

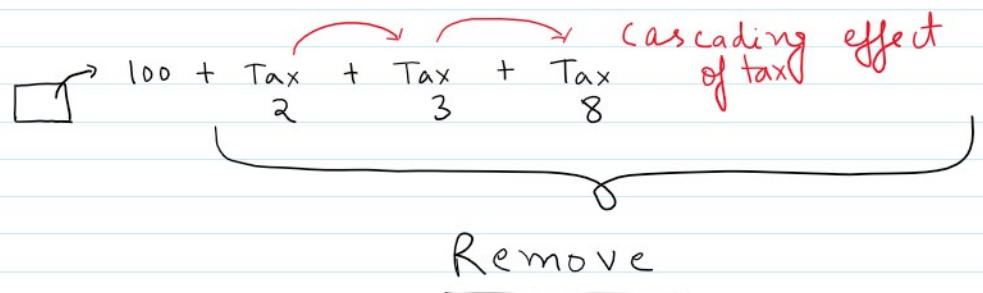
CH :- Goods & Services Tax (V. Imp)

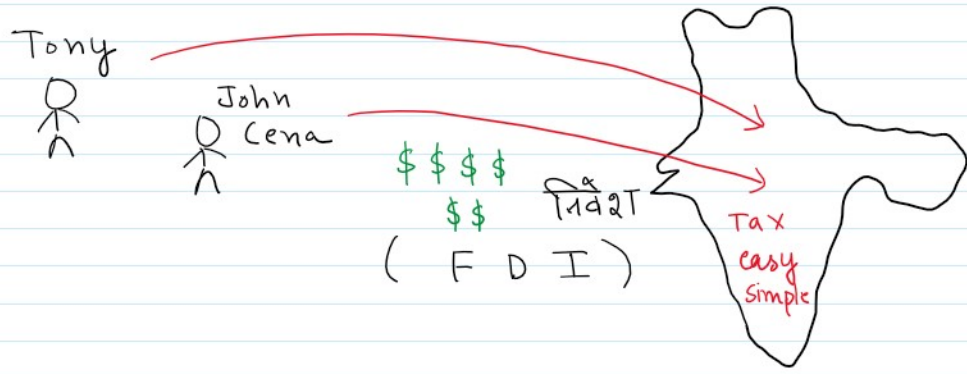
**G S T**



ONE NATION ONE TAX  
↓  
G S T

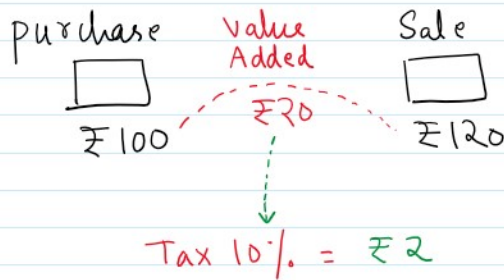
- GST is a **comprehensive indirect Tax** levied at the prescribed rate each time the sale is made.   
 ↓   
 0% , 5% , 12% , 18% , 28%   
 → दर/charge
- One nation one tax i.e developing common national market by having one indirect tax was the main objective of GST
- Objectives of GST :-
  - Removing **cascading effect** of tax
  - Ease of doing business
  - Attracting foreign direct investment



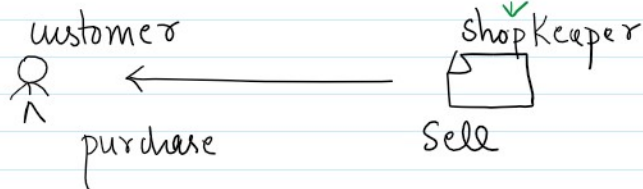


#### 4. Characteristics of GST

- a) It is a comprehensive indirect Tax
- b) It is a **Value added** Tax



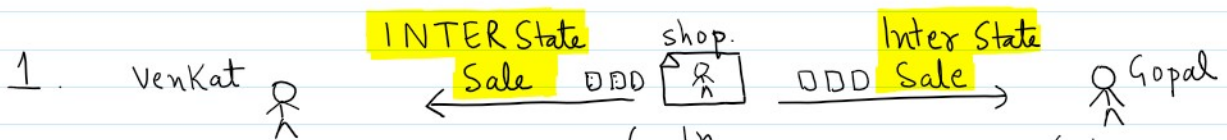
- c) It is a **supply based** tax i.e. charged by Seller

