This Chapter will equip you to –

- describe and analyse the provisions relating to tax invoice in case of taxable supply of goods and in case of taxable supply of services - time-limit and manner of issuing the same
- enumerate the particulars of a tax invoice
- explain the provisions relating to revised tax invoice, bill of supply, receipt voucher, refund voucher, payment voucher, etc.
- identify the cases where no tax invoice is required to be issued and identify the suppliers of taxable service who are permitted to issue any document other than tax invoice
- explain the provisions relating to transportation of goods without issuance of invoice
- describe the provisions relating to issuance of credit and debit notes
- explain the provisions relating to prohibition of unauthorised collection of tax
- describe the provisions relating to amount of tax to be indicated in tax invoice and other documents.
1. INTRODUCTION

An invoice is a commercial instrument issued by a supplier of goods/services to a recipient. It identifies both the parties involved, and lists, describes the items sold/services supplied, quantifies the items sold, shows the date of shipment and mode of transport, prices and discounts, if any, and the delivery and payment terms (in case of supply of goods).

Invoicing is very crucial aspect for ensuring tax compliance under any indirect taxation system. In order to ensure transparency, issuance of invoice for every taxable transaction is a pre-requisite. In case of supply of goods or provision of services, an invoice is raised by the supplier of such goods or services to the recipient of the same. Tax invoice acts as a document evidencing the payment of the value of the goods or services or both as also the tax portion in the same. In certain cases, an invoice serves as a demand for payment and becomes a document of title when paid in full.

Under the GST regime, an “invoice” or “tax invoice” means the tax invoice referred to in section 31 of the CGST Act, 2017. This section mandates the issuance of an invoice or a bill of supply for every supply of goods or services. A registered person cannot avail input tax credit unless he is in possession of a tax invoice or a debit note.

The provisions relating to tax invoices, debit and credit notes are contained in Chapter VII - Tax Invoice, Credit and Debit Notes [Sections 31 to 34] of the CGST Act and Chapter-VI: Tax Invoice, Credit and Debit Notes [Rules 46 to 55A] of Central Goods and Services (CGST) Rules, 2017. State GST laws also prescribe identical provisions in relation to Tax Invoice, Credit and Debit Notes.

Provisions of Tax invoice, Credit and Debit Notes under CGST Act have also been made applicable to IGST Act vide section 20 of the IGST Act.

Before proceeding to understand the provisions of Tax Invoice, Credit and Debit Notes, let us first go through few relevant definitions.
2. RELEVANT DEFINITIONS

- **Credit note**: means a document issued by a registered person under sub-section (1) of section 34 [Section 2(37)].

- **Debit note**: means a document issued by a registered person under sub-section (3) of section 34 [Section 2(38)].

- **Continuous supply of goods**: means [Section 2(32)]:

  A supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis
  under a contract
  whether or not by means of a wire, cable, pipeline or other conduit, and
  for which the supplier invoices the recipient on a regular or periodic basis
  and
  includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify

- **Continuous supply of services**: means [Section 2(33)]:

  Supply of services which is provided, or agreed to be provided, continuously or on recurrent basis
  under a contract
  for a period exceeding 3 months with periodic payment obligations and
  includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify

- **Document**: includes written or printed record of any sort and electronic record as defined in clause (t) of section 2 of the Information Technology Act, 2000 [Section 2(41)].
10.4 GOODS AND SERVICES TAX

- **Exempt supply**: means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply [Section 2(47)].

- **Invoice or tax invoice**: means the tax invoice referred to in section 31 [Section 2(66)].

- **Quarter**: shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year [Section 2(92)].

- **Return**: means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder [Section 2(97)].

### 3. TAX INVOICE [SECTION 31]

<table>
<thead>
<tr>
<th>Section 31</th>
<th>Tax invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-section</td>
<td>Particulars</td>
</tr>
<tr>
<td>(1) A registered person supplying taxable goods shall, before or at the time of,—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or</td>
</tr>
<tr>
<td></td>
<td>(b) delivery of goods or making available thereof to the recipient, in any other case</td>
</tr>
<tr>
<td></td>
<td>issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:</td>
</tr>
<tr>
<td></td>
<td>Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.</td>
</tr>
<tr>
<td>(2) A registered person supplying taxable services shall, before or after</td>
<td></td>
</tr>
</tbody>
</table>
the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—

(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(b) tax invoice may not be issued.

(3) Notwithstanding anything contained in sub-sections (1) and (2)—

(a) a registered person may, within one month from the date of issuance of certificate of registration and in such manner as may be prescribed, issue a revised invoice against the invoice already issued during the period beginning with the effective date of registration till the date of issuance of certificate of registration to him;

(b) a registered person may not issue a tax invoice if the value of the goods or services or both supplied is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;

(c) a registered person supplying exempted goods or services or both or paying tax under the provisions of section 10 shall issue, instead of a tax invoice, a bill of supply containing such particulars and in such manner as may be prescribed:

Provided that the registered person may not issue a bill of supply if the value of the goods or services or both supplied is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;

(d) a registered person shall, on receipt of advance payment with respect to any supply of goods or services or both, issue a receipt voucher or any other document, containing such particulars as may be prescribed, evidencing receipt of such payment;
(e) where, on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a refund voucher against such payment;

(f) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both;

(g) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier.

(4) In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.

(5) Subject to the provisions of clause (d) of sub-section (3), in case of continuous supply of services,—

(a) where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;

(b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;

(c) where the payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event.

(6) In a case where the supply of services ceases under a contract before the completion of the supply, the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply made before such cessation.
Explanation.—For the purposes of this section, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier.

ANALYSIS

The provisions relating to Tax Invoice are provided under section 31 of the CGST Act as well as Chapter VI: Tax Invoice, Credit and Debit Notes of Central Goods and Services (CGST) Rules, 2017. The provisions contained in these rules have been incorporated at the relevant places.

There is no format prescribed for the Tax Invoice. Only certain fields have been prescribed as mandatory fields. Further, invoices may be issued manually or electronically. Issuance of electronic invoices is not mandatory.

A. TAX INVOICE ISSUED BY A SUPPLIER OF TAXABLE GOODS/ TAXABLE SERVICES

A tax invoice shall be issued by a registered person supplying taxable goods or taxable services or both. Such tax invoice shall show the prescribed particulars.

(i) Time limit for issuance of invoice [Sections 31(1), (2), (4) & (5) read with rule 47]

The time for issuing an invoice would depend on the nature of supply viz. whether it is a supply of goods or services.

