



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

Office No. 9, Suvan Apartments, Opp. Jog High School, HDFC Bank Building, Mayur Colony, Kothrud, Pune – 411 038. Tel – 020 – 25 43 02 76, Mob: 98500 35736, pranjal@capranjaljoshi.com

Accounts and Records

Objectives and Importance of this chapter –

This chapter mandates the upkeep and maintenance of records, at the place(s) of business, in electronic or other forms. Furnishing of an audited statement of accounts and reconciliation statement is also contemplated for persons having turnovers exceeding the prescribed limit. There is no relaxation provided to persons who have voluntarily obtained registration. This chapter read with relevant rules provides for the manner and method of maintenance of records of all kinds and classes of persons, as well.

Maintenance of Records, place and retention period –

Every registered person is required to keep and maintain accounts and records in that reflect the true and correct account of the transactions effected.

The following records are to be maintained u/s 35: -

- (i) Production or manufacture of goods;
- (ii) Inward or outward supply of goods or services or both;
- (iii) Stock of goods;
- (iv) Input tax credit availed;
- (v) Output tax payable and paid; and
- (vi) Such other as may be prescribed.

The accounts are to be maintained at the principal place of business (as mentioned in the certificate of registration). The registered person has the option to keep and maintain accounts and other records in electronic form. In such a case, the records shall be authenticated by way of digital signature.

Every registered person is required to mandatorily retain the books of accounts and other records until the expiry of 72 months (6 years) from the due date for filing of Annual Return for the year, i.e., 81 months from the end of the financial year pertaining to such accounts and records. For instance, the books of account and other records for FY 2017-18 are to be maintained till 31.12.2024, regardless of the actual date of filing of annual return for the year, considering that the due date for furnishing the annual return is 31.12.2018.

The responsibility for the maintenance of proper accounts of job work-related inputs and capital goods rests with the principal.

Audit under the GST –

Every registered person whose turnover during a financial year exceeds the prescribed limit (Rs. 2 Crore) is required to get his accounts audited by a chartered accountant or a cost accountant Accounts and is required to submit a copy of the audited annual accounts, the reconciliation and such other documents prescribed to the Jurisdictional officer.

Rule 80(3) of the Rules speaks of the prescribed threshold limit at Rs. 2 Crore which is attributed to the 'aggregate turnover', the relevant section speaks of the turnover in the State / turnover



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

Office No. 9, Suvan Apartments, Opp. Jog High School, HDFC Bank Building, Mayur Colony, Kothrud, Pune – 411 038. Tel – 020 – 25 43 02 76, Mob: 98500 35736, pranjal@capranjaljoshi.com

attributable to a GSTIN. Therefore, if a registered person is liable to get his accounts audited under Section 35, all the registrations obtained under the same PAN will also be liable for such audit, regardless of the turnover in each State in which the other registrations have been obtained.

The registered person is required make the following submissions to the proper officer:

- (i) the annual return for the financial year;
- (ii) a copy of the audited statement of accounts;
- (iii) a reconciliation statement u/s 44(2), reconciling the value of supplies declared in the annual return with the audited annual financial statement (expected to be in a prescribed form & manner – Form GSTR-9C, which is presently under consideration);
- (iv) Other particulars as may be prescribed.

Returns -

A return of Outward supplies in terms of this section should be furnished by every registered taxable person except for the following persons namely,

- Input service distributor
- A non-resident taxable person
- A person paying tax under the provisions of section 10 (composition levy)
- A person paying tax under the provisions of section 51 (TDS)
- A person remitting tax collected under the provisions of section 52 (TCS)
- A person referred to in Section 14 of IGST Act
- Person providing Online Information and Data Access & Retrieval Services to a non-taxable online recipient.