Accounts and Records:

What is the importance of accounts and records under GST?

Assessment in GST is mainly focused on self-assessment by the taxpayers themselves. Every taxpayer is required to self-assess the taxes payable and furnish a return for specified tax periods i.e. the period for which return is required to be filed. The compliance verification is done by the department through scrutiny of returns, audit and/or investigation. Thus, compliance verification is to be done through documentary checks rather than physical controls. This requires certain obligations to be cast on the taxpayer for keeping and maintaining accounts and records.

Where should the books be kept or made available?

The law mentions that every registered person should keep and maintain all records at his principal place of business. It also cast, responsibility on owner or operator of warehouse or godown or any other place used for storage of goods and on every transporter, irrespective of whether he is a registered person or not, to maintain specified records.

What records are required by law to be maintained by the dealer?

The following are the few that can be mentioned.

Records related to:

1. production or manufacture of goods;
2. inward and outward supply of goods or services or both;
3. stock of goods;
4. input tax credit availed;
5. output tax payable and paid; and
6. such other particulars as may be prescribed.
7. goods or services imported or exported; or
8. 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.

All these records can be maintained in electronic form as well.

Can I Keep other entity’s records in my premises?

One may do that but be aware that:

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.

For how long I must keep the books with me?

Under the GST law, All accounts maintained 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 seventy two months (six years) from the due date of furnishing of annual return for the year pertaining to such accounts and records and shall be kept at every related place of business mentioned in the certificate of registration.

What if there are any appeal or other proceedings still on?

The law provides that: A registered person, who is a party to an appeal or revision or any other proceedings whether filed by him or by the Commissioner, or is under investigation for an offence, has to retain the 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 (seventy-two months), whichever is later.

### Accounts and Records under GST

#### Importance of Accounts and Records

Assessment under the GST framework primarily relies on **self-assessment** by taxpayers. Each registered taxpayer is responsible for:

* Determining the correct tax liability
* Filing periodic returns accordingly

**Compliance verification** by tax authorities is carried out through:

* **Scrutiny of returns**
* **Audit**
* **Investigation**

As there is minimal physical control, **documentary evidence becomes essential** for verification, placing a clear obligation on taxpayers to **maintain accurate and complete accounts and records**.

#### Location for Maintaining Records

As per GST law:

* Every **registered person** must keep and maintain prescribed records at the **principal place of business** as mentioned in their registration certificate.
* Additionally, **owners or operators of warehouses/godowns** and **transporters** (registered or unregistered) are required to maintain specific records for the goods stored or transported.

#### Mandatory Records to be Maintained

Every registered dealer must maintain the following categories of records:

* (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 (ITC) availed
* (e) Output tax payable and paid
* (f) Other particulars as prescribed
* (g) Details of imports and exports
* (h) Reverse charge supplies and related documents

Relevant supporting documents include:

* Tax invoices
* Bills of supply
* Delivery challans
* Credit and debit notes
* Receipt/payment/refund vouchers
* E-way bills

Note: These records can be maintained in ***electronic form*** as well.

#### Maintaining Another Entity’s Records

While a taxpayer may keep another entity’s records at their premises, **as per GST law**:

If any records or documents related to a registered person are found at any premises **not listed on their registration certificate**, such records will be presumed to be maintained by the said registered person, **unless proven otherwise**.

#### Record Retention Period

As per GST requirements:

* All books of account, invoices, challans, and other related documents **must be retained for a period of 72 months (6 years)** from the **due date of furnishing the annual return** for the relevant financial year.
* These must be kept **at every business location** mentioned in the registration certificate.

#### Extended Retention in Case of Proceedings

In cases where:

* An **appeal, revision, investigation, or other proceeding** is pending,

The records related to the matter must be retained for:

**One year after the final disposal** of the case  
**OR**  
**Seventy-two months**,  
**Whichever is later**