A registered person supplying taxable goods shall issue a tax invoice, before
or at the time of removal of goods (where supply involves movement of goods) or in any other case, before or at the time of delivery or making available thereof to the recipient.

The Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.

In case of supply of taxable services, tax invoice may be issued before or after the provision of services, but within the specified period. Government may notify the categories of services in respect of which any other document issued in relation to supply shall be deemed to be a tax invoice or tax invoice may not be issued.

<table>
<thead>
<tr>
<th>In case of taxable supply of goods</th>
<th>In case of taxable supply of services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice shall be issued before or at the time of,—</td>
<td>Invoice shall be issued before or after the provision of service, but within a period of 30 days* from the date of supply of service.</td>
</tr>
<tr>
<td>(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or</td>
<td>*45 days in case of an insurer or banking company or financial institution, including a non-banking financial company (NBFC)</td>
</tr>
<tr>
<td>(b) delivery of goods or making available thereof to the recipient, in any other case.</td>
<td>An insurer or a banking company or a financial institution, including NBFC, or a telecom operator, or any other class of supplier of services as may be notified by the Government, making taxable supplies of services between distinct persons as specified in section 25 may issue the invoice before or at the time such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.</td>
</tr>
</tbody>
</table>
In case of continuous supply of goods

Where successive statements of accounts/ successive payments are involved, the invoice shall be issued before/at the time each such statement is issued or each such payment is received.

In case of continuous supply of services

Where

| (a) due date of payment is ascertainable from the contract | on or before the due date of payment |
| (b) due date of payment is not ascertainable from the contract | before or at the time when the supplier of service receives the payment |
| (c) payment is linked to the completion of an event | on or before the date of completion of that event |

Ritu Manufacturers, Delhi supplies goods to Prakhar Electronics, Haryana. The goods were removed from its factory in Delhi on 23rd September. Ritu Manufacturers needs to issue a tax invoice on or before 23rd September.

Katyani Security Services Ltd. provides security services to Royal Jewellers for their Jewellery Exhibition to be organized on 5th October. Katyani Security Services Ltd. needs to issue a tax invoice within 30 days of supply of security services, i.e. on or before 4th November.

(ii) Where supply of services ceases before its completion [Section 31(6)]

In a case where the supply of services ceases under a contract before the completion of the supply, the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply made before such cessation.

(iii) Goods sent on sale or return basis [Section 31(7)]

Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued:
GOODS AND SERVICES TAX

(i) before/at the time of supply or
(ii) 6 months from the date of removal whichever is earlier.

The goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery challan [discussed subsequently in this Chapter in detail] along with the e-way bill¹ wherever applicable. The invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice in accordance within the time stipulated above, once the supply is fructified.

(iv) Particulars of a tax invoice [Sections 31(1) & (2) read with rule 46]

As discussed earlier, there is no format prescribed for an invoice, but rules make it mandatory for an invoice to have the following fields (only applicable fields are to be filled):

<table>
<thead>
<tr>
<th>Name, address and GSTIN of the supplier;</th>
</tr>
</thead>
<tbody>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets/numerals/special characters hyphen or dash and slash, and any combination thereof, unique for a FY;</td>
</tr>
<tr>
<td>Date of its issue;</td>
</tr>
<tr>
<td>If recipient is registered - Name, address and GSTIN or UIN of recipient</td>
</tr>
<tr>
<td>If recipient is unregistered and value of supply is</td>
</tr>
<tr>
<td>₹ 50,000 or more</td>
</tr>
</tbody>
</table>

¹ E-way bill is a document which is required to be carried by the person-in-charge of the conveyance for the movement of goods from the supplier’s premises to the recipient’s premises. Detailed provisions have been discussed in Chapter 11 – Accounts and Records; E-way Bill.
less than ₹ 50,000 unregistered recipient may still request the aforesaid details to be recorded in the tax invoice

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSN code for goods or services;</td>
<td></td>
</tr>
<tr>
<td>Description of goods or services;</td>
<td></td>
</tr>
<tr>
<td>Quantity in case of goods and unit or Unique Quantity Code thereof;</td>
<td></td>
</tr>
<tr>
<td>Total value of supply of goods or services or both;</td>
<td></td>
</tr>
<tr>
<td>Taxable value of supply of goods or services or both taking into account discount or abatement, if any;</td>
<td></td>
</tr>
<tr>
<td>Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);</td>
<td></td>
</tr>
<tr>
<td>Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);</td>
<td></td>
</tr>
<tr>
<td>Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;</td>
<td></td>
</tr>
<tr>
<td>Address of delivery where the same is different from the place of supply;</td>
<td></td>
</tr>
<tr>
<td>Whether the tax is payable on reverse charge basis; and</td>
<td></td>
</tr>
<tr>
<td>Signature or digital signature of the supplier or his authorized representative.</td>
<td></td>
</tr>
</tbody>
</table>

However, the signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000.

(v) **Number of HSN digits required on tax invoice and class of registered person not required to mention HSN [Rule 46]**

Board may, on the recommendations of the Council, by notification, specify -

(i) the number of digits of HSN code for goods or services, that a class of registered persons
shall be required to mention, for such period as may be specified in the said notification.

(ii) the class of registered persons that would not be required to mention the HSN code for goods or services, for such period as may be specified in the said notification.

This provision is also applicable to Bill of Supply [*The concept of Bill of Supply is discussed in subsequent paras*].

In this regard, *Notification No. 12/2017 CT dated 28.06.2017* has notified the following:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Annual Turnover (AT) in the preceding FY</th>
<th>Number of Digits of HSN Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>AT ≤₹ 1.5 crores</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>₹ 5 crores ≥AT &gt;₹ 1.5 crores</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>AT &gt;₹ 5 crores</td>
<td>4</td>
</tr>
</tbody>
</table>

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(vii) Invoice in case of export of goods or services [Third proviso to rule 46]

In the case of the export of goods or services, the invoice shall carry an endorsement “SUPPLY MEANT FOR EXPORT / SUPPLY TO SEZ UNIT/SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX” or “SUPPLY MEANT FOR EXPORT / SUPPLY TO SEZ UNIT/SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”, as the case may be.

Particulars of an Export Invoice are same as a Tax Invoice. However, where recipient is unregistered and value of supply is ₹ 50,000 or more, instead of name of State and its code, in case of an export invoice, name of the country of destination is to be mentioned.

Key points from aforesaid discussion have been summarized as follows:

1. All GST taxpayers are free to design their own Tax Invoice Format.
2. The law requires that only certain fields as mandatory fields in the Tax Invoice. The same have been listed under heading (iv) above. The mandatory fields have also been circled in the following Sample Tax Invoice.
3. The time period for issuance of invoice is different for goods and services. For goods, it is any time before or at its delivery and for services, it is within 30 days from the date of supply of services.