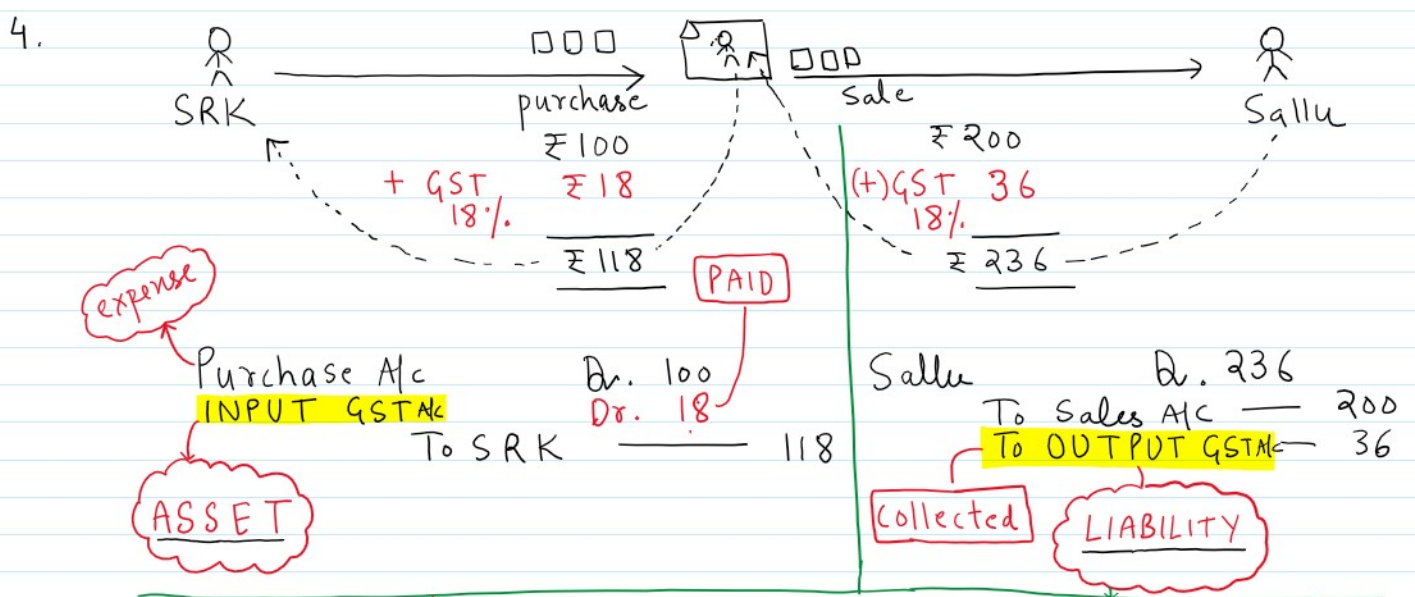
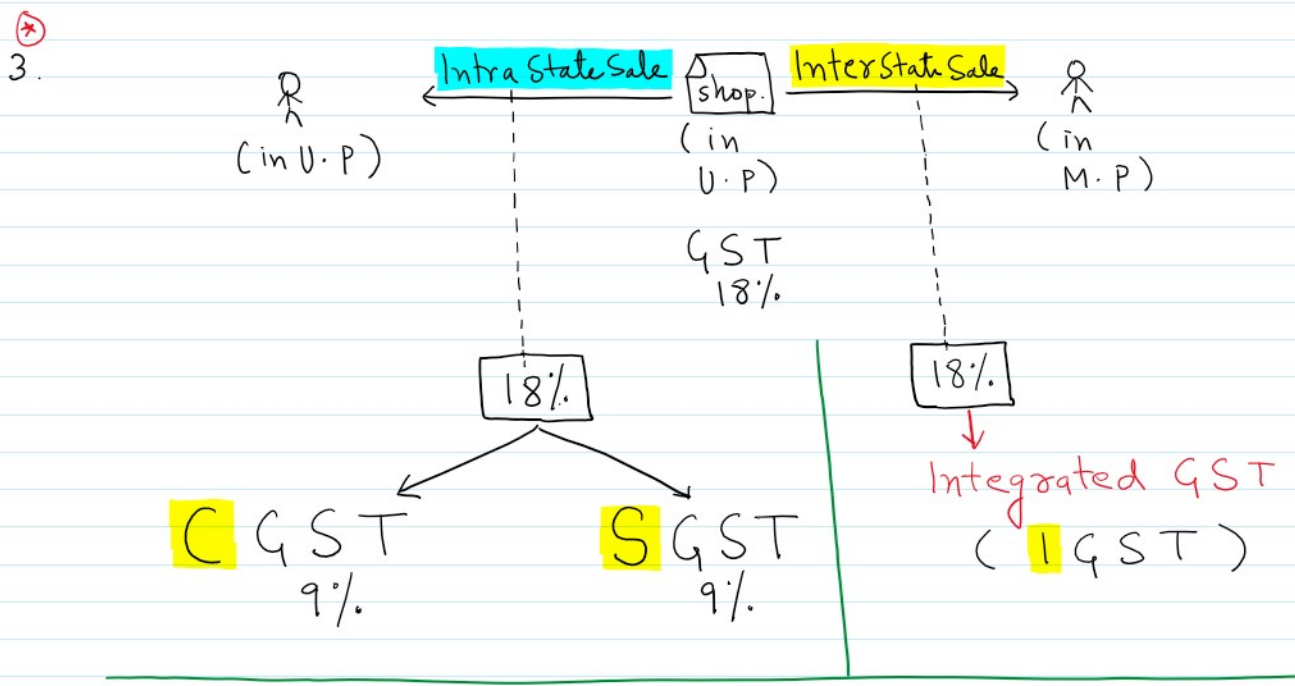
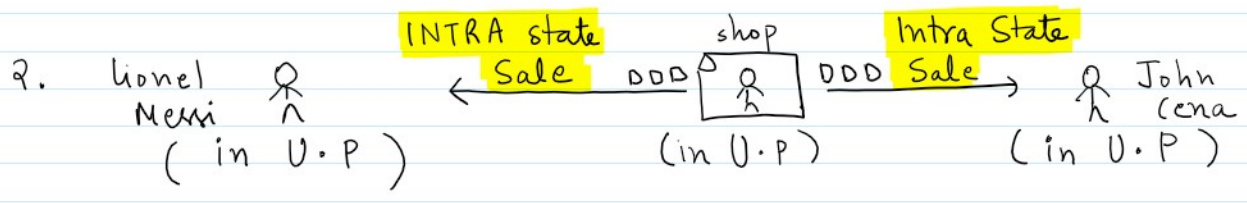
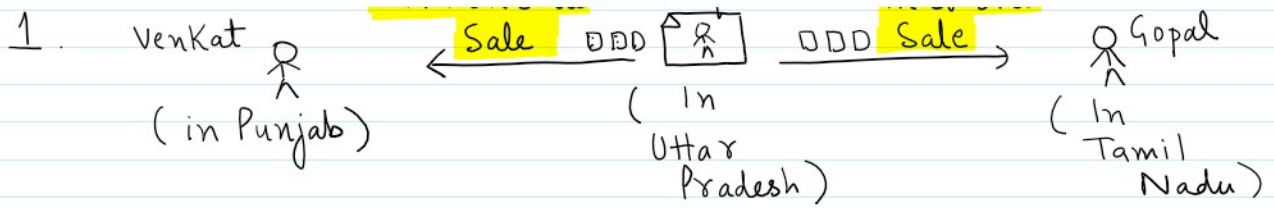


