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The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

Tax Research Department

Behind every successful business decision, there is always a **CMA**



Session on Records under GST : CCGST-12

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Introduction to GST

GST is known as the Goods and Services Tax

- ❖ It is an indirect tax which has replaced many indirect taxes in India such as the excise duty, VAT, CST, Services tax, Entertainment Tax and Luxury Tax etc.
- ❖ The Goods and Service Tax Act was passed in the Parliament on 29th March 2017 and came into effect on 1st July 2017.
- ❖ Goods and Services Tax Law in India is a
- ✓ **Comprehensive**: GST has wider in scope
- ✓ **Multi-stage**: GST is levied on the value additions at each stage, i.e., the monetary value added at each stage to achieve the final sale to the end customer
- ✓ **Destination Based Tax**: GST is called as destination-based tax or consumption-based tax, it means Goods and Service Tax is levied at the point of consumption.

Levy of GST

- ❖ Goods and Service Tax (GST) is levied on the supply of goods and services
- ❖ GST is levied on every value addition
- ❖ GST is a single domestic indirect tax law for the entire country
- ❖ Under the GST regime, the tax is levied at every point of sale

Taxable Event

- The Foundation stone of any taxation system is **“Taxable Event”**
- It determines the **point at which tax** would be levied
- Before levying any tax, taxable event needs to be ascertained.
- The GST laws resolve these issues by laying down **one comprehensive word** called as taxable event i.e.,
“Supply”

Structure of GSTIN: 21AHXP0062G1ZI

GSTIN is a 15 characters Alpha Numeric

Here is a format break-down of the GSTIN:

- ✓ The first two digits represent the state code as per Indian Census 2011. Every state has a unique code. For instance,
 - ✓ State code of Karnataka is 29
 - ✓ State code of Delhi is 07
- ✓ The next **10** digits will be the PAN number of the taxpayer
- ✓ The 13th digit will be assigned based on the number of registration within a state
- ✓ The 14th digit will be "Z" by default
- ✓ The last 15th digit will be for check code. It may be an alphabet or a number.
- Note: Maximum 35 GST registrations can be taken in a state

Importance of Time, Place and Value of Supply in GST

🚩 Time of Supply:

- **Time of supply** means the point in time when goods/services are considered supplied.
- When the seller knows the 'time', it helps him identify due date for payment of taxes.

🚩 Place of Supply:

- **Place of supply** is required for determining the right tax to be charged on the invoice
- Whether CGST & SGST or IGST will apply for a particular Transaction

🚩 Value of Supply:

- **Value of supply** is important because GST is calculated on the value of the sale
- If the value is calculated incorrectly, then the amount of GST charged is also incorrect