4. In order to keep the compliance burden low for the small tax payers, taxpayers with annual turnover of ₹1.5 crores need not mention the HSN code of the goods in the invoices.

Sample Tax Invoice

B. SPECIAL CASES

(i) Revised Tax Invoice [Section 31(3)(a) read with rule 53]

When issued?

Every registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him, may issue Revised Tax Invoices. Such invoices shall be issued against the invoices already issued during said period.

Revised Tax Invoices shall be issued within 1 month from the date of issuance of certificate of registration. The words “Revised Invoice” shall be indicated prominently on such invoices.

For the purposes of this section, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier [Explanation to section 32].
This provision is necessary, as a person who becomes liable for registration has to apply for registration within 30 days of becoming liable for registration. When such an application is made within the stipulated time period and registration is granted, the effective date of registration is the date on which the person became liable for registration.

Thus there would be a time lag between the date of grant of certificate of registration and the effective date of registration. For supplies made by such person during this intervening period, the law enables the issuance of a revised invoice, so that ITC can be availed by the recipient on such supplies.

**Revised Tax Invoices to be issued in respect of taxable supplies effected during this period**

| Effective date of registration | Date of issuance of certificate of registration |

Sarabhai Private Ltd. commenced business of supply of goods on 1\(^{st}\) April in Delhi. Its turnover exceeded the applicable threshold limit on 3\(^{rd}\) September. Thus, it became liable to registration on 3\(^{rd}\) September. It applied for registration on 29\(^{th}\) September and was granted registration certificate on 5\(^{th}\) October. Since it applied for registration within 30 days of becoming liable to registration, registration granted is effective from 3\(^{rd}\) September.

Sarabhai Private Ltd. may issue Revised Tax Invoices in respect of taxable supplies effected between 3\(^{rd}\) September and 5\(^{th}\) October.

**Consolidated Revised Tax Invoices in certain cases**

A registered person may issue a Consolidated Revised Tax Invoice in respect of all taxable supplies made to an unregistered recipient during such period.

Supplies between date of grant of certificate of registration & effective date of registration

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However, **in case of inter-State supplies**, a consolidated Revised Tax Invoice cannot be issued in respect of all unregistered recipients if the value of a supply exceeds ₹ 2,50,000.

**Particulars of Revised Tax Invoice**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name, address and GSTIN of the supplier;</td>
<td></td>
</tr>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash and any combination thereof, unique for a FY;</td>
<td></td>
</tr>
<tr>
<td>Date of issue of the document;</td>
<td></td>
</tr>
<tr>
<td>Name, address and GSTIN or UIN, if registered, of the recipient;</td>
<td></td>
</tr>
<tr>
<td>Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;</td>
<td></td>
</tr>
<tr>
<td>Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;</td>
<td></td>
</tr>
<tr>
<td>Signature/digital signature of the supplier/his authorized representative.</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of section 74 or section 129 or section 130 shall prominently contain the words “INPUT TAX CREDIT NOT ADMISSIBLE”

**Section 74** - Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful misstatement or suppression of facts

**Section 129** - Detention, seizure and release of goods and conveyances in transit

**Section 130** - Confiscation of goods or conveyances and levy of penalty

(ii) **No Tax Invoice required to be issued if value < ₹ 200** – A consolidated Tax Invoice can be issued [Section 31(3)(b) read with fourth proviso to rule 46]

A registered person may not issue a Tax Invoice if:

(i) Value of the goods/services/both supplied < ₹200,

(ii) the recipient is unregistered; and

(iii) the recipient does not require such invoice.
Instead such registered person shall issue a Consolidated Tax Invoice for such supplies at the close of each day in respect of all such supplies.

Thus, small taxpayers, like small retailers, doing a large number of small transactions for up to a value of ₹ 200 per transaction to unregistered customers need not issue invoice for every such transaction. They can issue one consolidated invoice at the end of each day for all transactions done during the day. However, they need to issue an invoice when the customer demands.

Above provision is also applicable to Bill of Supply.

ILLUSTRATION

Jain & Sons is a trader dealing in stationery items. It is registered under GST and has undertaken following sales during the day:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Recipient of supply</th>
<th>Amount (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Raghav Traders - a registered retail dealer</td>
<td>190</td>
</tr>
<tr>
<td>2.</td>
<td>Dhruv Enterprises – an unregistered trader</td>
<td>358</td>
</tr>
<tr>
<td>4.</td>
<td>Oberoi Orphanage – an unregistered entity</td>
<td>188</td>
</tr>
<tr>
<td>5.</td>
<td>Aaradhya – a Student [unregistered]</td>
<td>158</td>
</tr>
</tbody>
</table>

None of the recipients require a tax invoice [Raghav Traders being a composition dealer].

Determine in respect of which of the above supplies, Jain & Sons may issue a Consolidated Tax Invoice instead of Tax Invoice at the end of the day?

SOLUTION

In the given illustration, Jain & Sons can issue a Consolidated Tax Invoice only with respect to supplies made to Oberoi Orphanage [worth ₹ 188] and Aaradhya [worth ₹ 158] as the value of goods supplied to these recipients is less than ₹ 200 as also these recipients are unregistered and don’t require a tax invoice.

As regards the supply made to Raghav Traders, although the value of goods
supplied to it is less than ₹ 200, Raghav Traders is registered under GST. So, Consolidated Tax Invoice cannot be issued.

Consolidated Tax Invoice can also not be issued for supplies of goods made to Dhruv Enterprises and Gaurav although both of them are unregistered. The reason for the same is that the value of goods supplied is not less than ₹ 200.

(iii) **Bill of Supply [Section 31(3)(c) read with rule 49]**

Section 31(3)(c) stipulates that a registered person supplying exempted goods or services or both or a registered person paying tax under composition levy, shall issue a bill of supply instead of a tax invoice. *These provisions have also been made applicable* to a person paying tax at concessional rate under Notification No. 2/2019 CT (R) dated 07.03.2019.

Person opting for composition levy shall mention the words “composition taxable person, not eligible to collect tax on supplies” at the top of the bill of supply issued by him. *Similarly, a person opting for paying tax at concessional rate under Notification No. 2/2019 CT (R) will have the following words at its top - ‘taxable person paying tax in terms of Notification No. 2/2019 CT (R) dated 07.03.2019, not eligible to collect tax on supplies’.*

**Particulars of Bill of Supply**

A registered person opting for the composition levy as also person paying tax at concessional rate under Notification No. 2/2019 do not collect tax from the recipient on outward supplies made by him. Similarly, in

\[\text{vide Order No. 3/2019 CT dated 08.03.2019}\]
case of a registered person supplying exempted goods and/or services, no tax implications are there. Recipients should not expect Tax Invoice from such suppliers as they cannot issue tax invoice.

