

TAX INVOICE; CREDIT AND DEBIT NOTES



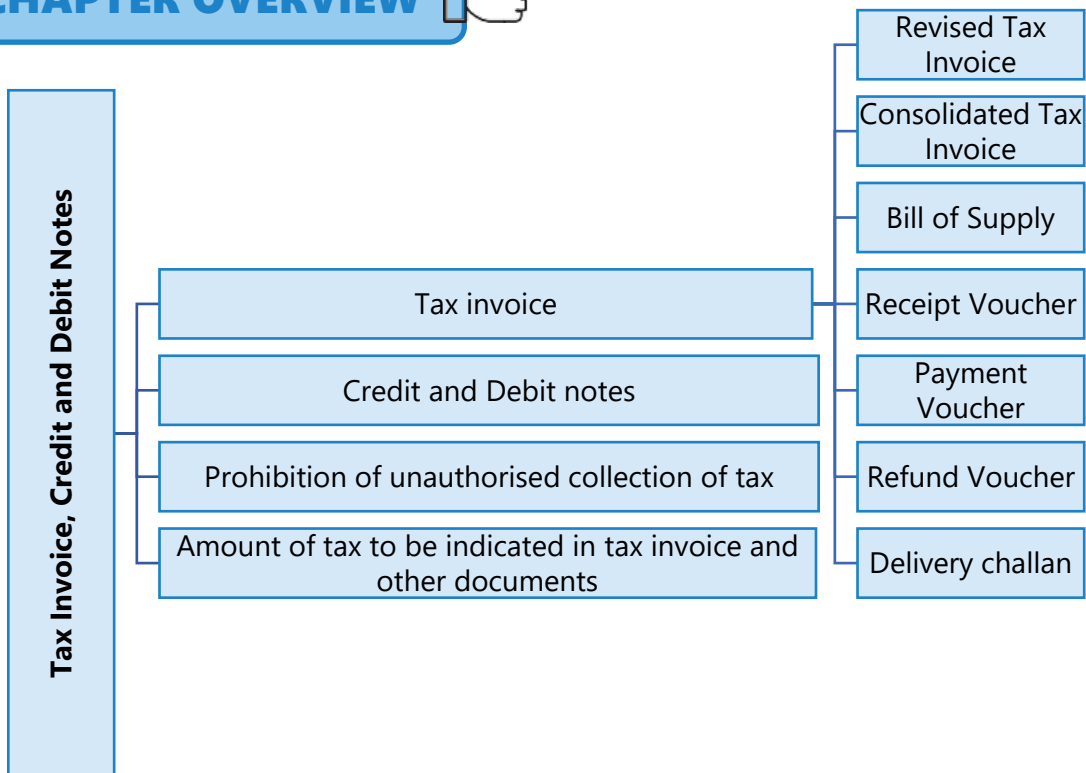
The section numbers referred to in the Chapter pertain to CGST Act, 2017, unless otherwise specified. Examples/Illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 30.04.2026.

LEARNING OUTCOMES

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.
- ☐ understand the provisions relating to e-invoicing.
- ☐ 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.

CHAPTER OVERVIEW



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 goods 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.

Under GST law, a tax invoice is an important document. It not only evidences supply of goods or services, but is also an essential document for the recipient to avail Input Tax Credit (ITC). A registered person cannot avail input tax credit unless he is in possession of a tax invoice or a debit note.

 ABC SOLUTIONS PVT. LTD. 123 Business Park, 5th Floor, Mumbai – 400001, Maharashtra, India Phone: +91 98765 43210 Email: info@abcsolutions.in GSTIN: 27ABCDE1234F125		TAX INVOICE Invoice No. : INV/24-25/00125 Invoice Date : 20 May 2024 PO Number : PO/24-25/0098 PO Date : 15 May 2024 Due Date : 04 June 2024				
BILL TO XYZ ENTERPRISES 456 Industrial Area, Andheri (E), Mumbai – 400093, Maharashtra, India GSTIN: 27XYZAB5678C122		SHIP TO XYZ ENTERPRISES 456 Industrial Area, Andheri (E), Mumbai – 400093, Maharashtra, India				
SR. NO.	DESCRIPTION	HSN CODE	QTY	UNIT	UNIT PRICE (₹)	AMOUNT (₹)
1	Business Laptop Model: ABC123	84713010	2	Nos	45,000.00	90,000.00
2	Wireless Mouse Model: WM500	84716060	5	Nos	750.00	3,750.00
3	HDMI Cable 1.5 Meter	85444290	5	Nos	300.00	1,500.00
AMOUNT IN WORDS Rupees One Lakh Twelve Thousand Three Hundred Ninety Five Only						SUB TOTAL 95,250.00
NOTES Thank you for your business. Payment to be made within 15 days from the invoice date.						CGST @ 9% 8,572.50
						SGST @ 9% 8,572.50
BANK DETAILS Bank Name : HDFC Bank Account No. : 50200012345678 IFSC Code : HDFC0001234 Branch : Andheri (E), Mumbai						TOTAL AMOUNT (₹) 1,12,395.00
						For ABC Solutions Pvt. Ltd.  Authorized Signatory
Thank you for your business!						

