

Accounts & Records [Section 35 & 36 r/w Rules 56 - 58] (1/1)

Chapter VIII – Accounts and Records [Sections 35 and 36] of the CGST Act enumerates the accounts and records required to be maintained by a taxpayer and the period for which such accounts and records are required to be preserved.

What to maintain as regards to Books of Accounts – Section 35(1) of CGST r/w R. 56)

Records as per S. 35 of CGST Act: -

- 1) **Input:** - Inward Supplies, ITC
- 2) **Process:** - Production
- 3) **Storage** – Stock of goods
- 4) **Output** – Outward Supplies & Tax

(Input, Process, Storage, Output is the key to remember the provision)

Records as per R. 56 of CGST Rules, 2017

- 1) **Import & Export** of G/S
- 2) Tax paid under **RCM**
- 3) **Advance** received & adjusted
- 4) Commodity wise **stock details** (Opening Balance, receipt, issue, goods lost, stolen, destroyed, written off, given as free samples, etc.)
- 5) Details of **tax payable** & ITC
- 6) **Name & address of supplier & recipient**
- 7) Storage premise **address**
- 8) **Register** of Documents

Composition person not to maintain following two details: -

- 1) Commodity wise Stock Details
- 2) Tax Details

Where to Maintain? [S. 35(1)]

- Principal place of business & Additional Place of Businesses.
- Unless otherwise proved, documents or any books of accounts found at any other place are deemed to be books of accounts of registered person

Agents [R. 56(11)]

- a) **Authorisation** received from Principal;
- b) Description, value and quantity (wherever applicable) of **goods or services received or supplied** on behalf of every principal;
- c) Details of **accounts furnished to every principal**; and
- d) **Tax paid** on receipts or on supply of goods or services effected on behalf of every principal.

Clearing, Forwarding Agent [R. 56(17)]

Maintain true and correct records in respect of such **goods handled by him on behalf of such registered person** and shall produce the details thereof as and when required by the proper officer.

Manufacturers [R. 56(12)]

- a) Monthly **production accounts** showing quantitative details of raw **materials or services used in the manufacture**, produced Qty, waste and by products thereof.
- Service Provider to maintain (R. 56(13)):** - Quantitative details of goods used in the provision of services, details of input services utilised and the services supplied.

Works Contractor [R. 56(14)]

- The **name and addresses** contractee;
- **Description, value and quantity** (wherever applicable) of **goods or services received & utilised**.
- The details of **payment received** in respect of each works contract; and
- The names and addresses of **suppliers** from whom he received goods or services.

Accounts to be maintained by Specific Persons

Owner or Operator of Warehouses & Transporter whether or Regd. or not

- a) **Goods transported, delivered** and goods **stored** in transit by him, along with GSTIN
- b) **Owner or operator** of a warehouse or godown shall maintain BOA 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.
- c) **Item-wise and owner-wise** identifiable and shall facilitate any physical verification or inspection by the proper officer
- d) URP owner & operator of warehouse & transporter shall obtain a unique enrollment number by applying electronically.

Manner of Maintenance (R. 56 & 57) & Period of Maintenance (S. 36)

- 1) Electronic Form – Authenticated by DSC [R. 56(15)]
- 2) Accounts shall be maintained at all Place of Businesses [R. 56(7)]
- 3) Not to be erased or overwritten
- 4) Records may be maintained manually & each volume of BOA serially numbered.
- 5) Adequate Backup be taken
- 6) Audit Trial shall be produced when PO demands [R. 57]

Period of Maintenance (S. 36)

(A) A/cs not a subject Matter of Appeal

72 months from due date of annual return to which that accounts & records relate.

(B) A/cs subject matter of Appeal or any proceedings

72 months from due date of annual return
Or
1 year after final disposal of proceeding whichever is **later**.

The PO shall determine the amt of tax payable on goods or services that are not accounted for, as if such goods / services had been supplied by such person & provisions of Sec 74A

Audit of Books of Accounts (S. 35(5), S. 44(2) of CGST Act, 2017, R. 80(3) of CGST Rules, 2017

Departmental Clarifications:

- 1) The persons involved in auction either as a **principal or auctioneer shall declare warehouse or other places as additional place of business in case such places are meant for storage of goods.**
- 2) **If faced difficulties in maintaining the books of accounts at such additional place of business upon intimating the jurisdictional officer in writing can maintain at PPOB.**
- 3) If goods are **stored in godown of transporter**, then the transporter's **godown** has to be declared as an **APOB** by the recipient.
- 4) The **transporter having place of business in more than one State or Union Territory** and all such places of business are **registered** under the provisions of the GST law, shall **obtain** the unique **common enrolment number** for generating E – Way bills