



MAINTENANCE OF ACCOUNTS AND RECORDS UNDER GST REGIME

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Important Points:

- Every registered person under GST must maintain all records at his principal place of business as prescribed under Section 35 of the Central Goods and Service Tax Act, 2017 read with Rule 56 of the Central Goods and Service Tax Rule, 2017.
- Who must maintain accounts and records under GST?**
It is the responsibility of the following persons to maintain specified records-
 - The owner i.e. Manufactures, Service Supplier and Trader.
 - Operator of Warehouse or Godown or any other place used for storage of goods.
 - Every Transporter
- Every registered person whose turnover during a financial year exceeds the prescribed limit i.e. Rs. 2 Crore will get his accounts audited by a Cost Accountant or a Chartered Accountant.
- Every registered person must maintain records of-
 - Production or manufacture of goods
 - Inward and outward supply of goods or services or both
 - Stock of goods
 - Input tax credit availed
 - Output tax payable and paid and
 - Other particulars as may be prescribed

As per Proviso to Sec. 35 (1) of the CGST Act, "The registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed".

- In addition to above, every registered person shall keep and maintain 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 the relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers as per Rule 56 of the CGST Rule, 2017.
- List of records to be maintained under GST

Account/ Records	Information Required	By Whom?
Register of Goods Produced	Account should contain detail of goods manufactured in a factory or production house HSN wise on daily basis and at any given point of time.	Every assessee carrying out manufacturing activity
Purchase Register	All the purchases made within a tax period for manufacturing of goods or provision of services having details of Name of Supplier, GSTIN, Invoice No./Date, Name of State, Category of purchases (Inputs, Input Service & Capital Goods), Tax Rate and Tax Amount with bifurcation of CGST, SGST and IGST.	All Assessee
Sales Register	Account of all the sales made within a tax period must be maintained having details of Name of Customer, GSTIN, Invoice No./Date, Place of Supplier, Name of State, Category of Sales (Domestic and Export), Tax Rate and Tax Amount with bifurcation of CGST, SGST and IGST.	All Assessee
Stock Register	This register should contain a correct stock of inventory available on daily	All Assessee

	basis or at any given point of time and such register shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof	
Input Tax Credit Availed	This register should maintain the details of Input Tax Credit availed for a given tax period having bifurcation of Tax Rate and Tax amount along with category of inward (Inputs, Input Service and Capital Goods)	All Assessee
Output Tax Liability	This register should maintain the details of GST liability outstanding to be adjusted against input tax credit or cash.	All Assessee
Output Tax Paid	This register should maintain the details of GST paid for a particular tax period	All Assessee
Advance Paid/ Received Register	This register should maintain details of advances received, paid, adjustments made and tax paid/adjusted thereto.	All Assessee
Other Records Specified	Government can further specify by way of a notification, additional records and accounts to be maintained	Specific Businesses as notified by the government

7. Records related to Tax paid/payable:

a. Record for Tax payable or paid

Every registered person shall keep and maintain an account, containing the details of tax payable including tax payable under reverse charge, tax collected and paid, input tax, input tax credit claimed, together with a register of Tax Invoice, Credit Notes, Debit Notes, Delivery Challan issued or received during any tax period.

b. Electronic Cash and Credit Ledger

Every registered person will have 3 ledgers under GST which will be generated automatically at the time of registration and will be maintained electronically.

- o **Electronic Cash Ledger-** This ledger will serve as an electronic wallet. The taxpayer will have to deposit money into his cash ledger (add money to the wallet). The money will be utilized to make the payment.
- o **Electronic Credit Ledger-** The input tax credit on purchases will be reflected here under three categories i.e. IGST, CGST & SGST. The taxpayer will be able to utilize the balance shown in this account **only for payment of tax (not for interest, penalty etc.)**
- o **Electronic Liability Ledger:** This ledger will show the total tax liability of a taxpayer after netting off for the particular month. This ledger will be auto-populated.

8. As per Rule 56 (5) of CGST Rules, 2017, Every registered person shall keep 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 the provisions of this Chapter;
- 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.

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.

9. Records to be maintained by owner or operator of godown or warehouse and transporters:

- a. Every person required to maintain records and accounts in accordance with the provisions of Section 35 (2) of CGST Act, 2017, 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 enrolment number shall be generated and communicated to the said person.
- b. 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.
- c. 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.
- d. Subject to the provisions of rule 56,-

- i. 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 Goods and Services Tax Identification Number of the registered consigner and consignee for each of his branches.
 - ii. 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.
- e. 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.

10. Period for Retention of Accounts under GST

As per Section 36 of the CGST Act, 2017, every registered person must keep and maintain the accounts books and records for at least 72 months (**6 years**) from the due date of furnishing of annual return for the year pertaining to such accounts and records.

A registered person, who is party to an appeal or revision or any other proceedings before any Appellant 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 such proceedings 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.

11. Consequences of Not Maintaining Proper Records

If the taxpayer fails to maintain proper records in respect of goods/services, then 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.

12. Other

- 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.
- 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 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.
- Each volume of books of account maintained manually by the registered person shall be serially numbered.
- 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.