Since no tax is collected from the recipient by a registered person opting for the composition levy, **person paying tax at concessional rate under Notification No. 2/2019** and a registered person supplying exempted goods and/or services, Bill of Supply issued by such persons does not contain the details pertaining to rate of tax and amount of tax. Further, value to be mentioned in the Bill of Supply is not also taxable value.

<table>
<thead>
<tr>
<th>Name, address and GSTIN of the supplier;</th>
</tr>
</thead>
<tbody>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or more multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash and any combination thereof, unique for a FY;</td>
</tr>
<tr>
<td>Date of its issue;</td>
</tr>
<tr>
<td>Name, address and GSTIN or UIN, if registered, of the recipient;</td>
</tr>
<tr>
<td>HSN Code for goods or services;</td>
</tr>
<tr>
<td>Description of goods or services or both;</td>
</tr>
<tr>
<td>Value of supply of goods or services or both taking into account discount/abatement, if any; and</td>
</tr>
<tr>
<td>Signature/ digital signature of supplier/his authorized representative.</td>
</tr>
</tbody>
</table>

**However, signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of an electronic bill of supply in accordance with the provisions of the Information Technology Act, 2000.**

**Note:** Any tax invoice or any other similar document issued under any other Act for the time being in force in respect of any non-taxable supply shall be treated as bill of supply for the purposes of the Act.

**Example:** Patel & Sons is a manufacturer of goods who has opted for composition levy under section 10. It will issue a Bill of Supply to the buyers of goods and not the tax invoice.
**10.20 GOODS AND SERVICES TAX**

**Invoice-cum-bill of supply [Rule 46A]**

Where a registered person is supplying taxable as well as exempted goods or services or both to an unregistered person, a single “invoice-cum-bill of supply” may be issued for all such supplies. Rule 46A is notwithstanding anything contained in rule 46 or rule 49 or rule 54 of CGST Rules.

**(iv) Receipt Voucher [Section 31(3)(d) read with rule 50]**

A registered person shall, on receipt of advance payment with respect to any supply of goods or services or both, issue a Receipt Voucher evidencing receipt of such payment.

**Particulars of Receipt Voucher**

<table>
<thead>
<tr>
<th><strong>Name, address and GSTIN of the supplier;</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash and any combination thereof, unique for a FY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Date of its issue;</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Name, address and GSTIN or UIN, if registered, of the recipient;</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Description of goods or services;</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Amount of advance taken;</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Whether the tax is payable on reverse charge basis; and</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Signature/digital signature of supplier/his authorized representative</strong></th>
</tr>
</thead>
</table>

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Where at the time of receipt of advance, rate of tax and/or nature of supply is not determinable

Where at the time of receipt of advance

(i) rate of tax is not determinable

tax shall be paid at the rate of 18%

(ii) nature of supply is not determinable

same shall be treated as inter-State supply

(v) Refund Voucher [Section 31(3)(e) read with rule 51]

Where, on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a Receipt Voucher, but subsequently no supply is made and no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a Refund Voucher against such payment.

Particulars of Refund Voucher

Name, address and GSTIN of the supplier;

A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash and any combination thereof, unique for a FY;

Date of its issue;

Name, address and GSTIN or UIN, if registered, of the recipient;

Number and date of Receipt Voucher issued

Description of goods/services in respect of which refund is made
### Invoice and Payment Voucher [Section 31(3)(f) & (g) read with second proviso to rule 46 and rule 52]

The recipient is liable to pay tax on reverse charge basis where he receives supply of such goods/services/both which are notified for reverse charge purposes. Such supplies can be received from a registered or an unregistered supplier [Section 9(3)].

**Further, a builder/promoter is required to pay GST on reverse charge basis under section 9(4) in one or more of the following cases:**

1. **(i) A builder/promoter must purchase 80% of inputs and input services used in supplying the service from registered persons. In case of shortfall, he’s required to pay tax under reverse charge on all such inward supplies (to the extent short of 80% of the inward supplies from registered supplier).**

2. **(ii) Where cement is received from an unregistered person, promoter/builder has to pay tax on supply of such cement on reverse charge basis and**

3. **(iii) GST on capital goods is payable by the promoter on reverse charge basis.**

**Invoice to be issued by recipient if he is liable to pay tax under section 9(3)/(4) and receives supplies from an unregistered person**

A registered person who is liable to pay tax under reverse charge [under section 9(3)/9(4) of the CGST Act] shall issue an **Invoice** in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both. Thus, a recipient liable
to pay tax by virtue of section 9(3) has to issue invoice only when supplies have been received from an unregistered supplier.

**Payment voucher to be issued by recipient at the time of making payment if he is liable to pay tax under section 9(3)/(4)**

Besides, a registered person who is liable to pay tax under reverse charge [under section 9(3)/9(4) of the CGST Act] shall issue a **Payment Voucher** at the time of making payment to the supplier.

**Particulars of Payment Voucher**

<table>
<thead>
<tr>
<th>Name, address and GSTIN of the supplier if registered;</th>
</tr>
</thead>
<tbody>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and any combination thereof, unique for a FY</td>
</tr>
<tr>
<td>Date of its issue;</td>
</tr>
<tr>
<td>Name, address and GSTIN of the recipient;</td>
</tr>
<tr>
<td>Description of goods or services;</td>
</tr>
<tr>
<td>Amount paid;</td>
</tr>
<tr>
<td>Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);</td>
</tr>
<tr>
<td>Amount of tax payable in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);</td>
</tr>
<tr>
<td>Place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce; and</td>
</tr>
<tr>
<td>Signature/digital signature of supplier/his authorized representative</td>
</tr>
</tbody>
</table>
(vii) Delivery challan [Rule 55]

A. Rule 55 specifies the cases where at the time of removal of goods, goods may be removed on delivery challan. These are provided in the following table:

<table>
<thead>
<tr>
<th>Nature of supply</th>
<th>Deliver challan to be issued</th>
<th>Particulars of Delivery Challan</th>
</tr>
</thead>
</table>
| (1) Supply of liquid gas **where the quantity at the time of removal** from the place of business of the supplier **is not known**, (2) Transportation of goods for **job work**, (3) Transportation of goods for reasons **other than by way of supply**, or (4) Such other supplies as may be **notified** by the Board | • serially numbered not exceeding 16 characters  
• in one or multiple series  
• at the time of removal of goods for transportation | Date and number of the delivery challan  
Name, address and GSTIN of the consigner, if registered  
Name, address and GSTIN or UIN of the consignee, if registered  
HSN code and description of goods,  
Quantity (provisional, where the exact quantity being supplied is not known)  
Taxable value  
Tax rate and tax amount – central tax, state tax, integrated tax, union territory tax or cess, where the transportation is for supply to the consignee  
Place of supply, in case of inter-state movement  
Signature |

B. Delivery challan in Triplicate

The delivery challan shall be prepared **in TRIPLICATE**, in case of supply of goods, in the following manner:
C. Declaration in E-way Bill

Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared in E-Way Bill\(^3\).