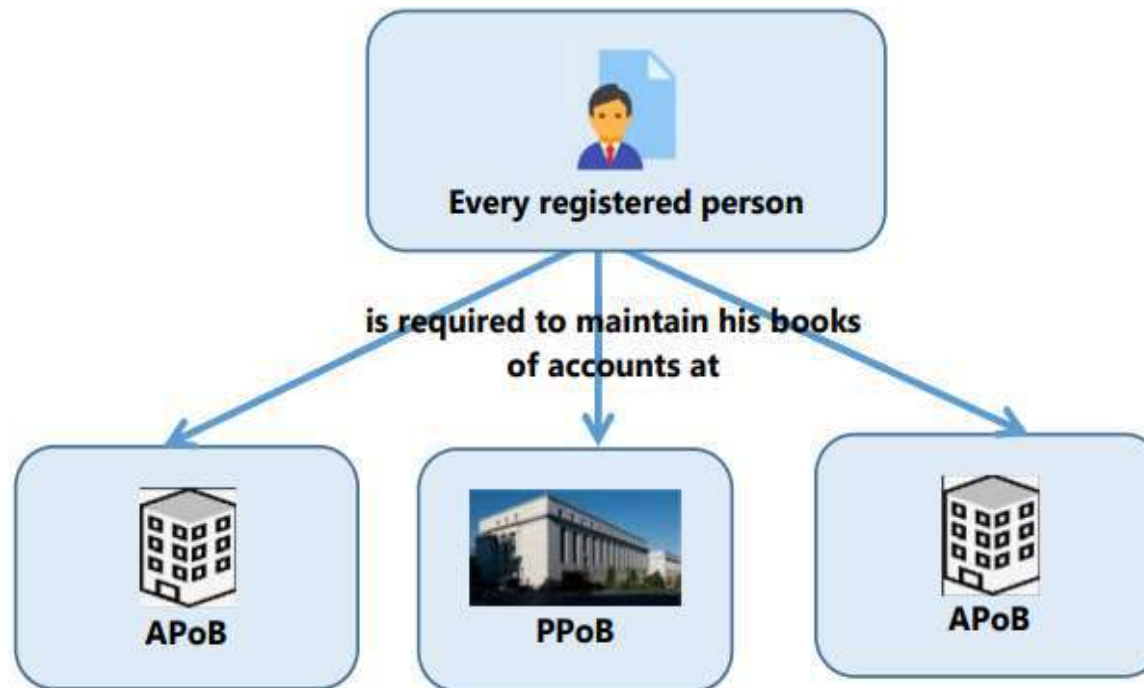
Benefits of GST



1.Records and Accounts

- 1) Every registered person required to maintain records.
- 2) This is not required for a person paying tax under section 10 [composition scheme]
- 3) Supply of goods through an auction like tea, rubber and coffee required to maintain books of accounts at every additional place of business.
- 4) Period of retention of accounts is 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.
- 5) Failure to maintain the accounts
 - Po shall determine the tax payable on the unaccounted goods and/or services, as if the same had been supplied by such person .
 - Provisions of section 73/74 shall, mutatis mutandis, apply for determination of such tax.

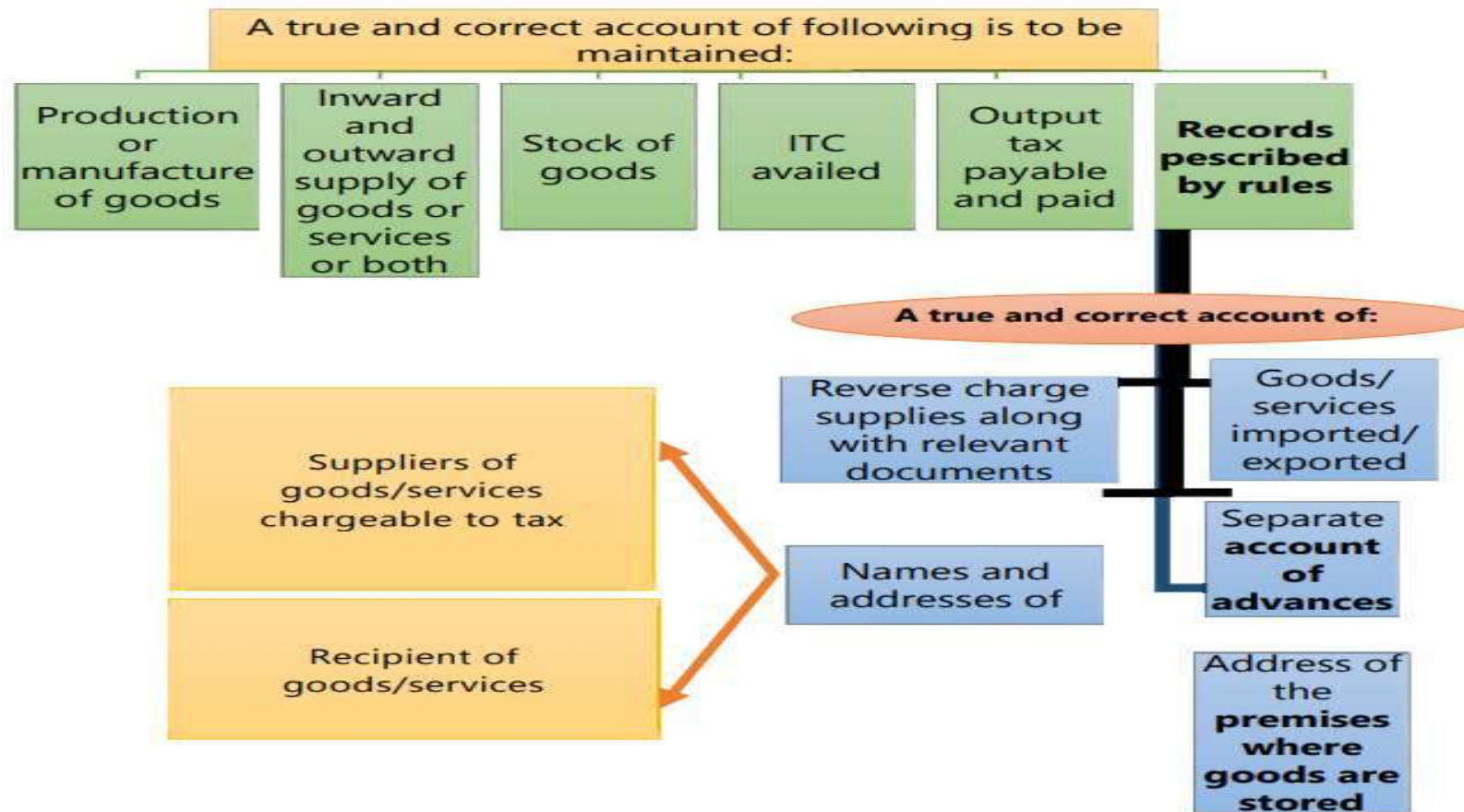
2. Place where Books of Accounts need to be maintained