- d) GST is a **destination based** tax



#### CONCEPTS





SET OFF

collected ₹36 (-) Paid ₹18 = ₹18

We have to pay to the Government



- v
- GST
- theory (R) eg (i) purchase of goods/service from **Unregistered taxpayer**
- (ii) payments to **fee to lawyers**
- (iii) payment for use of copyright

⑦ In some cases GST paid is not considered as an asset. i.e Input GST is **not**

**Goods purchased**

Purchase A/c	Dr.	100
Input GST A/c	Dr.	18
	To Creditor	118

ASSET

**Food/Beverage expenses eg:- Restaurant Bill.**

-----	1,000
(H) GST 6%	60
	<u>1060</u>

Restaurant expenses A/c	Dr.	1060
<del>Input GST A/c</del>	<del>Dr.</del>	<del>60</del>
	To Cash A/c	1060

eg 2:- **Repairs to Building** ₹ 10,000  
GST paid 6%

Sol:-

Repair A/c	Dr.	10,600
<del>Input GST A/c</del>	<del>Dr.</del>	
	To Cash A/c	10,600

⑧ In some cases GST is not levied

- Salaries & Wages
- Educational Services
- Electricity & Water
- Interest
- Health services (consulting only)

\* Application of GST \*

\* 100%  
eg ① **Purchased** goods from Ranbir Kapoor ₹ 100,000.

eg ① Purchased goods from Ranbir Kapoor ₹ 100,000.

- Trade discount 10%.
- Cash discount 2%.
- CGST and SGST 9% each
- Paid half amount immediately

Sol:- WN

NOT recorded

Goods

(-) Trade discount 10%

Purchase Value

Recorded

(-) Cash discount 2%

Taxable Value

(+) CGST 9%

(+) SGST 9%

Invoice Value

CASH	CREDIT
50,000	50,000
(5,000)	(5,000)
45,000	45,000
(900)	-
44,100	45,000
3,969	4,050
3,969	4,050
52,038	53,100

Purchase A/c  
Input CGST A/c  
Input SGST A/c

Dr. 90,000

Dr. 8,019

Dr. 8,019

To Ranbir Kapoor

To Cash A/c

To discount received A/c

53,100

52,038

900

eg ② Sold goods to John Cena ₹ 200,000

Trade discount 10%

Cash discount 2%

CGST & SGST @ 9% each

Received half amount immediately.

Sol:-

	Cash	Credit
Goods	100 000	100 000
(-) TD @ 10%	(10 000)	(10 000)
	90 000	90 000
(-) CD @ 2%	(1 800)	-
	88 200	90 000
Taxable Value		
+ CGST 9%	7 938	8 100
+ SGST 9%	7 938	8 100
	104,076	106,200

John Lena	Dr. 106200	
Cash A/c	Dr. 104076	
Discount allowed A/c	Dr. 1800	
To Sales A/c		180,000
To Output CGST A/c		16,038
To Output SGST A/c		16,038

#### Illustration 4. (IMP) →

Pass Journal entries for the following transactions of Akhil:

- Machinery purchased for ₹ 50,000 paying CGST and SGST @ 9% against "cheque" payment.
- Rent paid by cheque for business premises ₹ 10,000 plus CGST and SGST @ 9% each.
- Telephone Bill of ₹ 2,000 plus CGST and SGST @ 9% each paid in cash.
- Sold an old machine as scrap in cash for ₹ 5,000 (book value) charging CGST and SGST @ 9% each.
 

= 5,900	+ 450	+ 450
---------	-------	-------
- Paid restaurant bill of refreshment for customers ₹ 5,000 plus CGST and SGST @ 9% each in cash (Input Credit not allowed).
- Paid Salaries to staff for the month ₹ 50,000 by cheque (Exempt from GST).
- Paid fee to Lawyer ₹ 9,000. CGST and SGST @ 9% each is levied under Reverse Charge.
- Advertisement expenses of ₹ 40,000 plus CGST and SGST @ 9% paid by cheque.