D. Tax invoice to be issued after delivery of goods

Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.

E. Goods transported in SKD/CKD condition or in batches or lots

Where the goods are being transported in a semi knocked down or completely knocked down condition or in batches or lots,

(a) the supplier shall issue the complete invoice before dispatch of the first consignment;

(b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;

(c) Copies of the corresponding delivery challan shall accompany each consignment along with a duly certified copy of the invoice; and

(d) the original copy of the invoice shall be sent along with the last consignment.

---

\(^3\) The provisions of E-way Bill have been discussed in Chapter-11: Accounts and Records; E-way Bill
F. Delivery challan to be issued for goods moved for supply on approval basis and art works sent by artists to galleries for exhibition

Suppliers of jewellery etc. who are registered in one State may have to visit other States (other than their State of registration) and need to carry the goods (such as jewellery) along for approval. In such cases if jewellery etc. is approved by the buyer, then the supplier issues a tax invoice only at the time of supply. Since the suppliers are not able to ascertain their actual supplies beforehand and while ascertainment of tax liability in advance is a mandatory requirement for registration as a casual taxable person, the supplier is not able to register as a casual taxable person. Such goods are also carried within the same State for the purposes of supply.

In view of relevant provisions of rule 55, it is clarified that the goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified [Circular No. 10/10/2017 GST dated 18.10.2017].

Likewise, in case where artists supply art works in different States - other than the State in which they are registered as a taxable person and if the art work is selected by the buyer, then the supplier issues a tax invoice only at the time of supply, it is clarified that the art work for supply on approval basis can be moved from the place of business of the registered person (artist) to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of actual supply of art work [Circular No. 22/22/2017 GST dated 21.12.2017].

(viii) Supplier permitted to issue any document other than tax invoice [Proviso to section 31(2) read with rules 54]

Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—
(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(b) tax invoice may not be issued.

Following suppliers may issue a tax invoice, but they are also permitted to issue any other document in lieu of tax invoice, by whatever name called:

<table>
<thead>
<tr>
<th>Supplier of taxable service</th>
<th>Document in lieu of the tax invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurer/ Banking company/ Financial institution, including NBFC</td>
<td><strong>Optional information</strong></td>
</tr>
<tr>
<td></td>
<td>• Serial number (It is not mandatory for a bank/insurance company to serially number the invoices/document).</td>
</tr>
<tr>
<td></td>
<td>• Address of the recipient of taxable service.</td>
</tr>
<tr>
<td></td>
<td><strong>Mandatory information</strong></td>
</tr>
<tr>
<td></td>
<td>Other information (other than serial no. and address of recipient) as prescribed for a Tax Invoice, under rule 46.</td>
</tr>
</tbody>
</table>

A customer may avail numerous services from the bank/insurer in a given tax period. Such entities may issue a consolidated tax invoice/statement/advice, any other document in lieu thereof, by whatever name called may be issued/made available, physically/electronically, for supply of services made during a month at the end of the month.

However, the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof in accordance with the
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross weight of the consignment</td>
</tr>
<tr>
<td></td>
<td>Name of the consignor and the consignee</td>
</tr>
<tr>
<td></td>
<td>Registration number of goods carriage in which the goods are transported</td>
</tr>
<tr>
<td></td>
<td>Details of goods transported</td>
</tr>
<tr>
<td></td>
<td>Details of place of origin and destination</td>
</tr>
<tr>
<td></td>
<td>GSTIN of the person liable for paying tax whether as consignor, consignee or GTA</td>
</tr>
<tr>
<td></td>
<td>Other information as prescribed for a tax invoice, under rule 46</td>
</tr>
<tr>
<td>Supplier of passenger transportation service</td>
<td>Tax invoice shall include ticket in any form, by whatever name called.</td>
</tr>
<tr>
<td></td>
<td>Other information (other than serial no. and address of recipient) as prescribed for a tax invoice, under rule 46.</td>
</tr>
<tr>
<td></td>
<td>However, signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of ticket in accordance with the provisions of the Information Technology Act, 2000.</td>
</tr>
</tbody>
</table>
It is important to note here that keeping in view the large number of transactions in banking, insurance and passenger transportation sector, taxpayers need not mention the address of the customer and the serial number in their invoices.

(ix) **Tax invoice in case of Input Service Distributor (ISD) [Rule 54(1) & 54(1A)]**

An ISD invoice or, as the case may be, an ISD credit note issued by an ISD shall contain the following details:

<table>
<thead>
<tr>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name, address and GSTIN of the ISD</td>
</tr>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and any combination thereof, unique for a FY</td>
</tr>
<tr>
<td>Date of its issue</td>
</tr>
<tr>
<td>Name, address and GSTIN of the recipient to whom the credit is distributed</td>
</tr>
<tr>
<td>Amount of credit distributed</td>
</tr>
<tr>
<td>Signature/digital signature of ISD/his authorized representative</td>
</tr>
</tbody>
</table>

However, where the ISD is an office of a banking company or a financial institution, including NBFC, a tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as mentioned above.

A registered person, having the same PAN and State code as an ISD, may issue an invoice or, as the case may be, a credit/debit note to transfer the credit of common input services to the ISD, which shall contain the following details:-
10.30  GOODS AND SERVICES TAX

Name, address and GSTIN of the registered person having the same PAN and same State code as ISD

A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters –hyphen or dash and any combination thereof, unique for a FY

Date of its issue

GSTIN of supplier of common service and original invoice number whose credit is sought to be transferred to the ISD

Name, address and GSTIN of the ISD

Taxable value**, rate and amount of the credit to be transferred

Signature/digital signature of the registered person/his authorized representative

** The taxable value in the invoice issued hereunder shall be the same as the value of the common services.

(x) Tax invoice or bill of supply to accompany transport of goods [Rule 55A]

Person-in-charge of the conveyance shall carry a copy of the tax invoice or the bill of supply issued in accordance with the provisions of rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under these rules.

