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GST Calculator



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GST is the Goods and Services Tax levied by the government of India on the manufacturers, sellers, and consumers of consumer goods and services at the national level. It is based on the principle of Value Added Tax (VAT). As GST is levied on value addition at each stage, a consumer has to pay only the GST charged by the last dealer or supplier in the supply chain.

Implementation of GST has affected various aspects of a business operation ranging from product pricing to tax compliance. This is where the online [GST](#) calculator comes in handy. The cost of goods and services can be calculated using an online GST calculator that is available on many third-party websites.

GST Tax Calculation Formula

All one needs to do is input the net amount of a good or service and the applicable GST rate (5% or 12% or 18% or 28%) into the tool. Click on the 'Calculate' button and instantly get the gross price of the good or service. GST



calculation is represented by the below example:

A goods or service is sold at the rate of Rs.500. GST rate is 18%. Gross amount of the goods or service = 500 + [500 x (18/100)] = Rs.590

Formula for GST calculation:

- Add GST:

$$\text{GST Amount} = (\text{Original Cost} \times \text{GST}\%)/100$$

$$\text{Net Price} = \text{Original Cost} + \text{GST Amount}$$

- Remove GST:

$$\text{GST Amount} = \text{Original Cost} - [\text{Original Cost} \times \{100/(100+\text{GST}\%)\}]$$

$$\text{Net Price} = \text{Original Cost} - \text{GST Amount}$$

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Impact of GST on Product Pricing

Indirect tax will be levied by Central and State Government called Central GST (CGST) and State GST (SGST), respectively. In the case of intra-state transactions, the seller will collect CGST and SGST from the buyer which will be paid to the Central and State Government, respectively. Listed below is an example of the impact of GST on product pricing:

Old Tax System

Price of a product sold from Pune to Jaipur = Rs.1,000
VAT @ 10% = Rs.100
Cost of a product sold from Pune to Jaipur = Rs.1,100
Profit = Rs.1,000
Selling Price = Rs.2,100
CST @ 10% = Rs.210
Total cost of the product = Rs.2,310

GST System

Price of a product sold from Pune to Jaipur = Rs.1,000
CGST @ 5% = Rs.50 + SGST @ 5% = Rs.50
Cost of a product sold from Pune to Jaipur = Rs.1,100
Profit = Rs.1,000
Selling Price = Rs.2,100
IGST @ 10% = Rs.110
Total cost of the product = Rs.2,210

GST Calculator - Know GST Bill Rates and Its Calculation

The [GST Bill](#) is touted to be a landmark bill with respect to taxation in India. This Bill is being implemented with the intention of curbing ‘double-taxation’ and irregularities regarding the same. On 29 March, 2017 four bills were approved. The government has set a deadline of 1, July 2017 for the complete implementation of this Bill. A number of products and services would become cheaper and others would become heavier on the wallet. However, instead of the expected single tax slab, a multi-tier tax slab has been put forth with four different tax rates of 5%, 12%, 18% and 28%. The justification behind this multi-tier system is that essential goods and services cannot be taxed at the same rate as luxury products and services.

However, there are a number of confusions and doubts regarding the calculation of GST on products and the difference that would be made with the implementation of this landmark Bill. It is essential to note that the GST Bill has two components to it - one that is levied by the Centre which is known as CGST or Central GST and the other which is levied by all States known as SGST or State GST. Rates for each would be applied based on the revenue and acceptability, among other factors. Except for those goods and services that have been exempted,



SGST and CGST will be applicable on all goods and services. Both Centre and States would have jurisdiction for the determination of tax rates and for all taxpayers based on the threshold for products and services that have been prescribed.

Tax Calculation under GST

Under the GST regime, manufacturers and dealers can benefit from input tax credit. Below is an example to show the difference in the amount of tax payable under the old tax system and the GST system:

Value to Manufacturer	Old Tax system	GST System
Cost of production	Rs.2,00,000	Rs.2,00,000
Profit Margin of 10%	Rs.20,000	Rs.20,000
Excise duty of 12%	Rs.24,000	-
Total production cost	Rs.2,44,000	Rs.2,20,000
VAT of 12.5%	Rs.30,500	-
SGST of 6%	-	Rs.13,200
CGST of 6%	-	Rs.13,200
Invoice value for manufacturer	Rs.2,74,500	Rs.2,46,400
Value to Wholesaler		
Cost of goods	Rs.2,74,500	Rs.2,46,400
Profit margin of 10%	Rs.27,450	Rs.24,640
Total Value	Rs.3,01,950	Rs.2,71,040
VAT of 12.5%	Rs.37,743.75	-
SGST of 6%	-	Rs.16,262.40
CGST of 6%	-	Rs.16,262.40
Invoice value to wholesaler	Rs.3,39,693.75	Rs.3,03,564.80
Value to Retailer		
Cost of goods	Rs.3,39,693.75	Rs.3,03,564.80
Profit margin of 10%	Rs.33,969.375	Rs.30,356.48
Total Value	Rs.3,73,663.125	Rs.3,33,921.28
VAT of 12.5%	Rs.46,708	-
SGST of 6%	-	Rs.20,035.28
CGST of 6%	-	Rs.20,035.28
Invoice value to retailer	Rs.4,20,371.125	Rs.3,73,991.84

