



Income Tax Department

Ministry of Finance, Government of India

Maintenance of books of account under section 62.

46. (1) Every person required to keep and maintain books of account and other documents under section 62(1)(b) shall maintain such books of account and other documents that enable the Assessing Officer to compute his total income under the Act.
- (2) Every person carrying on legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or profession of authorised representative or film artist, shall keep and maintain the books of account and other documents specified in sub-rule (4).
- (3) The provisions of sub-rule (2) shall not apply—
- (i) in relation to any tax year in the case of any person, if his total gross receipts in the profession do not exceed Rs. 150000 in any one of the three years immediately preceding the tax year; or
- (ii) where the profession has been newly set up in the tax year, his total gross receipts in the profession for that year are not likely to exceed the said amount.
- (4) The books of account and other documents referred to in sub-rule (2) shall be the following:—
- (a) a cash book; or
- (b) a journal, if the accounts are maintained according to the mercantile system of accounting; or
- (c) a ledger; or
- (d) for sums equal to or exceeding two hundred and fifty rupees, copies of bills or receipts issued by him; or
- (e) original bills and receipts in respect of expenditure equal to or exceeding two hundred and fifty rupees incurred by the person and issued to him; or
- (f) payment vouchers prepared and signed by the person, where the expenditure incurred does not exceed two hundred and fifty rupees, and the cash book maintained by the person does not contain adequate particulars in respect of such expenditure.
- (5) In this rule,—
- (a) "authorised representative" means a person who represents any other person, on payment of any fee or remuneration before—
- (i) any Tribunal; or
- (ii) any authority constituted or appointed by or under any law for the time being in force;
- but does not include an employee of the person so represented or a person carrying on legal profession or a person carrying on the profession of accountancy;
- (b) "cash book" means a record of all cash receipts and payments, kept and maintained day-to-day and giving the cash balance in hand at the end of each day or at the end of a specified period not exceeding a month;
- (c) "film artist" means any person engaged in his professional capacity in the production of a cinematograph film whether produced by him or by any other person, as—
- (i) an actor; or
- (ii) a cameraman; or
- (iii) a director, including an assistant director; or
- (iv) a music director, including an assistant music director; or
- (v) an art director, including an assistant art director; or
- (vi) a dance director, including an assistant dance director; or
- (vii) an editor; or
- (viii) a singer; or
- (ix) a lyricist; or
- (x) a story writer; or
- (xi) a screen-play writer; or
- (xii) a dialogue writer; or
- (xiii) a dress designer.
- (6) A person carrying on medical profession shall, in addition to the books of account and other documents specified in sub-rule (4), keep and maintain the following:—
- (i) a daily case register in Form No. 25;
- (ii) an inventory under broad heads, as on the first and the last day of the tax year, of the stock of drugs, medicines and other consumable accessories used for the purpose of his profession.
- (7) The books of account and other documents specified in sub-rules (1), (4) and (6) other than those relating to a tax year which has come to an end shall be kept and maintained by the person at—
- (a) the place where he is carrying on the profession; or
- (b) where the profession is carried on in more places than one, at the principal place of his profession; or
- (c) if the person keeps and maintains separate books of account in respect of each place where the profession is carried on, such books of account and other documents may be kept and maintained at the respective places at which the profession is carried on.
- (8) The books of account and other documents specified in sub-rules (1), (4) and (6) maintained in electronic mode shall remain accessible in India at all times, and the back-up of such books of account and other documents maintained in electronic mode, shall be kept on a daily basis in servers physically located in India.
- (9) The books of account and other documents specified in sub-rules (1), (4) and (6) shall be kept and maintained for a period of seven tax years from the end of the relevant tax year.
- (10) Where the assessment in relation to any tax year has been reopened under section 279 or under section 147 of the Income-tax Act, 1961 (43 of 1961), as it existed prior to its repeal, all the books of account and other documents which were kept and maintained at the time of reopening of the assessment shall continue to be so kept and maintained till the assessment, so reopened has been completed.