*APOB: Additional Place of Business

*PPOB: Principal Place of Business

3.Accounts & Records required to be maintained



Records which are to be maintained only by a supplier other than a supplier opting for composition levy

Account of stock of goods received and supplied including opening balance, receipt, supply, goods lost/stolen, destroyed, written off, gifted, free samples, stock balance.

Account of details of tax payable, collected and paid, ITC claimed, together with register of tax invoice, credit-debit notes, delivery challan issued/received during any tax period

S.31 Tax Invoice:

- Name, address and GSTIN of the supplier
- A consecutive serial number not exceeding 16 characters, unique for a financial year
- Date of Invoice issue
- Name, address and GSTIN, if registered of the recipient
- Name and address of the recipient and the address of delivery
- The name of the State and its code
- HSN code for Goods & SAC for Services
- Description of goods or services
- Quantity in case of goods and unit
- Total value of supply of goods or services or both
- Taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
- Rate of tax
- Amount of tax charged in respect of taxable goods or services
- Place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
- Address of delivery where the same is different from the place of supply;
- Whether the tax is payable on reverse charge basis; and
- Signature or digital signature of the supplier or his authorised representative:

Tax Invoice:

❖ Apart from the above in the case of the export of goods or services, the invoice shall carry an endorsement –

“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX”

(or)

“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”,

- as the case may be.

❖ S.34 Concept of Debit Note:

The debit note is similar to the tax invoice and it contains all the details similar to the tax invoice but the heading replaces with “Debit Note” instead of tax invoice.

4. Records to be maintained by Agent

Authorization received from each principal to receive/supply goods /services on behalf his behalf.



Particulars of goods/services received/supplied on behalf of every principal.

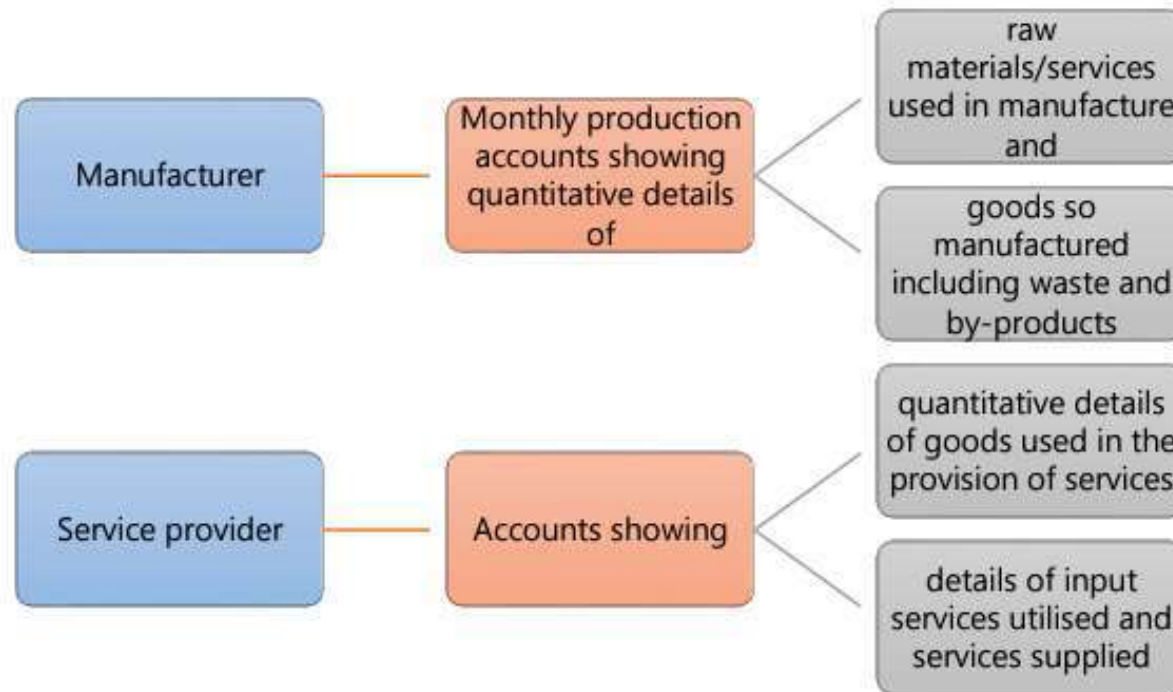


Details of accounts furnished to every principal.



