



GOODS & SERVICE TAX MAINTAINANCE OF ACCOUNTS AND RECORDS



SHARNAM LEGAL

ADVOCATES & SOLICITORS

"Building longterm relations through our work."

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SECTION 35 OF CGST / SGST / UTGST ACT

ACCOUNTS AND OTHER RECORDS

SEC 35. (1) Every registered person **shall keep** and maintain, at his **principal place** of business, as mentioned in the certificate of registration, a **true and correct** account of—

- (a) production or manufacture of goods;
- (b) inward and outward supply of goods or services or both;
- (c) stock of goods;
- (d) input tax credit availed;
- (e) output tax payable and paid; and
- (f) such other particulars as may be prescribed:

Provided that where more than one place of business is specified in the certificate of registration, the **accounts relating to each place of business shall be kept at such places of business:**

Provided further that the registered person **may keep** and maintain **such accounts** and other particulars in **electronic form in such manner as may be prescribed.**

SECTION 35 OF CGST / SGST / UTGST ACT

ACCOUNTS AND OTHER RECORDS

SEC 35. (2) 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.

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

(4) 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.

SECTION 35 OF CGST / SGST / UTGST ACT

ACCOUNTS AND OTHER RECORDS

SEC 35 (5) Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.

SEC 44. (1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year.

(2) Every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with a copy of the audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and such other particulars as may be prescribed.

SECTION 35 OF CGST / SGST / UTGST ACT

ACCOUNTS AND OTHER RECORDS

SEC 2 (13) *“audit” means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder;*

SEC 2 (43) *Definition of “electronic cash ledger” means the electronic cash ledger referred to in subsection (1) of section 49;*

SEC 2 (46) *Definition of “electronic credit ledger” means the electronic credit ledger referred to in sub-section (2) of section 49;*

SECTION 35 OF CGST / SGST / UTGST ACT

ACCOUNTS AND OTHER RECORDS

SEC 35(6) Subject to the provisions of clause **(h)** of **sub-section (5)** of **section 17**, where **the registered person fails to account for the goods or services** or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

SEC 17 (5) *(b) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples;*

SEC 73/74 *Determination of Penalty on tax not paid or short paid or other erroneously act and Interest on the same.*

SECTION 36 OF CGST / SGST / UTGST ACT

PERIOD OF RETENTION OF ACCOUNTS

36. Every registered person required to keep and maintain books of account or other records in accordance with the provisions of sub-section (1) of section 35 shall retain them until the expiry of **seventy-two months from the **due date of furnishing of annual return** for the year pertaining to such accounts and records:**

Provided that a registered person, who is a party to an appeal or revision or any other proceedings before any Appellate Authority or Revisional Authority or Appellate Tribunal or court, whether filed by him or by the Commissioner, or is under investigation for an offence under Chapter XIX, shall **retain the books of account and other records pertaining to the subject matter of such appeal or revision or proceedings or investigation for a period of one year after **final disposal of such appeal or revision or proceedings or investigation, or for the period specified above, whichever is later.****

CHAPTER VII-RULE 56

MAINTENANCE OF ACCOUNTS BY REGISTERED PERSONS

RULE 56(1) Every registered person shall keep and maintain, in addition to the particulars mentioned in subsection (1) of section 35, **a true and correct account of the goods or services imported or exported or of supplies attracting payment of tax on reverse charge** along with relevant documents, including invoices, bills of supply, delivery **challans, credit notes, debit notes, receipt vouchers, payment vouchers, refund vouchers** and e-way bills.

RULE 56(2) Every registered person, other than a person paying tax under section 10, shall maintain **accounts of stock** in respect of goods received and supplied by him, and such account shall contain particulars of opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and balance of stock including raw material, finished goods, scrap and wastage thereof.

RULE 56(3) Every registered person shall keep and maintain a separate account of **advances received, paid and adjustments made thereto.**

CHAPTER VII-RULE 56

MAINTENANCE OF ACCOUNTS BY REGISTERED PERSONS

RULE 56(4) Every **registered person**, other than a person paying tax under section 10, shall keep and maintain an account, containing the **details of tax payable** (including tax payable in accordance with the provisions of sub-section (3) and sub-section (4) of section 9), **tax collected and paid, input tax, input tax credit claimed**, together with a register of **tax invoice, credit note, debit notes, delivery challan** issued or received during any tax period.

RULE 56(5) Every registered person shall keep the particulars of -

- (a) **names and complete addresses of suppliers** from whom he has received the goods or services chargeable to tax under the Act;
- (b) names and complete addresses of the persons to whom he has **supplied goods or services, where required under these rules;**
- (c) 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.