The provisions relating to tax invoices, credit and debit 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.

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

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.



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)].
- ❑ **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 (*discussed subsequently*) [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]

 STATUTORY PROVISIONS	
Section 31	<i>Tax invoice</i>
Sub-section	<i>Particulars</i>
(1)	<i>A registered person supplying taxable goods shall, before or at the time of,—</i> (a) <i>removal of goods for supply to the recipient, where the supply involves movement of goods; or</i> (b) <i>delivery of goods or making available thereof to the recipient, in any other case</i> <i>issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed.</i>

	<i>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.</i>
(2)	<i>A registered person supplying taxable services shall, before or after 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.</i> <i>Provided that the Government may, on the recommendations of the Council, by notification—</i> <i>(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;</i> <i>(b) subject to the condition mentioned therein, specify the categories of services in respect of which—</i> <i>(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or</i> <i>(ii) tax invoice may not be issued.</i>
(3)	<i>Notwithstanding anything contained in sub-sections (1) and (2)–</i> <i>(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;</i> <i>(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;</i> <i>(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:</i> <i>Provided that the registered person may not issue a bill of supply if the value of the goods or services or both supplied</i>

	<i>is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;</i> (d) <i>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;</i> (e) <i>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;</i> (f) <i>a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall within the period as may be prescribed 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;</i> (g) <i>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.</i> <i>Explanation—For the purposes of clause (f), the expression "supplier who is not registered" shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.</i>
(4)	<i>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.</i>
(5)	<i>Subject to the provisions of clause (d) of sub-section (3), in case of continuous supply of services,—</i> (a) <i>where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;</i>

	(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.
(7)	Notwithstanding anything contained in sub-section (1), 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 before or at the time of supply or six months from the date of removal, whichever is earlier.
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.	
Section 31A	Facility of digital payment to recipient
	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.



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.

TAX INVOICE

ABC TRADERS PVT. LTD.			TAX INVOICE			
123, Business Park, MG Road, Mumbai – 400001, Maharashtra GSTIN: 27ABCDE1234F1Z5 State: Maharashtra (27)			Invoice No. : INV/24-25/1256 Invoice Date : 15-05-2024 Place of Supply : Maharashtra (27) Reverse Charge : No			
BILL TO (RECIPIENT) XYZ Enterprises 456, Industrial Area, Pune – 411001, Maharashtra GSTIN: 27PQRST5678G1Z8 State: Maharashtra (27)			SHIP TO (IF DIFFERENT) XYZ Enterprises 456, Industrial Area, Pune – 411001, Maharashtra State: Maharashtra (27)			
Sr. No.	Description of Goods / Services	HSN/SAC	Qty.	Unit	Rate (₹)	Amount (₹)
1	Laptop Computer	84713010	2	Nos.	40,000.00	80,000.00
2	Wireless Mouse	84716060	2	Nos.	850.00	1,700.00
3	HDMI Cable	85444290	2	Nos.	450.00	900.00
Amount Chargeable (in words): Eighty Seven Thousand Four Hundred and Eighty Six Only		Total				82,600.00
		CGST @ 9%				3,717.00
		SGST @ 9%				3,717.00
		IGST @ 18%				–
		Total Invoice Value (₹)				87,486.00
Bank Details Bank Name : HDFC Bank A/c No. : 50200012345678 IFSC Code : HDFC0001234		Terms & Conditions 1. Goods once sold will not be taken back. 2. Payment within 15 days.		For ABC Traders Pvt. Ltd.  Authorized Signatory		
Thank you for your business!						

There is no format prescribed for the Tax Invoice. Only certain fields have been prescribed as mandatory fields.

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 supply of services.

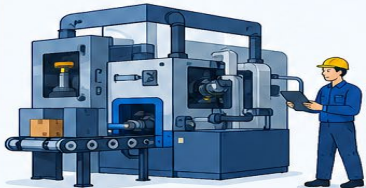
A registered person supplying taxable goods shall issue a tax invoice, before or at the time of removal of goods (where supply involves movement of goods) or in any other case, before or at the time of delivery or making available the said goods to the recipient.

