42000   *Gst on Purchase is called Input GST*

Sales   60000

IGST   3000   ⟶   **OUTPUT GST 3000**

Total   63000   *Gst on Sales is called Ouput GST*

GST Payable = 3000-2000   **GST Payable=Output-Input**

               =1000

What is GST Credit

Purchase   40000

IGST   2000   →   **INPUT GST 2000**

Total   42000   *Gst on Purchase is called Input GST*

Sales   30000

IGST   1500   →   **OUTPUT GST 1500**

Total   31500   *Gst on Sales is called Output GST*

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

Purchase	20000
IGST	1000
Total	21000
Sales	18000
IGST	900
Total	18900
OUTPUT	900
INPUT	1000
GST Payable	
GST Credit	**100**

FEBRUARY

Purchase	30000
IGST	1500
Total	31500
Sales	40000
IGST	2000
Total	42000
OUTPUT	2000
INPUT	1500
ADD OPENING CREDIT	**100**
TOTAL INPUT	1600
GST Payable	400