Sol:-

(i)	Machinery A/c	Dr. 50,000
=	Input CGST A/c	Dr. 4,500
	Input SGST A/c	Dr. 4,500
	To Bank A/c	59,000

Input SGST A/c Dr. 4,500  
 To Bank A/c 59,000  
 (being -----)

(ii) Rent A/c Dr. 10,000  
 = Input CGST A/c Dr. 900  
 Input SGST A/c Dr. 900  
 To Bank A/c 11,800

(iii) Telephone expense A/c Dr. 2,000  
 Input CGST A/c Dr. 180  
 Input SGST A/c Dr. 180  
 To Cash A/c 2,360

(iv) Cash A/c Dr. 5,900  
 To Machinery A/c 5,000  
 To Output CGST A/c 450  
 To Output SGST A/c 450

(v) Business promotion expense A/c Dr. 5,900  
 To Cash A/c 5,900

(vi) Salary A/c Dr. 50,000  
 To Bank A/c 50,000

(vii) Professional (Lawyer's) fee A/c Dr. 9,000  
 To Cash A/c 9,000

Input CGST A/c Dr. 810  
 Input SGST A/c Dr. 810  
 To Cash A/c 1,620

(viii) Advertisement expense A/c Dr. 40,000  
 Input CGST A/c Dr. 3,600  
 Input SGST A/c Dr. 3,600  
 To Bank A/c 47,200



3. Journalise the following in the books of Amit Saini, Gurugram (Haryana):
- (i) Goods of ₹ 5,000, out of goods purchased within the state (intra state) were taken by him for personal use.
  - (ii) ₹ 2,000 due from Sohan were bad debts.
  - (iii) Goods of ₹ 6,000 were destroyed by fire and were not insured. These goods were purchased from outside the state, IGST
  - (iv) Paid ₹ 4,000 in cash as wages on installation of machine. (GST is not to be levied.)
  - (v) Sold goods to Arjun of Delhi of list price ₹ 20,000. Trade discount @ 10% and cash discount of 5% was allowed. He paid the amount on the same day and availed the cash discount.
  - (vi) Received ₹ 2,000 from Ramesh, whose account was written off as bad debts.
  - (vii) Goods costing ₹ 1,000 given as charity. These goods were purchased from within the state → CGST + SGST
  - (viii) Received ₹ 9,750 from Ramesh in full settlement of his account of ₹ 10,000.
  - (ix) Paid rent in "advance" ₹ 4,000.
- CGST and SGST is to be levied on intra-state sale @ 6% each and IGST @ 12% on inter-state sale.

Sol:

(i) Drawings A/c Dr. 5,600

	To Purchase A/c	5,000
Reversal of GST	To Input CGST	300
	To Input SGST	300

(ii) Bad debt A/c Dr. 2000

	To Sohan	2,000
--	----------	-------

(iii) Loss by fire A/c Dr. 6,720

	To Purchase A/c	6,000
Reversal of GST	To Input IGST A/c	720

(iv) Machinery A/c Dr. 4,000

	To Cash A/c	4,000
--	-------------	-------

(v) Cash A/c Dr. 19,152

	Discount allowed A/c	Dr. 900
	To Sales A/c	18,000
	To Output IGST A/c	2,052

To Sales A/c \_\_\_\_\_ 18,000  
 To Output IGST A/c \_\_\_\_\_ 2,052

Goods	20,000
(-) Trade discount 10%	(2,000)
	<u>18,000</u>
(-) Cash discount 5%	(900)
	<u>17,100</u>
(+) IGST @ 12%	<u>2,052</u>
	<u>19,152</u>

(vi) Cash A/c Dr. 2000  
 To Bad debt recovered A/c — 2000

(vii) Charity A/c Dr. 2240  
 To Purchase A/c \_\_\_\_\_ 2000  
 To Input CGST A/c \_\_\_\_\_ 120  
 To Input SGST A/c \_\_\_\_\_ 120

Reversal of GST

(viii) Cash A/c Dr. 9750  
 Discount allowed A/c Dr. 250  
 To Ramesh \_\_\_\_\_ 10,000

(ix) PREPAID Rent A/c Dr. 4000  
 Input SGST A/c Dr. 240  
 Input CGST A/c Dr. 240  
 To Cash A/c \_\_\_\_\_ 4480

x ————— x ————— x ————— x ————— x ————— x ————— x ————— x

5. Pass Journal entries in the books of **Puneet, Delhi** for the following:

- (i) Received an order from Karan & Co. for supply of goods of ₹ 50,000.
- (ii) Received an order from AK & Co. for goods of ₹ 1,00,000 along with a cheque for ₹ 25,000 as advance.
- (iii) Paid to staff ₹ 40,000 against outstanding salaries of ₹ 60,000.
- (iv) Sold goods to Bharat Kaithal (Harvana) of ₹ 10,000 plus IGST @ 12% out of which

(iii) Paid to staff ₹ 40,000 against outstanding salaries of ₹ 60,000. <sup>\*\*\*</sup>

(iv) Sold goods to Bharat, Kaithal (Haryana) of ₹ 10,000 plus IGST @ 12% out of which 1/5th were returned by Bharat being defective.