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.

The Government may, on the recommendations of the Council, by notification, specify the categories of goods or services 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 taxable supply of goods	In case of taxable supply of services
Invoice shall be issued before or at the time of,—	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.
(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or	*45 days in case of an insurer or banking company or financial institution, including a non-banking financial company (NBFC)
(b) delivery of goods or making available thereof to the recipient, in any other case.	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

 TAXABLE SUPPLY OF GOODS	 TAXABLE SUPPLY OF SERVICES
 INVOICE SHALL BE ISSUED BEFORE OR AT THE TIME OF	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
A REMOVAL OF GOODS FOR SUPPLY TO THE RECIPIENT, WHERE THE SUPPLY INVOLVES MOVEMENT OF GOODS; OR 	 *45 DAYS: IN CASE OF AN INSURER OR BANKING COMPANY OR FINANCIAL INSTITUTION, INCLUDING A NON-BANKING FINANCIAL COMPANY (NBFC)     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 .
B DELIVERY OF GOODS OR MAKING AVAILABLE THEREOF TO THE RECIPIENT, IN ANY OTHER CASE. 	 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.

In case of continuous supply of goods	In case of continuous supply of services	
Where successive statements of accounts/ successive payments are involved, the invoice shall be issued	Where	the invoice shall be issued
	(a) due date of payment is ascertainable from the contract	on or before the due date of payment

before/at the time each such statement is issued or each such payment is received.	(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.



(1) 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.



(2) 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.

(3) Ganga Gas Distributors supplies natural gas (PNG) continuously to a manufacturing unit through a pipeline connection. As per the contract, Ganga Gas Distributors issues a monthly statement of accounts to the recipient on the 5th of every succeeding month, based on metered consumption. The tax invoice for the gas supplied during a given month must be issued on or before the 5th of the succeeding month (date on which the statement of accounts is issued).

(4) Bharat Water Supply Co. supplies water continuously through pipelines to an industrial client and as per the agreement, the client makes payment every quarter (without any formal "statement of accounts" being issued in between). Since successive payments are involved here, Bharat Water Supply Co. must issue the tax invoice before or at the time each such quarterly payment is received.

(5) Shreya Facility Services enters into with a corporate client for providing housekeeping services on continuous basis for a year where the contract explicitly states that payment is due on 10th of every month. Since the due

date is clearly ascertainable from the contract itself, Shreya Facility Services must issue the invoice on or before 10th of each month.

(6) CloudTech Solutions provides ongoing IT support to Retailmart Pvt Ltd under an annual retainership contract. The contract only provides that based on actual support hours used, payable as and when convenient, with no fixed monthly due date. CloudTech provides support services January and Retailmart eventually makes payment on February 10. Since the contract doesn't fix a due date for payment, CloudTech must issue the tax invoice on or before 10th February, the date it actually receives the payment.

(7) Shubham Infra Developers Ltd. enters into a contract with a client for construction of a residential complex as a continuous supply of services spanning 18 months. The contract specifies payment milestones tied to physical progress of construction, as follows:

- ☐ 20% of contract value payable on completion of the foundation and plinth work
- ☐ 30% payable on completion of the RCC structure (up to roof slab)
- ☐ 25% payable on completion of brickwork and plastering
- ☐ 25% payable on completion of final finishing and handover

RCC structure work (up to roof slab), to which the second milestone payment of 30% is linked, is completed on 20th August. Since payment is linked to the completion of a specific milestone, Shubham Infra Developers Ltd. must issue the relevant invoice on or before 20th August, i.e., on or before the date that event (completion of RCC structure) actually occurs.

(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.





(8) Aakash Digital Solutions is engaged by Trident Hotels under a 2-month website development and maintenance contract worth ₹ 18 lakh, to be billed on completion. After 40 days of work, Trident Hotels decides to discontinue the project and the two parties mutually terminate the contract on 15th September, with the work completed till that date valued at ₹ 10 lakh. Since the supply of services has ceased before completion of the full contract, Aakash Digital Solutions must issue the invoice on 15th September itself (the date the supply ceased) and the invoice must be raised only for the ₹ 10 lakh worth of work actually completed up to that date.

(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:

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



(9) Kavita Furnishings, a Jaipur-based furniture dealer, sends 20 handcrafted wooden chairs to Rustic Décor, a retail showroom in Udaipur, on a "sale or return" basis on 5th April so that Rustic Décor can display and sell them to its own customers. On 20th July, Rustic Décor confirms that it is retaining and paying for 15 of the chairs (i.e., the supply actually takes place on 20th July for those 15 chairs). Since this confirmation (20th July) falls before the 6-month cut-off from removal (which would be 5th October), Kavita Furnishings must issue the invoice for those 15 chairs on or before 20th July.

