

Accounts and documents to be maintained by dealers

21. (1) Every taxable dealer shall keep and maintain a true and correct account showing the value of the goods sold and bought by him, and in case the accounts maintained in the ordinary course do not show the same in an intelligible form, he shall maintain true and correct account in such form, as may be prescribed in this behalf.
- (2) A manufacturer liable to pay tax under this Act shall, in addition to the accounts referred to in other sub-sections, maintain stock books in respect of goods used or consumed in manufacture as well as the products obtained at every stage of production.

Provided that in the case of any class of manufacturers, the aggregate of whose turnover, in an assessment year does not exceed twenty five lakh rupees, the Commissioner, or in any other case the State Government, may relax the requirements of this sub-section subject to such conditions and restrictions as may be deemed fit to be specified.

- (3) The accounts, documents and the stock books required to be maintained under this section shall be preserved by the dealer for such period as may be prescribed.
- (4) Every registered dealer who consigns or delivers any goods or class of goods specified in the rules made thereunder or such other goods or class of goods, as the State Government may, by notification in the Gazette, specify in this behalf, of such quantity, measure or value as may be notified, to a dealer whether by reason of sale or otherwise, shall issue to the purchaser or consignee person of goods, a transport-memo in prescribed manner and in prescribed form obtained from the assessing authority having jurisdiction over the area in which principal place of business of such dealer is situated.
- (5) Except as provided in sub-section (4) every dealer liable to pay tax while consigning or delivering any taxable goods to another dealer whether as a result of sale or otherwise, shall issue to the purchaser or consignee of goods, a legible challan or transfer invoice in the prescribed manner containing such particulars, as may be prescribed,.
- (6) Where any goods are transported by road, original copy of transport memo referred to in sub-section (4), challan or transfer invoice referred to in sub-section (5), as the case may be, completed in all respects shall accompany the goods during journey of goods.
- (7) Person transporting the goods for delivery to the consignee shall fill in the particulars in the relevant columns provided on transport memo, challan or transfer invoice, as the case may be, and shall deliver such transport memo, challan or transfer invoice to the consignee dealer along with goods.
- (7-A) Notwithstanding anything to the contrary contained in sub-sections(4), (6) and (7) the Commissioner may notify the website in which the particulars prescribed to be contained in the transport memo referred to in sub-section(4)shall be entered in respect of any specified class of goods or any specified class of dealers or as a result of any specified class of transaction to be notified by him. If the commissioner notifies the website, the registered dealer who consigns or delivers any goods or class of goods as notified by the Commissioner, shall enter the prescribed particulars in the notified website and the proof of entering such particulars in the website shall accompany the goods during journey of goods, in the manner prescribed by the Commissioner.**

- (8) Every dealer who receives any form of declaration or certificate prescribed under this Act or rules made thereunder, from its assessing authority or from any other person, shall use them in the prescribed manner and shall keep an account, in the prescribed manner, of all such used and unused forms of declaration or certificates including forms of declaration or certificates received from other persons.
- (9) No dealer shall transfer to any person and no person shall receive from any person any certificate or any form of declaration prescribed under the rules made under this Act except as provided under this Act or the rules made thereunder.
- (10) Where a dealer disposes of taxable goods in more than one of the following ways:
- (i) makes sale of goods inside the State; or
 - (ii) consigns goods to other dealers for sale inside the State; or
 - (iii) makes sale of goods in the course of inter-state trade or commerce; or
 - (iv) makes sale of goods in the course of the export of the goods out of or in the course of the import of the goods into, the territory of India; or
 - (v) consigns goods out side the State otherwise than as a result of sale, shall, as far as possible, keep separate account of purchase, sale, receipt and dispatch of goods for each such purpose.
- (11) A dealer who claims input tax credit under section 13 shall maintain a register in respect of tax period wise computations of amount of input tax credit.
- (12) A dealer who maintains or keeps books, accounts or documents in a computer, shall also maintain day to day print out of all such books, accounts and documents.
- (13) Every dealer liable to pay tax shall prepare an inventory of all goods held in stock, as mentioned hereunder, along with their purchase value, on following dates:
- (a) goods held in opening stock on the date on which the dealer becomes liable to pay tax;
 - (b) goods held in closing stock on the last date of each assessment year;
 - (c) goods held in closing stock on the date of discontinuance of business;
 - (d) in the case of a dealer who has opted for payment of composition money under section 6,
 - (i) goods held in opening stock on the date on which provisions of section 6 has become applicable and;
 - (ii) goods held in opening stock on the date on which provisions of section 6 ceases to apply;"
- Provided that a manufacturer shall also prepare a list of goods used or consumed in manufacture, processing or packing of any manufactured or semi-manufactured goods held in stock on the aforesaid dates along with their purchase value.
- (14) Where in any tax invoice, issued by the registered selling dealer to the registered purchasing dealer, in respect of sale of any goods, amount shown as tax exceeds the amount of tax payable on such sale under this Act, such selling dealer, within 30 days from the date of issue of tax invoice, shall provide such purchasing dealer with a credit note of excess amount realized as tax and the purchasing dealer shall provide to the selling dealer with a debit note of such amount containing such requisite particulars as may be prescribed.
- (15) Where in respect of sale of any goods, amount of tax payable under this Act exceeds amount shown as tax in the tax invoice issued by the registered selling dealer to the registered purchasing dealer, such selling dealer, within

30 days from the date of issue of tax invoice, shall provide to such purchasing dealer with a debit note of differential amount of tax and the purchasing dealer shall provide to the registered selling dealer a credit note containing such requisite particulars as may be prescribed.

(16) In case of goods returned or rejected by the purchaser, a credit note shall be issued by the selling dealer to the purchasing dealer and debit note shall be issued by the purchasing dealer to the selling dealer containing such requisite particulars as may be prescribed:

(17) If in respect of any particular assessment year, gross turnover of purchase or sale or both, as the case may be, of any dealer exceeds rupees one crore, then such dealer shall get his accounts verified and audited by a specified authority within six months from end of that assessment year and obtain within that period a report of such audit in the prescribed form duly signed and verified by such specified authority along with such particulars as may be prescribed. A true copy of such report shall be furnished by such dealer to the assessing authority within such period as may be prescribed.

Explanation: For the purpose of this section, expression “specified authority” means-

(i)a Chartered Accountant within the meaning of the Chartered Accountants Act, 1940 and includes persons by virtue of provisions of sub-section (2) of section 226 of the Companies Act, 1956, is entitled to be appointed to act as an auditor of companies;

(ii)a Cost Accountant within the meaning of the Cost and Works Accountant Act, 1959;

(18) If any dealer liable to get his accounts audited under sub-section (1) fails to furnish copy of such report within the prescribed time, the assessing authority shall, after giving the dealer a reasonable opportunity of being heard, impose on him in addition to tax payable, a sum by way of penalty not exceeding ten thousand rupees, as he may determine.