CHAPTER VII-RULE 56

MAINTENANCE OF ACCOUNTS BY REGISTERED PERSONS

RULE 56(6) 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.

RULE 56(7) 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**.

RULE 56(8) Any entry in registers, accounts and documents **shall not be erased, effaced or overwritten**, and all incorrect entries, otherwise than those of clerical nature, **shall be scored out under attestation and there after 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**.

RULE 56(9) Each **volume of books of account maintained manually** by the registered person shall **be serially numbered**.

CHAPTER VII-RULE 56

MAINTENANCE OF ACCOUNTS BY REGISTERED PERSONS

RULE 56(10) **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.**

RULE 56(11) Every agent referred to in clause (5) of section 2 shall maintain accounts depicting the -
(a) **particulars of authorization received by him** from each principal to receive or supply goods or services on behalf of such principal separately;

(b) particulars including description, value and quantity (wherever applicable) of goods or services received on behalf of every principal;

(c) particulars including description, value and quantity (wherever applicable) of goods or services supplied on behalf of every principal;

RULE 56(12) Every **registered person manufacturing goods** shall maintain **monthly production** accounts, showing quantitative details of raw materials or services used in the manufacture and **quantitative details of the goods so manufactured including the waste and by products thereof.**

CHAPTER VII-RULE 56

Maintenance of accounts by registered persons

RULE 56(13) Every **registered person supplying services** shall maintain the accounts showing quantitative details of goods used in the provision of services, details of input services utilised and the **services supplied.**

RULE 56(14) Every **registered person executing works contract** shall keep separate accounts for works

contract showing -

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

RULE 56(15) The records under these rules **may be maintained in electronic form** and the record so maintained shall be **authenticated by means of a digital signature.**

CHAPTER VII-RULE 56

Maintenance of accounts by registered persons

RULE 56(16) Accounts maintained by the registered person together with all invoices, bills of supply, credit and debit notes, and delivery challans relating to stocks, deliveries, inward supply and outward supply shall be **preserved for the period as provided in section 36** and shall, where such accounts and documents are maintained manually, **be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business** where such accounts and documents are maintained digitally.

RULE 56(17) Any person having **custody over the goods** in the capacity of a **carrier or a clearing and forwarding 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 the such registered person and shall produce the details thereof as and when required by the proper officer.**

RULE 56(18) Every registered person **shall, on demand, produce the books of accounts which he is required to maintain under any law in force.**

CHAPTER VII-RULE 57

GENERATION AND MAINTENANCE OF ELECTRONIC RECORDS

RULE 57(1) Proper **electronic back-up of records** shall be maintained and preserved in such manner that, in the event of destruction of such records due to accidents or natural causes, **the information can be restored within reasonable period of time.**

RULE 57(2) The registered person maintaining electronic records **shall produce**, on demand, the relevant records or documents, duly authenticated by him, **in hard copy or in any electronically readable format.**

RULE 57(3) Where the accounts and records are stored electronically by any registered person, he shall, **on demand, provide the details of such files, passwords of such files where necessary for access and any other information** which is required for such access along with sample copy in print form of the information stored in such files.

CHAPTER VII-RULE 58

RECORDS TO BE MAINTAINED BY OWNER OR OPERATOR OF GODOWN OR WAREHOUSE AND TRANSPORTERS

RULE 58(1) Every person required to maintain records and accounts in accordance with the provisions of sub-section (2) of section 35, **if not already registered under the Act**, shall submit the details regarding his business electronically on the Common Portal in **FORM GST ENR-01, either directly or through a Facilitation Centre notified by the Commissioner** and, upon validation of the details furnished, a **unique enrollment number** shall be generated and communicated to the said person.

RULE 58(2) The person enrolled under sub-rule (1) as aforesaid in any other State or Union territory shall be deemed to be enrolled in the State or Union territory.

RULE 58(3) Every person who is enrolled under sub-rule (1) shall, where required, amend the details furnished in **FORM GST ENR-01 electronically on the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.**

CHAPTER VII-RULE 58

RECORDS TO BE MAINTAINED BY OWNER OR OPERATOR OF GODOWN OR WAREHOUSE AND TRANSPORTERS

RULE 58(4) Subject to the provision of rule 1, any person engaged in the business of transporting goods shall maintain records of goods transported, delivered and goods stored in transit by him alongwith GSTIN of the registered consignor and consignee for each of his branches.

RULE 58(5) Subject to the provision of rule 1, 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.

RULE 58(6) The owner or the operator of the godown shall store the goods in such manner that they can be identified item wise and owner wise and shall facilitate any physical verification or inspection by the proper officer on demand.

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THANK YOU

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