(10) Continuing the above example, if Rustic Décor is still undecided about the remaining 5 chairs even after several months and no supply (sale) has actually occurred for them. Since the 6-month period from the date of removal (5th April) expires on 5th October, Kavita Furnishings is required to issue the invoice for these 5 chairs on 5th October itself.

(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):

Name, address and GSTIN of the supplier;	
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;	
Date of its issue;	
If recipient is registered - Name, address and GSTIN or UIN of recipient	
If recipient is unregistered and value of supply is	Particulars of invoice
₹ 50,000 or more	Name and address of the recipient and the address of delivery, along with the name of State and its code
less than ₹ 50,000	unregistered recipient may still request the aforesaid details to be recorded in the tax invoice
In cases involving supply of online money gaming or in cases where any taxable service is supplied by or through an ECO to a recipient who is unregistered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name of the State of the recipient and the same shall be deemed to be the address on record of the recipient¹.	
HSN code for goods or services;	

¹ This provision is also applicable in cases where any taxable service is supplied by a supplier of OIDAR services to a recipient who is unregistered. However, the provisions relating to OIDAR services are discussed at the Final level.

Description of goods or services;
Quantity in case of goods and unit or Unique Quantity Code thereof;
Total value of supply of goods or services or both;
Taxable value of supply of goods or services or both taking into account discount or abatement, if any;
Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
Address of delivery where the same is different from the place of supply;
Whether the tax is payable on reverse charge basis; and
Signature or digital signature of the supplier or his authorized representative (not required in case of issuance of an <u>electronic invoice</u> in accordance with the provisions of the Information Technology (IT) Act, 2000).
Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case e-invoice has been issued ²

Note: The taxpayers exempted from the mandatory requirement of e-invoicing (*discussed subsequently*) are required to provide a declaration on the tax invoice stating that though their aggregate turnover exceeds the notified aggregate turnover for e-invoicing, they are not required to prepare an e-invoice.

² in the manner prescribed under rule 48(4)

(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 Harmonised System of Nomenclature (HSN) code for goods or services that a class of registered persons shall be required to mention; or
- (ii) a class of supply of goods or services for which specified number of digits of HSN code shall be required to be mentioned by all registered taxpayers; and
- (iii) the class of registered persons that would not be required to mention the HSN code for goods or services.

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

In view of the above powers, following has been notified vide *Notification No. 12/2017 CT dated 28.06.2017* as amended:

S.No.	Annual Turnover (AT) in the preceding FY	Number of Digits of HSN Code
1.	AT ≤ ₹ 5 crores	For B2B supply - 4 For B2C supply – 4 (optional)*
2.	AT > ₹ 5 crores	For B2B supply and B2C supply – 6

**As mentioned above, a registered person having aggregate turnover up to ₹ 5 crores in the previous financial year has been exempted from the requirement of mentioning the HSN Code in the manner specified in above table in a tax invoice issued by him under the said rules in respect of supplies made to unregistered persons.*

(vi) Manner of issuing the invoice [Sections 31(1) & (2) read with rule 48]

In case of taxable supply of goods	In case of taxable supply of services
Invoice shall be prepared in TRIPLICATE	Invoice shall be prepared in DUPLICATE
 Triplicate	 Duplicate
Original copy → ORIGINAL FOR RECIPIENT Duplicate copy → DUPLICATE FOR TRANSPORTER Triplicate copy → TRIPLICATE FOR SUPPLIER	Original copy → ORIGINAL FOR RECIPIENT Duplicate copy → DUPLICATE FOR SUPPLIER

The serial number of invoices issued during a tax period shall be furnished electronically [through the Common Portal – www.gst.gov.in], in FORM GSTR-1 [Details of outward Supplies of goods or services] or GSTR1A.



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.