(v) Cheque of ₹ 20,000 issued by Feroz was dishonoured.

Sol (i) NO ENTRY

(ii) Bank A/c To Advance from AK Dr. 25,000  
25,000

(iii) Outstanding salary A/c Dr. 40,000  
To CASH A/c 40,000  
(being -----)

(iv) Bharat Dr. 11,200  
To Sales A/c 10,000  
To Output IGST A/c 1,200

Reversal of GST → Output IGST A/c Dr. 2,000  
Dr. 240  
To Bharat 2,240

(v) FEROZ Dr. 20,000  
To Bank A/c 20,000  
(being -----)

(vi) Cash A/c Dr. 8,000  
To Feroz 8,000

(vii) Received 40 paise in a rupee from Feroz against the above dues.

(viii) Received a cheque of ₹ 25,000 from Mohan after banking hours. ↓

(ix) Purchased goods from Barun of Chandigarh of ₹ 10,000 plus IGST @ 12% and sold them to Arun of Shimla (HP) at ₹ 22,400, including IGST @ 12%. \*

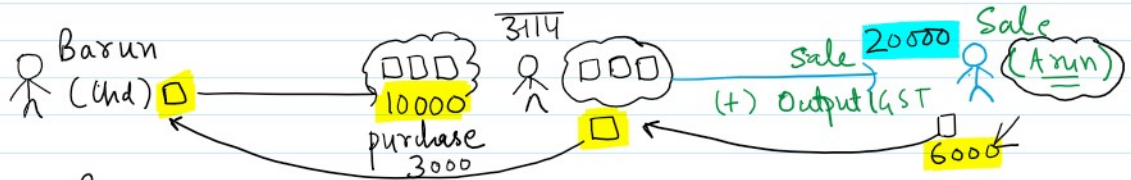
(x) Arun returned goods of ₹ 6,720, including IGST which were returned to Barun.

\* 100% them to Arun of Shimla (HP) at ₹ 22,400, including IGST @ 12%.

(ix) Arun returned goods of ₹ 6,720, including IGST which were returned to Barun.

(x) Puneet purchased 10 TV sets @ ₹ 20,000 per set and paid IGST @ 12%. It sold all the sets @ ₹ 25,000 per set plus CGST and SGST @ 6% each.

(vii) Cheque - in-hand A/c Dr. 25000  
To Mohan \_\_\_\_\_ 25,000



(viii) Purchase A/c Dr. 10000  
Input IGST A/c Dr. 1200  
To Barun \_\_\_\_\_ 11,200

Arun Dr. 22,400  
To Sales A/c \_\_\_\_\_ 20,000  
To Output IGST A/c \_\_\_\_\_ 2,400

$$\left\{ \begin{array}{l} \text{Let Sales} = x \\ \text{IGST@12\%} = \frac{12x}{100} \end{array} \right. \quad \left| \quad \begin{array}{l} \frac{100x + 12x}{100} = 22400 \\ 112x = 2240000 \\ x = \frac{2240000}{112} \\ \therefore x = 20,000 \end{array} \right.$$

(ix) Sales Return A/c Dr. 6,000  
Output IGST A/c Dr. 720  
To Arun \_\_\_\_\_ 6,720

$$\left\{ \begin{array}{l} \text{Sales Return} = x \\ \text{IGST} = \frac{12x}{100} \end{array} \right. \quad \left| \quad \begin{array}{l} \frac{112x}{100} = 6720 \\ x = \frac{6720 \times 100}{112} = 6000 \end{array} \right.$$

Barun	To Purchase Return A/c <span style="float: right;">Dr. 3360</span>	_____ 3000
	To Input IGST A/c <span style="float: right;">_____ 360</span>	_____ 360

(x) Purchase A/c <span style="float: right;">Dr. 200,000</span>	Cash A/c <span style="float: right;">Dr. 280000</span>	
Input IGST A/c <span style="float: right;">Dr. 24,000</span>	To Sales A/c _____ 250000	+ Input IGST _____ 15000
To Cash A/c _____ 224000		

Input IGST A/c Dr. 24,000 To Cash A/c ————— 224,000	Cash A/c Dr. 28,000 To Sales A/c — 25,000 To Output CGST — 15,000 To Output SGST — 15,000
--	--

(xi) Paid insurance of ₹ 11,200 including CGST and SGST @ 6% each for a period of one year.

(xii) Sold personal car for ₹ 1,00,000 and invested the amount in the firm.

(xiii) Goods costing ₹ 1,00,000 were destroyed in fire. Insurance company admitted the claim for ₹ 75,000. These goods were purchased within Delhi paying CGST and SGST @ 6% each.

Insurance Premium A/c Dr. 10,000 Input CGST A/c Dr. 600 Input SGST A/c Dr. 600 To Cash A/c ————— 11,200
--

$$\left\{ \begin{array}{l} x + \frac{6x}{100} + \frac{6x}{100} = 11,200 \\ \frac{100x + 6x + 6x}{100} = 11,200 \end{array} \right. \quad \left| \quad \begin{array}{l} x = \frac{11200}{112} \times 100 \\ = 10,000 \end{array} \right.$$

Cash A/c Dr. 1,00,000 To Capital A/c ————— 1,00,000
--

(xiii) 

Less by fire A/c (P&L A/c) Dr. 37,000 Insurance Co. Dr. 75,000 To purchase A/c ————— 1,00,000 To Input CGST ————— 6,000 To Input SGST ————— 6,000
---

Reversal {

(xiv) Purchased machinery for ₹ 56,000 including IGST of ₹ 6,000 and paid cartage thereon ₹ 5,000 and installation charges ₹ 10,000.