4. CREDIT AND DEBIT NOTES [SECTION 34]

<table>
<thead>
<tr>
<th>STATUTORY PROVISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 34</strong></td>
</tr>
<tr>
<td><strong>Credit and Debit Notes</strong></td>
</tr>
<tr>
<td><strong>Sub-section</strong></td>
</tr>
<tr>
<td><strong>Particulars</strong></td>
</tr>
<tr>
<td>(1) Where <strong>one or more tax invoices have</strong> been issued for supply of</td>
</tr>
</tbody>
</table>

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any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient **one or more credit notes for supplies made in a financial year** containing such particulars as may be prescribed.

(2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:

Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

(3) Where **one or more tax invoices have** been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient **one or more debit notes for supplies made in a financial year** containing such particulars as may be prescribed.

(4) Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.

Explanation.—For the purposes of this Act, the expression “debit note” shall include a supplementary invoice.
ANALYSIS

(i) Issuance of Credit Note: During the course of trade or commerce, after the invoice has been issued, there can be situations like:

- The supplier has erroneously declared a value which is more than the actual value of the goods or services provided.
- The supplier has erroneously declared a higher tax rate than what is applicable for the kind of the goods or services or both supplied.
- The quantity received by the recipient is less than what has been declared in the tax invoice.
- The quality of the goods or services or both supplied is not to the satisfaction of the recipient thereby necessitating a partial or total reimbursement on the invoice value
- Any other similar reasons.

In order to regularize these kinds of situations, the supplier is allowed to issue a document called as credit note to the recipient. Once the credit note has been issued, the tax liability of the supplier will reduce.

The credit note is a convenient and legal method by which the value of the goods or services in the original tax invoice can be amended or revised. The issuance of the credit note easily allows the supplier to decrease his tax liability in his returns without requiring him to undertake any tedious process of refunds.

Section 34(1) provides that where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that/those tax invoice(s) is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year containing the prescribed particulars.

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It is important to note that credit note(s) are not permitted to be issued in case secondary discounts are allowed by the supplier since the tax liability of the supplier does not get reduced in such case. However, supplier can issue financial/commercial credit note(s) to reduce the value of supply payable by the recipient to the supplier [Circular 92/11/2019 GST dated 07.03.2019].

(ii) Issuance of Debit Note: There can be situations when after the invoice has been issued:

- The supplier has erroneously declared a value which is less than the actual value of the goods or services or both provided.
- The supplier has erroneously declared a lower tax rate than what is applicable for the kind of the goods or services or both supplied.
- The quantity received by the recipient is more than what has been declared in the tax invoice.
- Any other similar reasons.

In order to regularize these kinds of situations, the supplier is allowed to issue a document called as debit note to the recipient.

Section 34(3) provides that where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient one or more debit notes for supplies made in a financial year containing the prescribed particulars.

The issuance of a debit note/supplementary invoice creates additional tax liability. The treatment of a debit note/supplementary invoice is identical to the treatment of a tax invoice as far as returns and payment are concerned.

The debit note/supplementary invoice is a convenient and legal method by which the value of the goods and/or services in the original tax invoice can

---

4 Secondary discounts are the discounts which are not known at the time of supply/are offered after the supply is already over. These discounts are not excluded from the value of supply since conditions laid down in section 15(3)(b) of the CGST Act are not satisfied. Refer Chapter 7 - Value of Supply for detailed discussion on the same.
be enhanced. The issuance of the debit note allows the supplier to pay his enhanced tax liability in his returns without requiring him to undertake any other tedious process.

(iii) Details of Debit Note/Credit Note to be declared in Return

I. Credit Note:

Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than:

(i) September following the end of the financial year in which such supply was made,

or

(ii) the date of furnishing of the relevant annual return, whichever is earlier.

The tax liability shall be adjusted in such manner as may be prescribed. However, no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

Procedure in case of return of time expired medicines/drugs

In case of return of time expired medicines/drugs, either of the following two options can be followed:

(A) Return of time expired goods to be treated as fresh supply

In case the person returning the time expired goods is:

- A registered person (other than a composition taxpayer): he may, at his option, return the said goods by treating it as a fresh supply and thereby issuing an invoice

---

5 It is a common trade practice in the pharmaceutical sector that the drugs or medicines are sold by the manufacturer to the wholesaler and by the wholesaler to the retailer on the basis of an invoice/bill of supply as case may be. Such goods have a defined life term which is normally referred to as the date of expiry. Goods which have crossed their date of expiry are colloquially referred to as time expired goods and are returned back to the manufacturer, on account of expiry, through the supply chain.
for the same (hereinafter referred to as the, “return supply”). The value of the said goods as shown in the invoice on the basis of which the goods were supplied earlier may be taken as the value of such return supply. The wholesaler/manufacturer, who is the recipient of such return supply, shall be eligible to avail ITC of the tax levied on the said return supply subject to the fulfilment of conditions specified in section 16 of the CGST Act.

- **A composition supplier:** he may return the said goods by issuing a bill of supply and pay tax at the rate applicable to a composition taxpayer. No ITC will be available to recipient of return supply.

- **An unregistered person:** he may return the said goods by issuing any commercial document without charging any tax on the same.

Where the time expired goods which have been returned by the retailer/wholesaler are destroyed by the manufacturer, ITC treatment in such case has already been discussed in Chapter 8: Input Tax Credit in this Module of the Study Material.

### (B) Return of time expired goods by issuing Credit Note

The manufacturer/wholesaler who has supplied the goods to the wholesaler/retailer has the option to issue a credit note in relation to the time expired goods returned. Retailer/wholesaler may return the time expired goods by issuing a delivery challan.

If the credit note is issued within the time limit specified in Point (iii)(I.) above, the tax liability may be adjusted by the supplier, subject to the condition that the person returning the time expired goods has either not availed the ITC or if availed has reversed the ITC so availed against the goods being returned.

However, if said time limit has lapsed, a credit note may still be issued by the supplier for such return of goods but the tax liability cannot be adjusted by him in his hands.

Further, if time expired goods are returned beyond the time period specified in Point (iii)(I.) and a credit note is issued consequently,
there is no requirement to declare such credit note on the common portal by the supplier (i.e. by the person who has issued the credit note) as tax liability cannot be adjusted in this case.