Sample Tax Invoice

TAX INVOICE

(Under GST)

1 Supplier Details



ABC TRADERS LLP
 123, Business Park, MG Road,
 Mumbai – 400001, Maharashtra
 GSTIN : 27ABCDE1234F1Z5
 State : Maharashtra State Code : 27
 E-mail : info@abctraders.com Ph. : 022-12345678

Invoice No. : AB/24-25/0158
 Dated : 15-05-2024
 Supply Type : Regular
 Reverse Charge : No

10 Dated



2 Recipient Details



Bill To :
 XYZ Enterprises
 456, Commercial Complex,
 Pune – 411001, Maharashtra
 GSTIN : 27XYZPQ9876K1Z2
 State : Maharashtra State Code : 27

5 Value of Supply (₹)

₹

6 Rate of Tax (%)

%

3 HSN Code



S. No.	HSN Code	Description of Goods/ Services	Qty.	Unit	Value of Supply (₹)	Rate (%)	Amount of Tax (₹)			Total (₹)
							CGST	SGST	IGST	
1	8471	Laptop	1	Nos	50,000.00	9%	4,500.00	4,500.00	–	59,000.00
2	8517	Mobile Phone	2	Nos	20,000.00	9%	1,800.00	1,800.00	–	23,600.00
3	9987	Installation Service	1	Job	10,000.00	9%	900.00	900.00	–	11,800.00
Total					80,000.00		7,200.00	7,200.00	–	94,400.00

7 Amount of Tax (CGST) (₹)

₹

4 Description of Goods/ Services



Amount Chargeable (in words) :
 INR Ninety Four Thousand Four Hundred Only

Taxable Value	₹ 80,000.00
CGST (9%)	₹ 7,200.00
SGST (9%)	₹ 7,200.00
IGST (–)	₹ –
Total Invoice Value	₹ 94,400.00

8 Signature of Supplier



9 Place of Supply



Place of Supply : Maharashtra (27)
 Payment Terms : 30 Days
 Delivery Terms : FOR Destination
 Bank Details : HDFC Bank
 A/c No. 50200012345678
 IFSC Code : HDFC0001234

for ABC TRADERS LLP

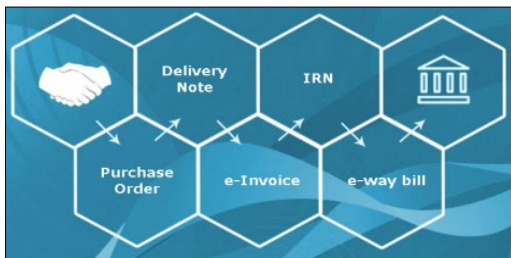
 Authorised Signatory

1 This is a computer generated invoice and does not require any signature.

E-invoicing

'E-invoicing' has been introduced for reporting of business to business (B2B) invoices to GST System for certain notified category of taxpayers.

All registered businesses with an aggregate turnover (based on PAN) in any preceding financial year from 2017-18 onwards greater than ₹ 5 crore (hereinafter referred to as 'notified persons') will be required to issue e-invoices. E-invoicing is not voluntary; only notified persons are enabled to report invoices on IRP (Invoice Registration Portal).



Before we proceed further, let us first understand what is 'e-invoicing'? E-invoicing is not generation of invoice by a Government portal. Taxpayers will continue to create their GST invoices on their own Accounting/Billing/ERP Systems as

per e-invoice scheme. These invoices will then be reported to IRP. On such reporting, IRP will generate a unique 'Invoice Reference Number (IRN)', digitally sign it and return the e-invoice to the supplier. A GST e-invoice will be valid only with a valid IRN.

Presently, invoices, credit notes and debit notes, when issued by notified persons (to registered persons (B2B) or for the purpose of exports) are covered under e-invoice. Though different documents are covered, for ease of reference and understanding, the system is referred as 'e-invoicing'.



Advantages of e-invoicing

E-invoice has many advantages for businesses. One such advantage is auto-reporting of invoices into GST return and auto-generation of e-way bill³ (wherever required). Under e-invoicing, business has to report the B2B invoice data only once in the e-invoice form and the same is reported in multiple forms (GSTR-1, e-way bill etc.). E-way bill can be auto-generated using e-invoice data. GSTR-1 can also be auto-populated with the e-invoice data. It will become part of the business process of the taxpayer.