(xv) Goods costing ₹ 40,000 sold to Kapil at a profit of 20% on sales less 10% Trade Discount plus CGST and SGST @ 6% each and received a cheque under 2% cash discount.

(xvi) Purchased machinery from New Machinery House for ₹ 50,000 and paid it by bank draft from bank. Paid bank charges ₹ 500. Bank charged CGST and SGST @ 6%

(xiii) Purchased machinery from New Machinery House for ₹ 50,000 and paid it by draft from bank. Paid bank charges ₹ 500. Bank charged CGST and SGST @ 6% each on Bank charges.

(xiv) Machine A/c (50000 + 5000 + 10000) Dr. 65000  
 Input IGST A/c Dr. 6000  
 To Cash A/c ————— 71000

(xv)  $\square\square\square$  (COST (मूल्य)) 40,000  
 $\square\square$  (+) profit 20% on cost (+) 10,000  
 Sale on sale 50,000

Let Sale =  $x$   
 profit =  $\frac{20x}{100}$

COST + profit = Sale  
 $40000 + \frac{20x}{100} = x$

$40000 = x - \frac{20x}{100}$

$= \frac{100x - 20x}{100}$

$40000 = \frac{80x}{100}$

$\therefore x = \frac{40000 \times 100}{80}$

$x = 50,000$

(-) T.D @ 10% (5,000)

45,000

(-) C.D @ 2% (900)

44,100

+ CGST 6% 2,646

+ SGST 6% 2,646

49,392

(xvi) Bank A/c Dr. 49,392

Discount allowed A/c Dr. 900

Dr. ...

Discount allowed A/c Dr. 900  
 To Sales A/c ————— 45000  
 To Output CGST A/c ————— 2646  
 To Output SGST A/c ————— 2646

(xvi) Machinery A/c Dr. 50000  
 Bank charges A/c Dr. 500  
 Input CGST A/c (3000 + 30) Dr. 3030  
 Input SGST A/c (3000 + 30) Dr. 3030  
 To Bank A/c ————— 56,560

x ————— x ————— x ————— x ————— x ————— x

\* **Subsidiary Books with GST** \*

**Illustration 7 (Preparation of Cash Book).**

Dr	CB	Cr
(↑)		(↓)

Prepare Two-column Cash Book of Tarun, Kanpur and also Journal entries from the following transactions:

- 2021
- April 1 Cash in Hand ₹ 1,200; Overdraft at bank ₹ 15,000.
  - April 3 Capital introduced ₹ 20,000 out of which ₹ 16,000 is by cheque from his Savings Account.
  - April 4 Purchased goods from Shyam Traders, Lucknow for ₹ 3,000 plus CGST and SGST @ 6% each and they allowed trade discount ₹ 200. The amount was paid by cheque.
  - April 4 **Goods purchased for cash ₹ 4,000 plus CGST and SGST @ 6% each.**
  - April 5 Sold goods to Mohan ₹ 5,000 plus CGST and SGST @ 6% each.
  - April 6 Received cheque from Rakesh ₹ 2,450.  
Allowed him discount ₹ 50.
  - April 10 Cheque received from Rakesh deposited into bank.
  - April 11 Settled the account of Tej Printers ₹ 750 by paying cash ₹ 680.
  - April 12 Cash received from Mohan ₹ 5,350 in full settlement of his account.
  - April 16 An amount of ₹ 1,000 due from Gupta Brothers written off as bad debts in the previous year, now received.
  - April 17 Cash received from Murli on behalf of Manohar ₹ 200.
  - April 19 Received a cheque for ₹ 800 from Mukesh, which was endorsed to Nitin.
  - April 20 **Sale of old furniture for ₹ 700 plus CGST and SGST @ 6% each, payment received in cash.**
  - April 25 Withdrawn from bank ₹ 3,000.
  - April 25 Drew from bank for household expenses ₹ 1,000 and for income tax ₹ 500.
  - April 28 Surendra who owed ₹ 400 became bankrupt and paid 60 paise in a rupee.
  - April 28 Received repayment of a loan advanced to Ram ₹ 3,000 and deposited out of it ₹ 2,500 into the bank.
  - April 30 Interest on overdraft debited by bank ₹ 375.
  - April 30 Deposited with the bank the balance amount after retaining ₹ 2,000 as Cash in Hand.

