

THE ONE GST PORTAL

GSTINATION

SIMPLIFYING GST FOR THE NATION

Accounts and Records

Chapter VIII of the CGST Act, along with Rules

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Background

- Assessment in GST is mainly focused on self-assessment by the taxpayers themselves
- The compliance verification is done by the department is to be done through documentary checks rather than physical controls
- This requires certain obligations to be cast on the taxpayer for keeping and maintaining accounts and records.





General Records (I)

Every registered person shall keep and maintain, at his principal place of business, true and correct account of-

- **Inward supply**, names and complete addresses of suppliers, **input tax credit** availed, and inward supplies attracting payment of tax on **reverse charge**
- **Production** or manufacture of goods;
- **Outward supply**, names and complete addresses of customers, **output tax** payable and paid;
- **Stock** of goods, the complete address of the **premises** where **goods are stored** by him, including goods stored during transit along with the particulars of the stock stored therein
- Separate account of **advances** received, paid and adjustments thereto
- Goods or services **imported or exported**

along with the relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers.

General Records (II)



Every registered person (other than composition dealer), shall maintain-

Accounts of stock in respect of goods received and supplied by him, containing particulars of -

- the opening balance
- receipt
- supply
- goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample
- the balance of stock including raw materials, finished goods, scrap and wastage thereof

Account containing details of -

- tax payable (including tax payable under RCM))
- tax collected and paid
- input tax
- input tax credit claimed

Along with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period



Special Records

IV. Supplier of services

Maintain the accounts showing –

- Quantitative details of **goods used** in the provision of services and **Details of input services utilised**
- The **services supplied**.

V. Works contractor

Separate accounts for works contract showing -

- The **names and addresses of the Customers** (persons on whose behalf the works contract is executed);
- Description, value and quantity (wherever applicable) of **goods or services received**;
- Description, value and quantity (wherever applicable) of **goods or services utilized**;
- The **details of payment received**
- The **names and addresses of suppliers** (from whom he received goods or services).

I. Agent

Maintain accounts depicting the,-

- particulars of **authorisation** received to receive or supply goods or services
- particulars including **description, value and quantity** (wherever applicable) of **goods/ services received or supplied** on behalf of principal;
- details of **accounts furnished** to every principal; and
- **tax paid** on receipts or on supply of goods/ services.

II. Manufacturer

Maintain **monthly** production accounts showing **quantitative details** of -

- **Raw materials or services used** in the manufacture
- **Goods manufactured** including the waste and by products thereof.

III. Carrier/ C&F Agent

Any person having custody over goods as a carrier/ C&F agent - for delivery or dispatch thereof to a recipient on behalf of any registered person → shall maintain true and **correct records in respect of such goods handled by him** on behalf of such registered person and produce the details thereof as and when required by the proper officer.

Special Records

Owner/ operator of godown/ warehouse



Transporters



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- If not already registered under the Act, such people shall submit the details regarding his business in **FORM GST ENR-01**, and get a unique enrolment number which shall be generated and communicated. Where required, amend the details furnished in **FORM GST ENR-01** from time to time.

▪ OWNER/ OPERATOR OF A GODOWN (WAREHOUSE) –

- 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.
- Store the goods in such manner that they can be identified item-wise and owner-wise, facilitate any physical verification or inspection by the proper officer on demand

▪ TRANSPORTER - Maintain records of

- The consigner, consignee along with their GSTIN, if any,
- Goods transported, delivered and goods stored in transit by him.

Other Documents



- The Commissioner may notify a class of taxable persons to maintain additional accounts or documents for such purpose as may be specified therein.

Exemption/ Relaxation



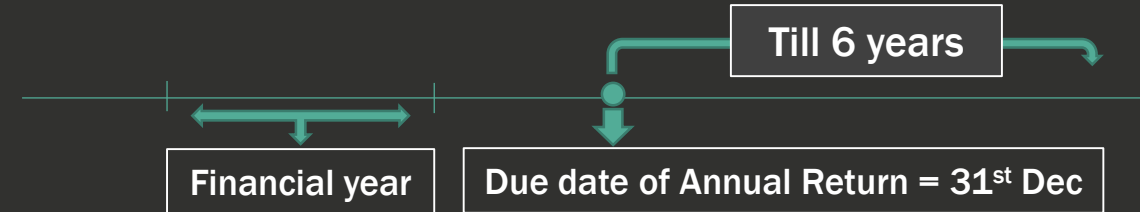
- Where the Commissioner considers that any class of taxable person is not in a position to keep and maintain accounts in accordance with the provisions of this section, he may, for reasons to be recorded in writing, permit such class of taxable persons to maintain accounts in such manner as may be prescribed.

Audit

Every registered person whose turnover during a financial year exceeds Rs. 2 Crore (as per Rule 80) shall -

- Get his accounts audited by a chartered accountant/ cost accountant
- Submit a copy of the audited annual accounts, the reconciliation statement, duly certified, in FORM GSTR-9C

Preservation Period (Section 36)



Accounts maintained together with all the invoices, bills of supply, credit and debit notes, and delivery challans relating to stocks, deliveries, inward supply and outward supply -

- Shall be preserved until the expiry of 72 months (6 years) from the due date of furnishing of annual return for that year.
- In case of appeal/ revision/ any other proceedings/ investigation → retain records pertaining to the subject matter for a period of 1 year after final disposal, or for the period specified above, whichever is later.
- Where maintained manually → kept at every related place of business
- Where maintained digitally → shall be accessible at every related place of business

General Points



- Every registered person shall, on demand, produce the books of accounts which he is required to maintain under any law for the time being in force.
- Unless proved otherwise, if any documents, registers, or any books of account belonging to a registered person are found at any premises other than those mentioned in the certificate of registration, they shall be presumed to be maintained by the said registered person.
- Each volume of books of account maintained manually by the registered person shall be serially numbered.
- Any entry in registers, accounts and documents shall not be erased, effaced or overwritten,
 - All incorrect entries, otherwise than those of clerical nature, shall be scored out under attestation and thereafter, the correct entry shall be recorded and
 - Where the registers and other documents are maintained electronically, a log of every entry edited or deleted shall be maintained.

General Points



- If any taxable goods are **found to be stored at any place(s) other than those declared under sub-rule (5) without the cover of any valid documents** → the proper officer shall determine the amount of tax payable on such goods as if such goods have been supplied by the registered person
- Every registered person shall **keep the books of account at the principal place of business** and books of account relating to **additional place** of business mentioned in his certificate of registration and such books of account shall include any electronic form of data stored on any electronic device.
- Where **fails to account** for the goods/ services
 - Proper officer shall determine the tax payable as if such goods/ services had been supplied.
 - Provisions of section 73 or section 74, shall, *mutatis mutandis*, apply.

End of Presentation!

Sections and Rules covered

Section 35 - Accounts and other records

Section 36 - Period of retention of accounts.

Rule 27 - Maintenance of accounts by registered persons

Rule 28 - Generation and maintenance of electronic records

Rule 29 - Records to be maintained by owner or operator of godown or warehouse and transporters

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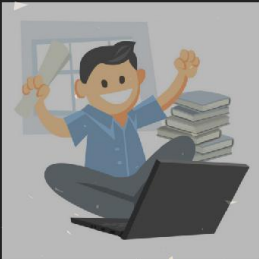
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