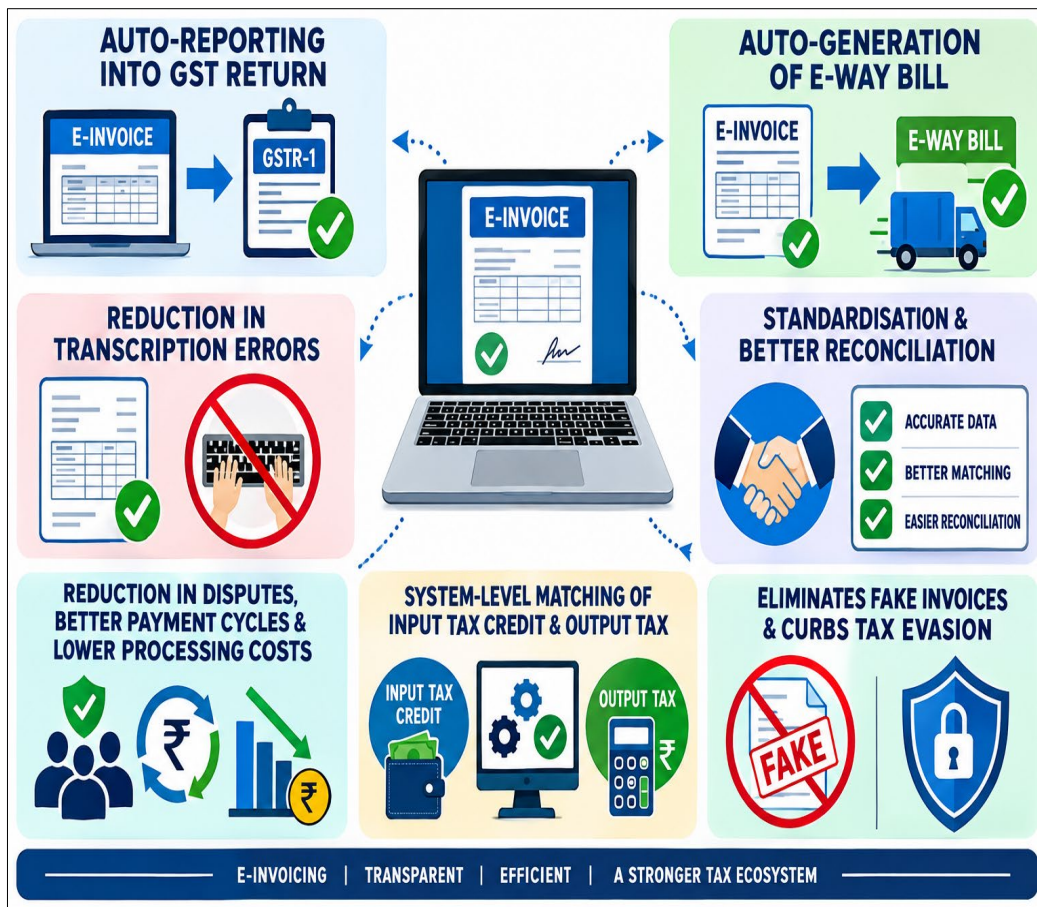
Consequently, there will be a substantial reduction in transcription errors as same data will get reported to tax department as well as to the buyer to prepare his inward supplies (purchase) register. On receipt of information through GST System, buyer can reconcile the same with his Purchase Order.

Thus, it will facilitate standardisation and inter-operability leading to reduction of disputes among transacting parties, improve payment cycles, reduction of processing costs and thereby greatly improving overall business efficiency.

Further, since a complete trail of B2B invoices is available with the Department, it will enable the system-level matching of input tax credit and output tax thereby reducing the tax evasion.

Last but not the least, e-invoicing will eliminate the fake invoices. Claiming fictitious input tax credit (ITC) by raising fake invoices is also one of the biggest challenges currently faced by tax-authorities. The e-invoice system will help to curb the actions of unscrupulous taxpayers and reduce the number of fraud cases as the tax authorities will have access to data in real-time.

³ The provisions relating to e-way bill have been discussed in Chapter 12: E-way bill in this Module of the Study Material.



E-invoicing statutory provisions

Rule 48(4) stipulates that the e-invoice shall be prepared by notified class of registered persons, by uploading such particulars as contained in Form GST INV-01 on the Common GST Electronic Portal⁴ and obtain an IRN (Invoice Reference Number), in prescribed manner and subject to prescribed conditions and restrictions.

However, the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of

⁴Ten dedicated Invoice Reference Portals have been notified as Common Goods and Service Tax (GST) Electronic Portal for the purpose of preparing e-invoice. These portals are enlisted in subsequent paras.

e-invoice under rule 48(4) for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

Every invoice, issued by above persons, in any manner other than the manner specified in rule 48(4) shall not be treated as an invoice. Where e-invoicing is applicable, there is no need of issuing invoice copies in triplicate/duplicate.



Class of persons notified to mandatorily issue e-invoice

In view of said powers, a registered person (except specified class of persons⁵), whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds ₹ 5 crore, has been notified as class of persons who shall prepare e-invoice in respect of B2B supplies (supply of goods or services or both to a registered person) and for exports⁶. Thus, presently, such notified persons are not required to report B2C invoices on IRP. However, reporting of B2C invoices will be brought under e-invoice in the next phase. Further, e-invoicing is also not applicable to invoices issued by Input Service Distributor (ISD)⁷.

If the invoice issued by a notified person is in respect of supplies made by him, tax on which is payable under reverse charge under section 9(3), e-invoicing is applicable.