From the example, it's clear that subsuming excise duty is favourable to the end consumer. There is a reduction in cost for manufacturers, wholesalers, and retailers due to the subsuming of VAT, Service Tax, and Excise duty. Due to the reduction in cost, there will be a reduction in input tax credit.

Tax Calculation for Inter-State Sales

Integrated GST (IGST) will be levied by the Central Government on inter-state supply of goods and services. In the case of inter-state transactions, IGST will be transferred to importing state. In the old tax system, CST was charged over and above VAT and the excise duty for movement of goods between 2 states. In the GST system, IGST is the only tax levied on goods moving across state borders. Below is an example to understand the GST system:

Value to Manufacturer Old Tax System GST System



Cost of goods	Rs.1,00,000	Rs.1,00,000
VAT of 12.5%	Rs.12,500	-
IGST of 12%	-	Rs.12,000
CST of 2%	Rs.2,250	-
Total value to retailer	Rs.1,14,500	Rs.1,12,000

As per the above example, it is clear that under the GST system, manufacturers, wholesalers, and retailers will see reduction in cost whether it is inter-state or intra-state sales.

Benefits of using GST Calculator

While implementation of GST will ensure a transparent manner of collecting revenue and improve tax compliance, GST calculator will save time and give instant results. There is low to zero chances of human error when using an online GST calculator to compute the total cost of a good or service. The tool also gives the user an option to either add or remove GST rate from the net price of the product.

General Benefits of implementing GST in India

Implementing a single indirect tax is beneficial in many ways such as:

- It not only helps in setting an international standard but also ensures transparency throughout the tax structure right from the manufacturer to the consumer.
- The primary objective of implementing GST is to prevent double taxation of commercial goods. GST is expected to ultimately increase competition among the manufacturers and sellers to provide high-quality goods which in turn will boost the GDP of the country.
- The reduce in tax will bring down the production cost for companies. Thus, increase the competition among exporters.
- Inflation is expected to decrease after the implementation of GST.
- It is also said that there will be a decrease in tax liability. Reduction in price is expected as input tax credit is available against output tax. Following taxes will be set-off with the same or with the different tax input credits

CGST CGST and IGST

SGST SGST and IGST

IGST IGST , CGST and SGST

Changes

- As observed in the previous examples, there have been changes noted in the type of tax and amount imposed.
- Excise is generally applicable on capital goods during production used by manufacturer. Under the new Bill, excise on capital goods will be subsumed as there will only be a single rate of tax for each type of product.
- Due to the subsuming of Service Tax, VAT, Excise, there will be a fall in the cost of wholesalers, manufacturers and retailers. This will in turn reduce the total cost to the manufacturer due to a reduction in procurement cost.
- There will also be a fall in input tax credit for the retailer/wholesaler under GST.

Therefore, as observed there will be a fall in prices for the manufacturer. However, changes in [GST rates](#) will depend on the products and services.



News About GST Calculator

• **GST Impact - 25 tonnes of gold may be imported from South Korea**

Indian traders may import 25 tonnes of gold in July and August from South Korea. The recent tax changes enable traders to import gold without paying 10% customs duty.

The local refiners and banks are hence, pressurised as they cannot manage the huge discounts that are offered on bullion sales from the South Korean imports.

The secretary of the Association of Gold Refineries and Mints mentioned that 12 tonnes of gold has been imported from South Korea since the [GST](#) regime was implemented. The imports could go up to 25 tonnes by the end of the month.

Although India imposes a 10% duty on gold imports, this is not applicable to nations like South Korea with which it has signed Free Trade Agreements (FTAs).

South Korea delivers bullion in the form of coins and other articles that do not attract import duty, and hence, is preferred for gold imports.

Gold discounts had widened to \$11 an ounce, earlier this month.



22nd August 2017

• **Demand for Four-Wheelers Set to Rise Following Reduction in Prices after GST**

The increase in demand for cars was recorded at 7% in Haryana in FY 2016-17 and is now set to rise further following the reduction in prices thanks to the implementation Goods and Services Tax. Automakers across the country sold more than 168,000 cars in Haryana last financial year in comparison with the 157,000 units sold just a year earlier, as revealed by industry estimates.

