

Maintenance of Accounts & Records

**GST Session
Webinar**

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Agenda Points



Introduction

Place of maintaining Accounts & records

List of Accounts and Records

Manner of maintenance

Provisions relating to Electronic Records

Period of Retention of Books of Accounts

Major Requirement under GST Law -

Registration

Scope of Supply

Applicable
Exemptions under
GST Law

Time and Value of
Supply

Eligibility of Input Tax
Credit

Rate of Tax

Various due dates
i.e., for payment of
tax, return filing,
appeals etc.

Legal Provisions

Central Goods & Services Tax Act, 2017	Central Goods & Services Tax Rules, 2017
Chapter VIII Sections 35. Accounts and other records 36. Period of retention of accounts	Chapter VII Rules 56. Maintenance of accounts by registered persons 57. Generation and maintenance of electronic record 58. Records to be maintained by owner or operator of godown or warehouse and transporters

Basic Definition

Chapter VIII of CGST Act, 2017 and Chapter VII of the CGST Rules, 2017 provides for maintenance of Accounts and Records

GST Law prescribes detailed procedure for maintenance of books of accounts and records for goods or services or both.

“Document” as defined under CGST Act, 2017 to ***include written or printed record of any sort and electronic record*** as defined in IT Act, 2000

In recent times, Government has enhanced its vigilance to curb the menace of ***excess claim of ITC or fake invoicing***. Department has stepped up investigation against such activities and in many cases genuine taxpayers also face the heat of notices for reversal of Input Tax Credit or payment of tax for fake invoicing.

During detailed investigation the taxpayer at time fail to furnish proper documents or records which is required to be maintained as per GST provisions and hence they engage in protracted litigation resulting in further agony and imposition of penalty.

Person Responsible for maintaining books of Accounts

Registered Person – Sec 35(1)	Other Persons - Sec 35(2)
Registered Person to maintain books of Accounts Sec 2(94) – Registered Person – “registered person means a person who is registered u/s 25 but does not include a person having a UIN” <u>Who is covered:</u> Turnover based Registration – Sec 22 Compulsory Registration – Sec 24 Voluntary Registration – Sec 25(3) <u>Who is not covered:</u> Holders of the unique identity number such as specialized agency of the UNO, Multilateral Financial Institution and Organizations notified under the UN (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries	Maintaining Specific Records - Sec 35(2) of CGST Act, 2017 and Rule 56(11), 56(17), 58(4) and 58(5) of CGST Rules, 2017 where below persons are required to maintain specific records – • Owner or operator of storage facility i.e., warehouse, godown, etc., • Transporter • An agent as mentioned under section 2(5) of CGST Act, 2017 • Clearing and forwarding agent

1. Place of maintenance of Accounts and Records

Regd. Business Premises	Location of Records Retention
Single place of business	Principal Place of Business mentioned in its GST Registration Certificate
More than one Place of Business	Accounts for each place of business shall be kept at such places of business

Place of Business – Sec 2(85)

Locations where the business is ordinarily carried on

Storage facilities.

Locations from where the supplies are made or received.

Locations where books of accounts are maintained

Locations where the business is carried through an agent

True and Correct Accounts -

Registered Person to maintain true and correct account of the records of -

Manufacturing of goods

Inward supplies

Input tax credit availed

Outward supplies

Output tax payable and paid

Stock of goods

Such other records as prescribed

Documentation

Registered Person to maintain below documents for recording day to day transactions -

Tax Invoices

Revised Tax Invoices

Bill of Supply

Credit Notes

Debit Notes

Receipt Vouchers

Payment Vouchers

Refund Vouchers

Delivery Challan

Self Generated Invoice

Documents Under GST regime -

Tax Invoice • Supply of taxable Goods • Supply of taxable Service	Bill of Supply • For Supply of exempted goods / services • Composition supplier	Receipt Voucher • For receipt of ADVANCE	Refund Voucher • If advance refunded without supply of services/ goods	Revised Invoice • Newly registered person (>20L) • For transaction between date of liable to reg. to grant of reg.
Self Invoice – RCM • URP Purchase • Exemption: not exceeding 5,000 • Consolidated invoice-Monthly	Payment Voucher -RCM • For Payment to URP Vendor	Debit Note • Upward revision of rate • No time limit	Credit Note • Downward revision of rate • Goods return / deficiency of service • Time limit	Delivery Challans • Document for supply • Other than Supply (repair, JW)

2. Exhaustive list of Accounts and Records to be maintained

Category	Records to be maintained
Goods and Services	✓ Details of Production or Manufacture of Goods ✓ Inward and Outward Supply of goods or Services or both ✓ Stock details of goods ✓ ITC Availed on Goods or Services or both ✓ Output Tax Payable and Paid ✓ Import and export of goods or Services or both ✓ Supplies attracting Reverse Charge Mechanism or Services or both ✓ Details of Relevant Documents including Invoices, bill of supply, DC, CN, DN, Receipt Voucher, Payment Vouchers and Refund Vouchers