Tax paid on receipts/supply of goods/services effected on behalf of every principal.

5. Records to be additionally maintained by a manufacture and service provider



6.Records of Works Contractors

Every registered person executing works contract shall keep **separate accounts for works contract** showing —

- the names and addresses of the persons on whose behalf the works contract is executed;
- description, value and quantity (wherever applicable) of goods or services received for the execution of works contract;
- description, value and quantity (wherever applicable) of goods or services utilized in the execution of works contract;
- the details of payment received in respect of each works contract; and
- the names and addresses of suppliers from whom he received goods or services.

7.Records required to be maintained by owner or operator of godown and transporters Sec 35(2)

a)Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed.

b)Business details is required to be submitted by godown owner/operator or transporter electronically on the common portal. Upon validation of the details furnished, a unique enrollment number shall be generated and communicated to the said person.

c)Records of goods Transported/warehoused goods(Rule 58(4)):Subject to the provisions of Rule 56,-

- Any person engaged in the business of transporting goods shall maintain records of goods transported, delivered and goods stored in transit by him along-with the GSTIN of the registered consigner and consignee for each of his branches.
- Every owner or operator of a warehouse or godown shall maintain books of accounts with respect to the period for which particular goods remain in the warehouse, including the particulars relating to dispatch, movement, receipt and disposal of such goods.

8. Records and Accounts will be maintained

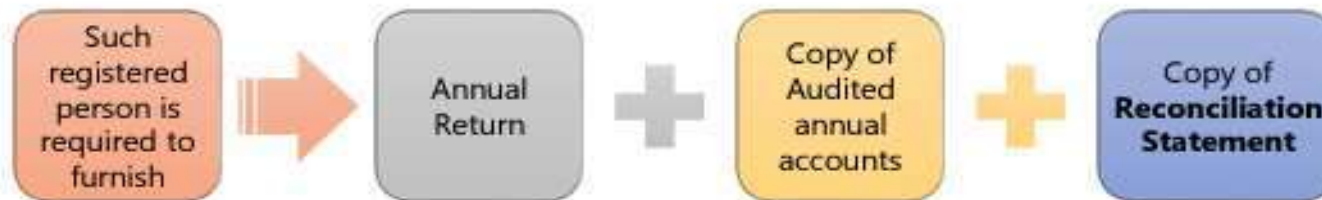
- Records in Electronic form be
 1. Authenticated by a Digital Signature.
 2. Proper electronic back-up of records be maintained and preserved.
 3. Such records need to be produced, on demand, in hard copy or in any electronically redable format.
 4. Details of files, their passwords and explanation for codes, and any other info required for access.
- No entry to be erased / overwritten.
- Incorrect entries, other than those of clerical nature, be scored out under attestation and there after correct entry be recorded.
- In case electronic records being maintained, a log of every entry edited deleted shall be maintained.
- Books of account maintained manually be serially numbered.

9.Audit of accounts

A registered person must get his accounts audited if his aggregate turnover during a FY exceeds ₹ 2 crores

Exception

No audit of books of accounts of the CG/SG/LA provided the same are subject to audit by CAG of India or any statutory auditor appointed for auditing the accounts of LA



MCQs

What accounts and records are required to be maintained by every registered taxable person at his principal place of business

- a) All of the below
- b) inward or outward supply of goods and/or services
- c) input tax credit availed
- d) account of production or manufacture of goods
- e) output tax payable and paid
- f) stock of goods

The books and other records U/S 35 are to be maintained at

- a) Place where the books and accounts are maintained
- b) Place of address of the Proprietor/ Partner/ Director/ Principal Officer
- c) Principal place of business mentioned in the Certificate of Registration
- d) Any of the above

The time limit for up keep and maintenance of the books of account or other records u/s 36 is?

- a)seventy-two months from the date of filing of Annual Return or due date of filing the Annual Return, whichever is earlier
- b)five years from the due date for filing of Annual Return.
- c)seventy-two months from the due date of filing of Annual Return.
- d)None of the above.

In case, more than one place of business situated within a State are specified in the Registration Certificate, books and other records shall be maintained at

- a) Place where the books of account are maintained for all places situated within a State
- b) At the principal place of business mentioned in the Registration Certificate for all places of business in each State.
- c) Each place of business
- d) Any place of business in a State pertaining to all places situated within that State.

Can all the records be maintained in an electronic form?

- a) No
- b) Yes
- c) Yes, if authenticated by digital signature
- d) Some records



*{Arise, awake and stop not until the goal is reached}
- Swami Vivekananda*

Thank You



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