Passenger vehicle sales in Haryana had fallen marginally by 2% in 2015-16 following the ban on the registration of larger diesel vehicle by the Supreme Court. A partner at Price Waterhouse Coopers, Abdul Majeed, said “The decline in sales was clearly on account of the diesel ban. Even after it was lifted, customers were uncertain and held back purchases of diesel utility vehicles because of which passenger vehicle sales grew at a moderate pace last fiscal.”



1st August 2017

• **Coca-Cola Sales Fall due to GST**



Coca-Cola, the worldwide beverage giant, has recorded a 4% decline in its sales volumes for the quarter ended in March 2017. The company reported a decline even in its bottling operations in the first quarter of FY 2017-18. According to Coca-Cola, the implementation of GST as well as demonetisation had an impact on its beverage sales across India.

The CEO of Coca-Cola, James Quincey, said, "While we believe India has taken the right steps by modernising its monetary and tax systems, new policies have resulted in near-term uncertainties for retailers and consumers that impacted the beverages industry in the first half of the year." Quincey also said that the company was performing quite well in developed markets like the United States, but some areas across the globe were subject to challenging economic conditions and political instability.

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28th July 2017

• **Deadline to Choose GST Composition Scheme Extended Till August 16, 2017**

The deadline for businesses to choose the composition under the GST reform has been extended till the 16th of August by the government. The Finance Ministry released a press statement which read as follows: "With a view to ease the compliance burden of provisionally migrated small taxpayers opting to pay tax under the composition scheme, it has been decided to extend the time limit for filing intimation for composition levy up to **August 16, 2017.**"

Small businesses that earn a turnover of Rs.75 lakh or less had to opt for the scheme by the 21st of July, but the deadline has now been extended to mid-August. The government has taken into consideration the issues faced by taxpayers, particularly the small taxpayers, and given them time to adjust and make the transition to the GST regime.

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27th July 2017

• **Cess on cigarettes rises under the New GST Rule**

The [GST](#) council has raised cess on cigarettes to rectify the low tax incidence on this sector which would have cost the government Rs.5,000 crore in tax. Under the GST regime, ITC stock had risen to almost 10% from June end. The cess for filter cigarettes of up to 65 mm length is Rs.485 per 1,000 sticks and Rs.792 per 1,000 sticks for filter cigarettes of up to 75 mm length. For other filter cigarettes, the tariff has increased by 31%.

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21st July 2017

• **Government Of India Targets Poll Funding Post GST Implementation**



The Finance Minister, Arun Jaitley, in a recent interview stated that after Goods and Service Tax was implemented, the government is now concentrating on cleaning the political funding and increase the tax compliance. Jaitley further stated that the implementation of demonisation and GST was smooth that expected. According to him in spite of all the opposition, there is a lot of support from consumers and vendors. The Finance Minister stated this when he was talking in the fourth Banking and Economist Conclave held by the State Bank of India in Mumbai.



11th July 2017

• **Effects of GST differ from checkpoint to checkpoint**

At the Delhi Noida Direct Flyway (DND), the toll plaza operator Sunik Kumar reported that the number of trucks going to Delhi has decreased by almost 40%, from 8-9 lakh per day to 5-6 lakh per day. Not sure how GST functions, many truckers have stopped transporting goods for the time being.

At DND for instance, the toll plaza has stopped collecting octroi among various taxes but still charges toll tax and green tax for the Municipal Corporation of Delhi. At Ghazipur on the Ghaziabad-Delhi border, the checkpoints for octroi themselves have been removed. And the Gurgaon-Faridabad and Kherki Daula toll plazas are charging the same taxes as they did before July 1.

In Karnataka, all the 21 checkpoints have been removed from July 1. An announcement that was made by commercial tax commissioner Ritvik Pandey on June 29 said: "We have decided to close all the checkpoints established by the Commercial Tax department due to implementation of GST to help businessmen to continue their business without any hurdles. It helps them to transport goods from one state to another." Also, all VAT offices have been renamed Local GST offices.



10th July 2017

• **Government promises to keep a close eye, says won't let undue rise in prices or supplies, declares Hasmukh Adhia**

After the smooth implementation of the one-tax set-up GST, the government has formed small teams of 175 senior bureaucrats to keep an eye on a daily basis price and supply situation and ensure that there are no discrepancies. A problem management cell has been constituted for coordinating between the states and the Centre as well as clearing out any issue that might arise from the implementation of the Goods and Services Tax (GST), revenue secretary Hasmukh Adhia declared.

The GST broke tax barriers overnight among all the 29 states and unified a dozen central and state charges. It has also caused a significant level of anxiety among businesses particularly smaller entities on compliance with regulations. Also, there are inhibitions of price rise and some disruptions but Adhia said that the government is monitoring the situation and will not allow any undue rise in prices or supplies to be disrupted.

He also sought to erase any inhibitions regarding compliance hardships saying that there are no small business entities to issue receipts goods and services sold as they are covered under the composition