(11) Sharma & Associates, a firm of advocates, registered under GST having an annual turnover of ₹ 6.2 crore, provides legal services worth ₹15 lakh to Ashoka Infrastructure Ltd. with aggregate turnover of ₹ 50 lakh in preceding FY. Since legal services provided

⁵Special Economic Zones and insurer or banking company or financial institution including NBFC, GTA, supplier of passenger transportation service, person supplying services by way of admission to exhibition of cinematograph films in multiplex screens, a Government Department and a local authority.

⁶ Notification No. 13/2020 CT dated 21.03.2020 as amended

⁷ Provisions relating to ISD have been discussed at Final level.

by advocates to business entities are covered under reverse charge under section 9(3), GST is payable by Ashoka Infrastructure Ltd. and not by the advocate firm.

However, Sharma & Associates is still required to issue a tax invoice mentioning "Tax payable on Reverse Charge Basis". Further, as its turnover exceeds the prescribed e-invoicing threshold, it must generate an e-invoice through the Invoice Registration Portal (IRP).

On the other hand, where specified category of supplies are received by notified person from unregistered persons [attracting reverse charge under section 9(4)] or through import of services, e-invoicing doesn't arise/ not applicable. E-invoicing is also not applicable in case of import of goods (Bills of Entry).

Exemption from e-invoicing

Following entities are exempt from the mandatory requirement of e-invoicing:

- ☐ Special Economic Zone units**
- ☐ Insurer or banking company or financial institution including NBFC
- ☐ GTA supplying services in relation to transportation of goods by road in a goods carriage
- ☐ Supplier of passenger transportation service
- ☐ Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens
- ☐ a Government Department and a local authority

Thus, above mentioned entities are not required to issue e-invoices even if their turnover exceeds **₹ 5 crore** in any preceding financial year from 2017-18 onwards.



Further, the above taxpayers exempted from the mandatory requirement of e-invoicing are required to provide a **declaration as below** that invoice is not required to be issued in the manner specified under rule 48(4), in all cases where an invoice is issued, other than in the manner so specified under the said rule 48(4), by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under rule 48(4) [*presently its ₹ 5 crore*]-

"I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover

notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.”

**It is important to note here that only SEZ units and not SEZ developers are exempt from issuing e-invoices. Thus, SEZ developers whose turnover exceeds ₹ 5 crore in any preceding financial year from 2017-18 onwards are mandatorily required to issue e-invoices. Further, in case of supplies made by notified persons to SEZ units, e-invoices need to be issued.



(12) Maharaja Private Limited has an SEZ unit and a regular DTA unit (both having same PAN). The aggregate total turnover of Maharaja Private Limited is more than ₹ 5 crore (considering both the GSTINs). However, the turnover of DTA unit is ₹2.5 crore for preceding financial year.

In this scenario, SEZ unit is exempt from e-invoicing. However, e-invoicing will be applicable to DTA Unit because the aggregate turnover of the legal entity in this case is >₹ 5 crore. The applicability is based on annual aggregate turnover on the common PAN.

It has been clarified⁸ that the said exemption from generation of e-invoices is for the entity as a whole and is not restricted by the nature of supply being made by the said entity.



(13) A banking company providing banking services, may also be involved in making supply of some goods, including bullion. The said banking company is exempted from mandatory issuance of e-invoice in terms of *Notification No. 13/2020 CT dated 21.03.2020*, for all supplies of goods and services and thus, will not be required to issue e-invoice with respect to any supply made by it.

⁸ Circular No. 186/18/2022 GST dated 27.12.2022



e-INVOICE

TAX INVOICE

(e-Invoice under GST)



IRN: a1b2c3d4e5f6g7h8i9j0

IRN : a1b2c3d4e5f6g7h8i9j0

Ack. No. : 122516789012345

Ack. Date : 20-05-2024 11:30 AM

Invoice No. : INV/24-25/000123

Invoice Date : 20-05-2024

e-Way Bill No. : 321576891234

 **BILLER (Supplier)**

ABC Traders
 123, Business Park, MG Road
 Bengaluru – 560001, Karnataka
 GSTIN : 29ABCDE1234F1Z5
 State : Karnataka
 State Code : 29

 **BILL TO (Recipient)**

XYZ Enterprises
 456, Industrial Area, Whitefield
 Bengaluru – 560066, Karnataka
 GSTIN : 29XYZAB9876C1Z2
 State : Karnataka
 State Code : 29

