BAGHEL INSTITUTE

TALLY PRIME

GST & INVENTORY MANAGEMENT

PART A - GOODS AND SERVICES TAX (GST)

1. GST AT A GLANCE

Key Idea

- GST combines different indirect taxes into one tax system.
- It is charged when goods or services are supplied.
- The applicable tax type depends on whether the transaction is within the same state or between different states.

Replaced Taxes: VAT, Service Tax, Excise Duty and several other indirect taxes.

2. HISTORY AND IMPLEMENTATION

Important years for quick revision.

Year / Stage	Place	Key Point
1954	France	GST was first introduced to simplify taxes on goods and services.
Global Adoption	Many Countries	Many countries adopted GST after France.
2000	India	GST was proposed in India by the Vajpayee Government.
July 1, 2017	India	GST was implemented after years of discussion.

3. TYPES OF GST IN INDIA

Understand when each tax is used.

Type	Full Form	Collected By	Used For
CGST	Central Goods and Services Tax	Central Government	Sale within the same state
SGST	State Goods and Services Tax	State Government	Sale within the same state
IGST	Integrated Goods and Services Tax	Central Government	Sale between different states; imports/exports
UTGST	Union Territory Goods and Services Tax	Union Territory	Sale within a Union Territory

EASY RULE
Same State Transaction: CGST + SGST
Different State Transaction: IGST

4. GSTIN FORMAT

GST Identification Number contains 15 characters.

Position	Meaning	Example
1st-2nd	State Code	09 for Uttar Pradesh
3rd-12th	PAN of the taxpayer	ABCDE1234F
13th	Entity / registration number under PAN	1
14th	Default reserved value	Z
15th	Check code for validation	5

GSTIN EXAMPLE FOR UTTAR PRADESH
GSTIN: 09ABCDE1234F1Z5

5. GST SLAB STRUCTURE

Common rates shown in the supplied notes.

GST Rate	Level	Simple Example
0%	No tax	Essential goods such as food
5%	Low rate	Medicines and household goods
12%	Moderate rate	Clothing and mobile phones
18%	Common rate	Services and electronics
28%	Higher rate	Luxury goods such as cars and tobacco

6. TRANSACTIONS WITHIN AND BETWEEN STATES

Tax treatment depends on the supplier and customer states.

Transaction	Goods Rate	Purchase	Sales
Same State	0%	Exempted	Exempted
Same State	5%, 12%, 18%, 28%	CGST + SGST	CGST + SGST
Different State	0%	Exempted	Exempted
Different State	5%, 12%, 18%, 28%	IGST	IGST

WHEN GST RATE IS 18%
Same State: SGST 9% + CGST 9% = Total 18%.
Different State: IGST 18%.
Source Note: The supplied notes explain that IGST revenue is ultimately shared between the destination state and the Central Government.

7. GST CALCULATION EXAMPLE

Transaction value ₹10,000 and GST rate 18%.

STEP 1 - CALCULATE TOTAL GST
Formula: Taxable Value × GST Rate
Calculation: ₹10,000 × 18% = ₹1,800

Transaction Type	Value	Rate	SGST	CGST	IGST	Total Tax
Intra-State (Same State)	₹10,000	18%	₹900	₹900	-	₹1,800
Inter-State (Different States)	₹10,000	18%	-	-	₹1,800	₹1,800

PART B - INVENTORY MANAGEMENT IN TALLY PRIME

INVENTORY IN TALLY PRIME

Inventory means the goods a business purchases, stores and sells.

WHY INVENTORY MASTERS ARE REQUIRED
Organise Goods: Arrange products by type, brand and item name.
Track Quantity: Know how many units are available in stock.
Track Value: View purchase value, sales value and closing stock value.
Control Location: Know where goods are physically stored.
Generate Reports: View Stock Summary, movement and item-wise details.

KEY DIFFERENCES AND QUICK REVISION

Use this page before practical work or examination.

Master	Main Purpose	Example
Stock Group	Classifies goods by product type	External Hardware
Sub Group	Second-level group under a main Stock Group	Audio
Stock Category	Parallel classification, commonly brand-wise	Zebronics
Stock Item	Actual product purchased and sold	Wired Headphone
Unit	Method used to count or measure quantity	NOS.
Location	Physical place where stock is stored	Main Store