2. Exhaustive list of Accounts and Records to be maintained

Category	Records to be maintained
Details of Manufacture of Goods	✓ Monthly production accounts showing quantitative details of raw materials or services used in the manufacture ✓ Quantitative details of goods manufactured including the waste and by-products thereof
Details of supply of Service	✓ Quantitative details of goods used in the provision of services ✓ Details of input services utilized; and ✓ Details of services supplied.
Stock Details	✓ Account of Opening Balance, receipts, supplies, and closing balance of stock of raw materials, finished goods, scrap and wastage ✓ Details of goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample to be kept
Advances	Details of advance received, paid and adjustments made thereto
Supplier Details	Names and complete addresses of suppliers from whom he has received taxable goods or services

2. Exhaustive list of Accounts and Records to be maintained

Category	Records to be maintained
Customer Details	✓ Names and complete addresses of the persons to whom he has supplied goods or services (Exception – If the customer is unregistered and value of supply is more than Rs 50,000 then name and address of recipient and address of delivery along with State Name and State Code is required) ✓ If the Value of supply to an Unregistered Recipient is less than Rs 50,000, above details may be mentioned on tax invoice on request of such buyer.
Details of Storage of Goods	✓ 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 <u>Note - If any taxable goods are found at any place(s) other than those declared above without any valid documents, Officer may determine tax payable on such goods, as if such goods have been supplied by the registered person.</u>

3. Manner of maintenance of Accounts and Records

Category	Records to be maintained
Place for keeping books of Accounts	✓ Books of accounts to be kept at principal place of business and books of account relating to additional place of business mentioned in his GST registration certificate ✓ Books of account shall include any electronic form of data stored on any electronic device
Manner of Entry and correction thereof (Manual)	✓ Any entry in registers, accounts and documents - Not to be erased, effaced or overwritten ✓ Any incorrect entries – (other than clerical nature) - to be scored out under attestation and there-after the correct entry shall be recorded ✓ Each volume of books of account maintained manually shall be serially numbered
Entry and correction of Electronic records	✓ A log of every entry edited or deleted shall be maintained ✓ The records may be maintained in electronic form and shall be authenticated by means of a digital signature

3. Manner of maintenance of Accounts and Records

Category	Records to be maintained
If books are found at a place other than the place mentioned in GST Registered Certificate	✓ It shall be assumed that the Registered Person is maintaining the records at that place
Production on Demand	✓ The books of accounts which he is required to maintained shall have be produced on demand

4. Special provisions for Electronic Records

Category	Records to be maintained
Back up of Electronic Records and restoration thereof	Proper electronic back-up of records shall be maintained and preserved so that in the event of destruction due to accidents or natural causes, it can be restored within a reasonable period of time
Production of Electronic Records	✓ The duly authenticated relevant records or documents may be produced on demand, ✓ Same may be produced either, in hard copy, or in any electronically readable format. ✓ Details of such files, passwords of such files and explanation for codes used, where necessary, for access and any other information which is required for such access along with a sample copy in print form of the information stored in such files is to be produced on demand

5. Period of Retention of Books of Accounts

Category	Records to be maintained
Period of retention (Other wise than in appeal or revision or proceedings pending)	72 (seventy-two) months from the due date of furnishing of annual return for the year pertaining to such accounts and records

Period	Due Date of Annual Return	Retention upto
Apr 2017 to Jun 2017	NA	NA
Jul 2017 to Mar 2018	Feb 07, 2020*	Feb 07, 2026
Apr 2018 to Mar 2019	Dec 31, 2020	Dec 31, 2026
Apr 2019 to Mar 2020	Feb 28, 2021	Feb 28, 2027

***Extended due date as on June 30, 2020 has been considered assuming the GSTIN for the State of Telangana.**

5. Period of Retention of Books of Accounts

Category	Records to be maintained
For any ongoing appeal or revision or any other proceedings	Accounts to be preserved for a period <u>later of the two</u> – ✓ 72 (seventy-two) months from the due date of furnishing of annual return for the year pertaining to such accounts and records; or ✓ A period of one year after final disposal of such appeal or revision or proceedings or investigation

Appeal Pertains to FY 2018-19 (Due date of Annual Return is 31st Dec 2020)

Due Date of Annual Return	Appeal Disposal date	Retention Upto
Dec 31, 2020	Sep 30, 2024	Dec 31, 2026
Dec 31, 2020	April 15, 2025	Dec 31, 2026
Dec 31, 2020	Mar 31, 2026	Mar 31, 2027
Dec 31, 2020	Mar 15, 2027	Mar 15, 2028

Discussion and Queries



Thank you

Thanks for your Patience and Time

