

Q-9

Components of GST :-

★ The following are the main components of GST:-

- (1) Central GST (CGST).
- (2) State GST (SGST).
- (3) Union Territory GST (UTGST).
- (4) Integrated GST (IGST).

(1) Central GST (CGST) ⇒ GST to be levied by the central government.

(2) State GST (SGST) / Union Territory GST (UTGST) ⇒ GST to be levied by states / Union territories with legislature.

(3) Integrated GST (IGST) ⇒ GST levied by central government on inter-state supply of goods and services to ensure that the credit chain is not disrupted.

Input tax Credit :-

Input credit means at the time of paying tax on output, you can reduce the tax you have already paid on inputs. You can claim INPUT CREDIT of Rs 300 and you only need to deposit Rs 150 in taxes. Input credit mechanism is available to you when you are covered under the GST Act.