Purchase A/c Dr. 4000  
 Input CGST A/c Dr. 240  
 Input SGST A/c Dr. 240  
 To Cash A/c — 4480

Cash A/c Dr.  
 To Furniture  
 To Output CGST  
 To Output SGST





		NO	₹	₹	CGST	SGST	IGST	Inwards	₹
					₹	₹	₹	₹	₹
2021									
April	1	<b>Joshi Bros., Kolkata</b>	210						
		10 Philips Tubelights @ ₹ 200 each		2,000					
		50 Crompton Bulbs @ ₹ 100 each		5,000					
				7,000					
		Less: Trade Discount @ 10%		700					
		<b>Taxable Value</b>		6,300					
		Add: CGST @ 6%		378					
		SGST @ 6%		378					
				7,056	6,300	378	378	---	7,056
April	10	<b>Rajesh Electric Store, Delhi</b>	18						
		25 Heaters @ ₹ 800 each		20,000					
		15 Crompton Fans @ ₹ 1,600 each		24,000					
				44,000					
		Less: Trade Discount @ 10%		4,400					
		<b>Taxable Value</b>		39,600					
		Add: IGST @ 12%		4,752					
				44,352	39,600	---	---	4,752	44,352
April	16	<b>Supreme Electric Store, Delhi</b>	125						
		5 dozen Philips Bulbs @ ₹ 100 each		6,000					
		25 Power Plugs @ ₹ 80 each		2,000					
				8,000					
		Less: Trade Discount @ 10%		800					
		<b>Purchase Value</b>		7,200					
		Add: Freight		100					
		<b>Taxable Value</b>		7,300					
		Add: IGST @ 12%		876					
				8,176	7,200	---	---	876	8,176
April	30								
				53,100	378	378	5,628	100	59,584

### JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2021				
April 30	Purchases A/c	...Dr.	53,100	
	Input CGST A/c	...Dr.	378	
	Input SGST A/c	...Dr.	378	
	Input IGST A/c	...Dr.	5,628	
	Freight Inwards A/c	...Dr.	100	
	To Joshi Bros., Kolkata			7,056
	To Rajesh Electric Store, Delhi			44,352
	To Supreme Electric Store, Delhi			8,176
	(Purchases for the month of April, 2021)			

### Illustration 9 (Preparation of Sales Book).

From the following transactions of M/s. Ridhima Sales, Kolkata, prepare Sales Book:

2021

March 1 Sold to M/s. Gayatri Tea, Assam, vide Invoice No. 2005, 3 chests of tea for ₹ 5,000 per chest less Trade discount @ 5% and IGST is charged @ 12%.

### Illustration 9 (Preparation of Sales Book).

From the following transactions of M/s. Ridhima Sales, Kolkata, prepare Sales Book:

2021

- March 1 Sold to M/s. Gayatri Tea, Assam, vide Invoice No. 2005, 3 chests of tea for ₹ 5,000 per chest less Trade discount @ 5%, and IGST is charged @ 12%.
- March 4 Sold to M/s. Mohan & Sons, Kolkata vide Invoice No. 2006, 20 kg Amul Butter @ ₹ 250 per kg less Trade discount @ 5% and charged CGST and SGST @ 6% each.
- March 5 Sold to M/s. Garry Sons, Delhi vide Invoice No. 2007, 20 kg Assam Tea @ ₹ 600 per kg less Trade discount @ 5%, charged IGST @ 12%. Freight and packing charges were separately charged in the invoice at ₹ 1,600.

Also, show the Journal entry for the entries recorded in the Sales Book.

**Solution:**

#### M/s. Ridhima Sales, Kolkata SALES BOOK

Date	Particulars	Invoice No.	L.F.	Details ₹	Sale Value ₹	Output CGST ₹	Output SGST ₹	Output IGST ₹	Freight & Packing Charges (₹)	Total ₹
2021 March 1	<b>M/s. Gayatri Tea, Assam</b> 3 Chests Tea @ ₹ 5,000 per chest Less: Trade Discount @ 5% <b>Taxable Value</b> Add: IGST @ 12%	2005		15,000 750 14,250 1,710 15,960	14,250	...	...	1,710	...	15,960
March 4	<b>M/s. Mohan &amp; Sons, Kolkata</b> 20 kg Amul Butter @ ₹ 250 per kg Less: Trade Discount @ 5% <b>Taxable Value</b> Add: CGST @ 6% SGST @ 6%	2006		5,000 250 4,750 285 285 5,320	4,750	285	285	...	...	5,320
March 5	<b>M/s. Garry Sons, Delhi</b> 20 kg Assam Tea @ ₹ 600 per kg Less: Trade Discount @ 5% <b>Sale Value</b> Add: Freight & Packing Charges <b>Taxable Value</b> Add: IGST @ 12%	2007		12,000 600 11,400 1,600 13,000 1,560 14,560	11,400	...	...	1,560	1,600	14,560
March 31					30,400	285	285	3,270	1,600	35,840

#### JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2021 March 31	M/s. Gayatri Tea, Assam ✓ M/s. Mohan & Sons, Kolkata ✓ M/s. Garry Sons, Delhi ✓ To Sales A/c		...Dr. ...Dr. ...Dr.	15,960 5,320 14,560
	To Output CGST A/c			285
	To Output SGST A/c			285
	To Output IGST A/c			3,270
	To Freight and Packing Charges Recovered A/c			1,600
	(Sales effected during the month of March, 2021)			



Home Store has following balances in its GST Accounts:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	6,50,000	3,00,000	3,00,000
Output GST — देना है	5,25,000	2,00,000	2,00,000

Show how Input GST will be adjusted against Output GST and which account will have the balance? Pass the Journal entries for set-off of GST.