Where such returned time expired goods are destroyed by the manufacturer, he/she is required to reverse the ITC attributable to the manufacture of such goods, in terms of section 17(5)(h) of the CGST Act.

The clarification may also be applicable to return of goods for reasons other than being time expired. [Circular No. 72/46/2018 GST dated 26.10.2018].

Illustration

<table>
<thead>
<tr>
<th>Date of Supply*</th>
<th>Date of return**</th>
<th>Treatment in terms of tax liability &amp; credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.07.2018</td>
<td>20.09.2019</td>
<td>Credit note will be issued by supplier (manufacturer/ wholesaler) and the same to be uploaded by him on the common portal. Subsequently, tax liability can be adjusted by such supplier provided the recipient (wholesaler / retailer) has either not availed the ITC or if availed has reversed the ITC.</td>
</tr>
<tr>
<td>01.07.2018</td>
<td>20.10.2019</td>
<td>Credit note will be issued by the supplier (manufacturer / wholesaler) but there is no requirement to upload the same on the common portal. Subsequently tax liability cannot be adjusted by such supplier.</td>
</tr>
</tbody>
</table>

* of goods from manufacturer/ wholesaler to wholesaler/ retailer

** of time expired goods from retailer/ wholesaler to wholesaler / manufacturer

II. Debit Note:

Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has
been issued. The tax liability shall be adjusted in such manner as may be prescribed.

(iv) **Particulars of the Debit and Credit Notes [Rule 53(1A)]**

There is no prescribed format, but credit and debit note issued by a supplier must contain the following particulars, namely:

<table>
<thead>
<tr>
<th>Name, address and GSTIN of the supplier.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of the document.</td>
</tr>
<tr>
<td>A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash and any combination thereof, unique for a FY.</td>
</tr>
<tr>
<td>Date of issue of the document.</td>
</tr>
<tr>
<td>Name, address and GSTIN or UIN, if registered, of the recipient.</td>
</tr>
<tr>
<td>Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is unregistered.</td>
</tr>
<tr>
<td>Serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply.</td>
</tr>
<tr>
<td>Value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient</td>
</tr>
<tr>
<td>Signature/digital signature of the supplier/his authorized representative.</td>
</tr>
</tbody>
</table>

5. **PROHIBITION OF UNAUTHORISED COLLECTION OF TAX [SECTION 32]**

A person who is not a registered person shall not collect in respect of any supply
10.38 GOODS AND SERVICES TAX

of goods or services or both any amount by way of tax under this Act. No registered person shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.

6. AMOUNT OF TAX TO BE INDICATED IN TAX INVOICE AND OTHER DOCUMENTS [SECTION 33]

Notwithstanding anything contained in this Act or any other law for the time being in force, where any supply is made for a consideration, every person who is liable to pay tax for such supply shall prominently indicate in all documents relating to assessment, tax invoice and other like documents, the amount of tax which shall form part of the price at which such supply is made.

LET US RECAPITULATE

1. Who can raise a tax invoice?

Registered Person

- Supplying taxable goods or services
- Receiving taxable goods or services from unregistered supplier

2. Time limit for issuance of invoice

Taxable supply

- Goods
  - Involving movement of goods
    - At the time of removal
  - No movement of goods
    - At the time of delivery

- Services
  - Sale or return supplies
    - Before or at the time of supply, or within 6 months from the removal – whichever is earlier
  - Within 30 days** from the supply of services
    - **45 days for Insurance, Banking
### 3. Important contents of tax invoice

<table>
<thead>
<tr>
<th>GSTIN of supplier</th>
<th>Consecutive Serial Number &amp; date of issue</th>
<th>GSTIN of recipient, if registered</th>
<th>Name &amp; address of recipient, if not registered</th>
<th>HSN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description of goods or services</td>
<td>Quantity in case of goods</td>
<td>Total Value of supply</td>
<td>Taxable Value of supply</td>
<td>Tax rate – Central tax &amp; State tax or Integrated tax, cess</td>
</tr>
<tr>
<td>Amount of tax charged</td>
<td>Place of supply</td>
<td>Address of delivery where different than place of supply</td>
<td>Tax payable on reverse charge basis</td>
<td>Signature of authorised signatory</td>
</tr>
</tbody>
</table>

### 4. Manner of issuing the invoice

<table>
<thead>
<tr>
<th>Supply of Goods</th>
<th>Supply of services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Triplicate</strong></td>
<td><strong>Duplicate</strong></td>
</tr>
<tr>
<td>Original copy for recipient</td>
<td>Original copy for recipient; and</td>
</tr>
<tr>
<td>Duplicate copy for transporter; and</td>
<td>Duplicate copy for supplier</td>
</tr>
<tr>
<td>Triplicate copy for supplier</td>
<td></td>
</tr>
</tbody>
</table>

The serial number of invoices issued during a month / quarter shall be furnished electronically in FORM GSTR-1.
5. **Revised Tax Invoice**

Revised Tax Invoices to be issued in respect of taxable supplies effected during this period

- **Effective date of registration**
- **Date of issuance of certificate of registration**

**Consolidated Revised Tax Invoice** may be issued in respect of taxable supplies made to an **unregistered recipient** during this period.

In case of inter-State supplies, **CTRI** cannot be issued in respect of all unregistered recipients if the value of a supply exceeds ₹ 2,50,000 during this period.

6. **Consolidated Tax Invoice**

- Tax invoice is not required to be issued for:
  - Value of supply < ₹200
  - Recipient is unregistered
  - Recipient does not require such invoice

7. **Bill of Supply**

- **Registered Person**
  - Supplying exempted goods or services or both
  - Paying tax under composition levy
  - Paying tax at concessional rate under Notification No. 2/2019 CT(R)
  
  **Tax Invoice**

  **Bill of Supply**
Where at the time of receipt of advance, rate of tax/ nature of supply is not determinable

<table>
<thead>
<tr>
<th>Where at the time of receipt of advance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) rate of tax is not determinable</td>
<td>tax shall be paid at the rate of <strong>18%</strong></td>
</tr>
<tr>
<td>(ii) nature of supply is not determinable</td>
<td>same shall be treated as <strong>inter-State supply</strong></td>
</tr>
</tbody>
</table>

9. Refund Voucher

10. Invoice and Payment Vouchers

Where Recipient is registered

Receives the supplies taxable on Reverse Charge basis

- under **section 9(3)**
  - Supplier is registered
  - Supplier is unregistered

- under **section 9(4)**
  - Supplier is registered
  - Supplier is unregistered

Recipient will issue a **Payment Voucher** at the time of making payment to supplier.
10.42 GOODS AND SERVICES TAX

