

## About GST

The Goods and service tax (GST) is a Tax on Goods and services sold domestically for consumption. The Tax is included in final price and paid by consumers at point of sale and passed to the government by the sellers. The GST is common Tax used by the majority of countries globally.

Three types of GST in India:-

1. CGST
2. SGST
3. IGST

CGST is collected by the centre and SGST by the state. IGST is charged on inter-state goods / services transactions.



GST calculation can be explained by simple illustration:-

If a goods or service is sold at Rs. 1000 and the GST rate applicable is 18%, then the net price calculated will be  $= 1000 + (1000 \times (18 \times 100)) = 1000 + 180 = \text{Rs.}$

To calculate sales tax that is included in company's receipt, divide the total amount received (for the items that are subject to sales tax) by "1 + the sale tax rate". In other words, if the sale tax rate is 6%, divide the sales taxable receipts by 1.06. If you are registered for GST, you can claim that back. You do this by claiming a GST credit when loading your business activity statement (BAS). The ATO will balance those credits against the GST you owe when working out your refund or bill

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