Value Added Tax Act, 2003

Chapter 4 - Accounts and Documents

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(1) A registered dealer effecting a taxable sale, or sale of exempt goods along with any taxable goods, shall issue at the time of the sale, a tax invoice marked as original for the sale, containing the particulars prescribed, and shall retain a copy thereof.

(2) A tax invoice marked as original shall not be issued to any registered dealer in circumstances other than those specified in sub-section (1), and in a case of loss of the original, a duplicate may be issued where such registered dealer so requests.

(3) A registered dealer selling non-taxable goods or a dealer opting to pay tax by way of composition under Section 15 selling goods in excess of the prescribed value shall issue a bill of sale containing the particulars prescribed.

Section 30 - Credit and Debit Notes

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(1) Where a tax invoice has been issued for any sale of goods and within six months from the date of such sale the amount shown as tax charged in that tax invoice is found to exceed the tax payable in respect of the sale effected , the registered dealer effecting the sale shall issue forthwith to the purchaser a credit note containing particulars as prescribed.

(2) Where a tax invoice has been issued for sale of any goods and the tax payable in respect of the sale exceeds the amount shown as tax charged in such tax invoice, the registered dealer making the sale, shall issue to the purchaser a debit note containing particulars as prescribed.

(3) Any registered dealer who receives or issues credit notes or debit notes shall modify his return for the period in which the credit note or debit note is issued and pay any tax due on such return.

Section 31 - Accounts

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(1) Every registered dealer and every dealer liable to pay tax under this Act shall keep and maintain a true and correct account, in Kannada or English or Hindi or in such other language as the Government may, by notification, specify, of all his purchases, receipts, sales, other disposals, production, manufacture and stock showing the values of goods subject to each rate of tax under this Act including input tax paid and output tax payable.

(2) If the Commissioner or prescribed authority is of the opinion that the accounts kept and maintained by any dealer or any class of dealers do not sufficiently enable him or it to verify the returns required under this Act or to make any assessment under it, he or it may, by order, require any dealer or class of dealers, to keep such accounts and records including tax invoices of manufacture, sales, purchases, disposals or transfers of stock other than by way of sales in such form and in such manner as he or it may direct.

(3) If the Commissioner considers that any class of dealers is not in a position to keep and maintain accounts in accordance with the provisions of this Section, he may, for reasons to be recorded in writing, permit such class of dealers to maintain accounts in the prescribed manner.

(4) Every dealer whose taxable turnover in a year exceeds twenty five lakh rupees shall have his accounts audited by a Chartered Accountant or a Tax Practitioner subject to such conditions and such limits as may be prescribed and shall submit to the prescribed authority a copy of the audited statement of accounts and prescribed documents in the prescribed manner.

Section 32 - Period of retention of accounts

(1) Every dealer required under this Act to keep and maintain books of account or other records including tax invoices relating to his purchases and sales shall retain them until the expiration of five years after the end of the year to which they relate or for such other period as may be prescribed or until the assessment reaches finality, whichever is later.

(2) Where such dealer is a party to an appeal or revision under this Act, he shall retain, until the appeal or revision and any appeal therefrom is finally disposed of, every record and accounting document that pertains to the subject matter of the appeal or revision.

Section 33 - Electronic records

Every dealer required to keep and maintain records and accounts pursuant to Section 31 and who does so by electronic means shall retain them in an electronically readable format for the retention period specified in Section 32.

Section 34 - Requirement to provide documents and information

Notwithstanding anything to the contrary contained in this Act, the prescribed authority may, for any purpose related to the administration or enforcement of this Act, by notice, require any person to provide the prescribed authority, within such reasonable time as is stipulated in the notice, with any information or additional information, including a return under this Act, or any other document, whether inside or outside the State.