Invoice

Where Recipient is registered

Receives the supplies taxable on Reverse Charge basis

under section 9(3)

Supplier is registered

under section 9(4)

Supplier is unregistered

Supplier is unregistered

Recipient shall issue Invoice

11. Credit Notes

Where one or more tax invoices have issued for supply of any goods or services or both

Taxable value in invoice > Taxable value in respect of such supply

OR

where the goods supplied are returned by the recipient

OR

where goods or services or both supplied are found to be deficient

Registered Supplier of goods or services or both

may issue one or more credit notes for supplies made in a FY

Recipient of goods or services or both

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TEST YOUR KNOWLEDGE

1. Sultan Industries Ltd., Delhi, entered into a contract with Prakash Entrepreneurs, Delhi, for supply of spare parts of a machine on 7th September. The spare parts were to be delivered on 30th September. Sultan Industries Ltd. removed the finished spare parts from its factory on 29th September. Determine the date by which invoice must be issued by Sultan Industries Ltd. under GST law.

2. MBM Caretakers, a registered person, provides the services of repair and maintenance of electrical appliances. On April 1, it has entered into an annual maintenance contract with P for its Air Conditioner and Washing Machine. As per the terms of contract, maintenance services will be provided on the first day of each quarter of the relevant financial year and payment for the same will also be due on the date on which service is rendered. During the year, it provided the services on April 1, July 1, October 1, and January 1 in accordance with the terms of contract. When should MBM Caretakers issue the invoice for the services rendered?

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3. The aggregate turnover of Sangri Services Ltd., Delhi exceeded ₹ 20 lakh on 12th August. He applied for registration on 3rd September and was granted the registration certificate on 6th September. You are required to advice Sangri Services Ltd. as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of Revised Tax Invoices.

4. Shyam Fabrics has opted for composition levy scheme in the current financial year. It has approached you for advice whether it is mandatory for it to issue a tax invoice. You are required to advise him regarding same.

5. Discuss the provisions relating to issuance of refund voucher under CGST Act and rules thereunder.

6. Is a registered person liable to pay tax under reverse charge under section 9(3) of the CGST Act required to issue an invoice? Discuss the relevant provisions under CGST Act and rules thereunder.

7. Discuss the provisions relating to issuance of credit and debit notes under CGST Act and rules thereunder.

8. What is the time period within which invoice has to be issued for supply of services?

9. What is the time period within which invoice has to be issued in a case involving continuous supply of goods?

10. What is the time period within which invoice has to be issued in a case involving continuous supply of services?

11. What is the time period within which invoice has to be issued where the goods being sent or taken on approval for sale?

**ANSWERS/HINTS**

1. As per the provisions of section 31, invoice shall be issued before or at the time of removal of goods for supply to the recipient, where the supply involves movement of goods. Accordingly, in the given case, the invoice must be issued on or before 29th September.

2. Continuous supply of service means, *inter alia*, supply of any service which is provided, or agreed to be provided continuously or on recurrent basis, under a contract, for a period exceeding 3 months with the periodic payment obligations.

   Therefore, the given situation is a case of continuous supply of service as repair and maintenance services have been provided by MBM Caretakers on
a quarterly basis, under a contract, for a period of one year with the obligation for quarterly payment.

In terms of section 31, in case of continuous supply of service, where due date of payment is ascertainable from the contract (as in the given case), invoice shall be issued on or before the due date of payment.

Therefore, in the given case, MBM Caretakers should issue quarterly invoices on or before April 1, July 1, October 1, and January 1.

3. As per section 25 read with CGST Rules, 2017, where an applicant submits application for registration within 30 days from the date he becomes liable to registration, effective date of registration is the date on which he becomes liable to registration. Since, Sangri Services Ltd.’s turnover exceeded ₹ 20 lakh on 12th August, it became liable to registration on same day. Further, it applied for registration within 30 days of so becoming liable to registration, the effective date of registration is the date on which he becomes liable to registration, i.e. 12th August.

As per section 31 read with CGST Rules, 2017, every registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him, may issue Revised Tax Invoices. Revised Tax Invoices shall be issued within 1 month from the date of issuance of certificate of registration. Revised Tax Invoices shall be issued within 1 month from the date of issuance of registration in respect of taxable supplies effected during the period starting from the effective date of registration till the date of issuance of certificate of registration.

Therefore, in the given case, Sangri Services Ltd. has to issue the Revised Tax Invoices in respect of taxable supplies effected during the period starting from the effective date of registration (12th August) till the date of issuance of certificate of registration (6th September) within 1 month from the date of issuance of certificate of registration, i.e. on or before 6th October.

4. A registered person paying tax under the provisions of section 10 (composition levy) shall issue, instead of a tax invoice, a bill of supply containing such particulars and in such manner as may be prescribed [Section 31(3)(c) read with CGST Rules, 2017].

Therefore, in the given case, Shyam Fabrics cannot issue tax invoice. Instead, it shall issue a Bill of Supply.
5. Refer Para 3.
6. Refer Para 3.
8. Refer Para 3.
9. Refer Para 3.
10. Refer Para 3.
11. Refer Para 3.
AMENDMENTS MADE VIDE THE FINANCE (NO. 2) ACT, 2019

The Finance (No. 2) Act, 2019 has become effective from 01.08.2019. However, the amendments made in the CGST Act and IGST Act vide the Finance (No. 2) Act, 2019 would become effective only from a date to be notified by the Central Government in the Official Gazette. Such a notification has not been issued till the time this Study Material is being released for printing. Therefore, the applicability or otherwise of such amendments for May 2020 and/or November 2020 examinations shall be announced by the ICAI only after such notification is issued by the Central Government.

In the table given below, the new provisions relating to Tax invoice as proposed by the Finance (No. 2) Act, 2019.

Once the announcement for applicability of such amendments for examination(s) is made by the ICAI, students should read the provisions given hereunder in place of the related provisions discussed in the Chapter.

<table>
<thead>
<tr>
<th>Existing provisions</th>
<th>Provisions as amended by the Finance (No. 2) Act, 2019</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New section 31A inserted</strong></td>
<td>The Government may, on the recommendations of the Council, prescribe a class of registered persons who shall provide prescribed modes of electronic payment to the recipient of supply of goods or services or both made by him and give option to such recipient to make payment accordingly, in such manner and subject to such conditions and restrictions, as may be prescribed</td>
<td>A new section 31A is being inserted in the CGST Act so that specified suppliers shall have to mandatorily give the option of specified modes of electronic payment to their recipients.</td>
</tr>
</tbody>
</table>