**Solution:**

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output GST	(5,25,000)	(2,00,000)	(2,00,000)
Less: Input IGST	6,50,000	...	...
Balance	1,25,000	(2,00,000)	(2,00,000)
Less: Input IGST (Balance) Set-off Against Output CGST	(1,25,000)	1,25,000	...
Balance	Nil	(75,000)	(2,00,000)
Less: Input CGST/SGST Set-off Against Output CGST/SGST	Nil	3,00,000	3,00,000
Balance	Nil	2,25,000 (Dr.) (Receivable)	1,00,000 (Dr.) (Receivable)

**Illustration 11.**

Case 1

Home Saaz has following balances in its GST Accounts:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	8,50,000	3,00,000	3,00,000
Output GST — देना है	5,75,000	2,00,000	2,00,000

Show how Input GST will be adjusted against Output GST and which account will have the balance? Pass the Journal entries for set-off of GST.

**Solution:**

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output GST	(5,75,000)	(2,00,000)	(2,00,000)
Less: Set-off (Input IGST)	8,50,000	...	...
Balance	2,75,000	(2,00,000)	(2,00,000)
Less: Set-off Input IGST against Output CGST and Output SGST	(2,75,000)	2,00,000	75,000
Balance	Nil	Nil	(1,25,000)
Less: Set-off Input CGST and SGST against Output CGST and SGST	Nil	3,00,000	3,00,000
Balance	Nil	3,00,000 (Dr.) (Receivable)	1,75,000 (Dr.) (Receivable)

**Illustration 12.**

Case 2

Shine India has following balances in its GST Accounts:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	2,50,000	3,00,000	3,00,000
Output GST — देना है	3,25,000	2,00,000	2,00,000

**Illustration 12.****Case (2)**

Shine India has following balances in its GST Accounts:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	2,50,000	3,00,000	3,00,000
Output GST — देना है	3,25,000	2,00,000	2,00,000

Show how Input GST will be adjusted against Output GST and which accounts will have the balance after set-off? Pass the Journal entries for set-off of GST.

**Solution:**

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output GST	(3,25,000)	(2,00,000)	(2,00,000)
Less: Input IGST set-off	2,50,000	...	...
Balance in Output GST	(75,000)	(2,00,000)	(2,00,000)
Less: Input CGST/ SGST set-off	Nil	3,00,000	3,00,000
Balance	(75,000)	1,00,000	1,00,000
Less: Set-off Input CGST against Output IGST	75,000	(75,000)	...
Balance	Nil	25,000 (Dr.) (Receivable)	1,00,000 (Dr.) (Receivable)

**Illustration 13.****Case (2)**

Star Fabrics has following balances in its GST Accounts:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	2,50,000	3,00,000	3,00,000
Output GST — देना है	4,00,000	2,00,000	2,00,000

Show how Input GST will be adjusted against Output GST and which accounts will have balance after set-off? Pass the Journal entries for set-off of GST.

**Solution:**

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output GST	(4,00,000)	(2,00,000)	(2,00,000)
Less: Set-off of Input IGST	2,50,000	...	...
Balance	(1,50,000)	(2,00,000)	(2,00,000)
Less: Set-off of Input CGST and SGST	Nil	3,00,000	3,00,000
Balance	(1,50,000)	1,00,000	1,00,000
Less: Set-off of Input CGST and SGST against Output IGST	1,50,000	(1,00,000)	(50,000)
Balance	Nil	Nil	50,000 (Dr.) (Receivable)

**Illustration 14.****Case (2)**

Home Fabrics has following balances in its different GST Accounts:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	5,25,000	2,00,000	2,00,000

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	5,25,000	2,00,000	2,00,000
Output GST — देना है	6,50,000	3,00,000	3,00,000

Show how Input GST will be adjusted against Output GST and which accounts will have the balance? Pass the Journal entries for set-off of GST.

**Solution:**

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output GST	(6,50,000)	(3,00,000)	(3,00,000)
Less: Set-off (Input IGST)	5,25,000	...	...
Balance	(1,25,000)	(3,00,000)	(3,00,000)
Set-off Input CGST and SGST	Nil	2,00,000	2,00,000
Balance	(1,25,000)	(1,00,000)	(1,00,000)
	Payable	Payable	Payable

**GST Set-off** IGST: NIL CGST: 150000 (Receivable) **Case (1)** SGST: 50000 (Receivable)

11. Pawan has following balances in his GST Accounts:

	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	6,00,000	2,00,000	2,00,000
Output GST — देना है	5,00,000	1,50,000	1,50,000

Pass the Journal entries for set-off of GST.

12. Naman has following balances in his GST Accounts:

**Case (2)**

	IGST (₹)	CGST (₹)	SGST (₹)
Input GST — लेना है	2,50,000	2,00,000	2,00,000
Output GST — देना है	4,00,000	1,50,000	1,50,000

Pass the **Journal entries** for set-off of GST.

- ① Output IGST A/c Dr. 250000  
To Input IGST A/c ————— 250000
- ② Output CGST A/c Dr. 150,000  
To Input CGST A/c ————— 150,000
- ③ Output SGST A/c Dr. 150,000  
To Input SGST A/c ————— 150,000
- ④ Output IGST A/c Dr. 50,000  
To Input CGST A/c ————— 50,000
- ⑤ Output IGST A/c Dr. 50000  
To Input SGST A/c ————— 50000

Smaller

