

## TRUE AND CORRECT ACCOUNTS UNDER GST

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Every registered person shall keep and maintain a true and correct accounts & records at his principal place of business for a period of seventy-two months from the due date of furnishing of annual return for the year pertaining to such accounts and records.

Illustrative list of accounts & records:

- Detail of production or manufacturer of goods
- Inward supply of goods or services or both
- Outward supply of goods or services or both
- Detail of stock of goods
- Input tax credit availed
- Output tax payable & paid
- Goods or services imported or exported
- Details of supplies attracting payment of tax on reverse charge basis
- Details of tax payables including tax payable in case of reverse charge basis
- Details of tax collected and paid, Input tax, Input tax credit claimed, Input tax Reversed
- Invoices and Bills of supply
- Credit Notes and Debit Notes
- Receipt Voucher, Payment Voucher or Refund Voucher
- Delivery Challan and E-Way Bills
- Separate account of advance received, paid & adjustment made thereto.
- Name & Complete address of supplier and the person to whom he has supplied.
- The complete address of the premises where the goods are stored (including where the goods are stored in transit) along with the details of the stocks stored. If any taxable goods are found to be stored at any place(s) other than those declared above 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 (other than person opt for composition scheme) shall also maintain account of stock in respect of **EACH COMMODITY RECEIVED AND SUPPLIED BY HIM** and such account shall contain following details:

Particulars	Quantity
<b>Opening Balance</b>	<b>XXXX</b>
Add: Receipt	XXXX
Less: Supply	XXXX
Less: Goods lost, Stolen or Destroyed*	XXXX
Less: Written off or disposed of by way of Gift or free samples*	XXXX
<b>Closing Balance of stock (Incl. Raw Material, Finished Goods, Scrap and Wastages thereof)</b>	<b>XXXX</b>

\* Input tax credit availed in respect of such stock shall be reversed

**POINTS TO BE REMEMBER**

- Every registered person shall keep the books of accounts at the principal place of business and at every related place of business as mentioned in his certificate of registration.
- Any entry done in books of account shall not be erased, delete or overwritten and all incorrect entry shall be scored out and correct entry shall be recorded.
- Above accounts & records shall be maintained separately for each activity such as manufacturing activity, trading activity, provision of services etc.
- Accounts & records can also be kept in electronic form.

**ADDITIONAL DOCUMENTS RELATED TO AGENT**

- Authorization letter received from each principal to receive or supply goods or services or both
- Particulars of goods or service received or supply on behalf of every principal
- Details of accounts furnished to every principal
- Tax paid on receipts or on supply of goods or service effected on behalf of every principal.

**ADDITIONAL DOCUMENTS RELATED TO MANUFACTURER**

- Monthly production accounts
- Quantitative detail of raw materials or services used in the manufacturer of goods
- Quantitative detail of manufactured goods including the waste and by products thereof.

**ADDITIONAL DOCUMENTS RELATED TO SERVICE PROVIDER**

- Quantitative details of goods used in the provision of each service
- Details of input services utilised
- Details of services supplied

**ADDITIONAL DOCUMENTS RELATED TO WORKS CONTRACT SERVICE PROVIDER**

Every registered person executing work contract shall keep separate account for each work contract showing:-

- The name and addresses of the persons on whose behalf the works contract is executed
- The name and addresses of the supplier from whom he has received the goods or service.
- Description, value and quantity of goods or services received for the execution of works contract
- Description, value and quantity of goods or services utilized in the execution of each works contract received.
- The details of payment received in respect of each works contract.

**RECORDS TO BE MAINTAINED BY OWNER OR OPERATOR OF GODOWN OR WAREHOUSE (WHETHER REGISTERED OR NOT)**

- In case above person is not registered, shall submit the details of his business electronically and upon validation of the details, a unique enrolment number is generated.
- Details of goods remain in the warehouse, including the particulars relating to dispatch, movement, receipt, and disposal of such goods.
- Store the goods in such a way that they can be identified item wise and owner wise.

**RECORDS TO BE MAINTAINED BY TH TRANSPORTER (WHETHER REGISTERED OR NOT)**

- In case above person is not registered, shall submit the details of his business electronically and upon validation of the details, a unique enrolment number is generated.
- Records of the consignor, consignee
- Details of goods transported, delivered and goods stored in transit by him and for each of his branches.

**ELECTRONIC RECORDS**

- Electronic records shall be maintained in such a 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 like Backup data, out site backup data etc.
- Maintain an account of the audit trail and inter-linkages including the source document and the financial accounts, record layout, data dictionary and explanation for codes used and total number of records in each field along with sample copies of documents.

**PERIOD OF RETENTION OF ACCOUNTS**

- Every assessee shall retain the books of accounts and other records until the expiry of seventy-two months (6 years) from the due date for filing of Annual Return for the year pertaining to such accounts and records. If the annual returns for the FY 2017-18 are filed on say 30.11.2018 and due date is 31.12.2018 then the books of account and other records are to be maintained till 31.12.2024.
- In case of appeal or revision or investigation or any other proceedings is going under this act then registered person shall retain the books of accounts & other records pertaining to the subject matter for a period of:
  - One year after final disposal; or
  - 72 months from the due date of filing of annual return for the year pertaining whichever is later.

**AUDIT OF ACCOUNTS AND RECONCILIATION STATEMENT**

- Under the Central excise and service tax laws, there is no requirement for audit of accounts and furnishing reconciliation statement by a Chartered Accountant and Cost accountant. Many State VAT laws stipulate audit of records by a Chartered Accountant and filing of VAT audit reports. Threshold limits are prescribed for such audits.
- Under GST, every registered person whose turnover during a financial year exceeds the Rs.100.00 lakhs (as per draft rules) shall require to get his accounts audited by a Chartered Accountant or a Cost Accountant and also furnished a reconciliation statement.

## **NON MAINTENANCE OF ACCOUNTS & RECORDS**

- The law requires every registered person to maintain accounts and records along with relevant details at each place of business and for each place of storage.
- In case of failure of maintaining such accounts & records 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 had been supplied by such person. Further the provisions of section 73 or 74, as the case may be, shall apply, mutatis mutandis, for determination of such tax
- He shall be liable to a penalty of ten thousand rupees or an amount equivalent to the tax evaded, whichever is higher.

Above information/detail is based on The Central Goods & Service tax Act, 2017 and the Draft rule on Accounts & Records, Returns as on 27<sup>th</sup> May, 2017.

Feedback/Suggestions are invited at [gstcornor@gmail.com](mailto:gstcornor@gmail.com) or whatsapp at 8989077616.

Anyone can easily join our leading what's group by filling our Google form @ [bit.do/gstcornor](http://bit.do/gstcornor).

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