Sl. No.	Description of Goods	HSN/SAC	Qty	Unit	Unit Price (₹)	Amount (₹)
1	LED Monitor 24"	85285200	10	Nos	8,500.00	85,000.00
2	Keyboard	84716060	10	Nos	750.00	7,500.00
3	Optical Mouse	84716050	10	Nos	350.00	3,500.00
					Total Taxable Value	₹ 96,000.00
Tax Type	Rate (%)	Taxable Value (₹)	Tax Amount (₹)			
CGST	9%	96,000.00	8,640.00	Total CGST		₹ 8,640.00
SGST	9%	96,000.00	8,640.00	Total SGST		₹ 8,640.00
					Invoice Total (₹)	₹ 1,13,280.00

Amount in Words:
 Rupees One Lakh Thirteen Thousand Two Hundred Eighty Only

How e-invoice is generated?

The taxpayer first prepares and generates his invoice using his own ERP/accounting/billing system or manual system⁹. The invoice must conform

⁹ For entities not having their own ERP/Software solutions, they can use the free offline utility ('bulk generation tool') downloadable from the e-invoice portal. Through this, invoice data can be easily reported to IRP and obtain IRN/signed e-invoice

to the e-invoice schema (standard notified format - *discussed in detail subsequent paras*) and must have the mandatory parameters.

The details of this invoice are uploaded/reported by the taxpayer to the Invoice Registration Portal (IRP). This way taxpayer registers his supply transaction on IRP.

On uploading, IRP returns the e-invoice with a unique 'Invoice Reference Number (IRN)' (explained in detail subsequent paras) after digitally signing the e-invoice and adding a QR Code (Quick Response Code). Then, the supplier shares the e-invoice with the receiver (along with QR Code).

How e-invoice data is consumed by GST System for generation of e-way bill or populating relevant parts of GST Returns?

On successful reporting of invoice details to IRP, the invoice data (payload) including IRN, will be saved in GST System.

The GST system will auto-populate them into GSTR-1 of the supplier and GSTR-2A of respective receivers. IRN and IRN date will also be shown along with source marked as 'e-invoice' (except where such details were modified/re-uploaded by taxpayer).

The e-invoice schema (*discussed subsequently*) includes parameters e.g. 'Transporter ID' and 'Vehicle Number', etc. that are required for creating and generating e-way bills. These can be entered if available with seller, at the time of generation of e-invoice so that e-way bill can be created using this data without any further requirement of data entry by the user. The e-invoice reporting software already allows reporting of e-invoice and generation of e-way bill with same data.

Cancellation/ amendment of reported invoice

Where needed, the seller can **cancel IRN** for an e-invoice already reported **by reporting it on IRP** within specified time¹⁰.

¹⁰However, if the connected e-way bill is active or verified by officer during transit, cancellation of IRN will not be permitted.

Amendment of e-invoice already uploaded on IRP will be done only on GST portal (while filing GSTR-1). Amendment of invoices is not possible through the IRP.

Implications for businesses

As apparent from the above discussion, e-invoicing does not mean that the invoice needs to be prepared/ generated on the Government portal. It is only intimating the Government portal that invoice has been issued to the buyer, by registering that particular invoice on the Government portal. Consequently, businesses will continue to issue invoices as they were doing earlier. Necessary changes on account of e-invoicing requirement (i.e. to enable reporting of invoices to IRP and obtain IRN), be made by ERP/Accounting and Billing Software providers in their respective software. They need to get the updated version having this facility.

Important terms

E-invoice Schema

Businesses use various accounting/billing software, each generating and storing invoices in their own electronic formats. These different formats are neither understood by GST System nor by the systems of suppliers and receivers.



(14) An invoice generated by SAP system cannot be read by a machine which is using 'Tally' system, unless a connector is used. With more than 300 accounting/billing software products, there was no way to have connectors for all.

In this scenario, 'e-invoicing' was introduced aiming at machine-readability and uniform interpretation. To ensure this complete 'inter-operability' of e-invoices across the entire GST eco-system, an invoice standard is a must. By this, e-invoices generated by one software can be read by any other software, thereby eliminating the need of fresh/manual data entry. Since, there was no such standard for e-invoice available earlier, as a first step, a standard format for e-invoice has been finalized.

This uniform standard format (containing specified fields) applicable for all the businesses across the country is known as '**e-invoice schema**'. It is notified as **Form GST INV-1**. E-invoice schema mandates what particulars shall be reported in electronic format to IRP. Invoice details in prescribed schema to be reported to IRP in JSON format (JavaScript Object Notation). 'JSON' can be

understood as a common language for systems/machines to communicate between each other and exchange data.

Invoice Registration Portal (IRP)

IRP is the website for uploading/reporting of invoices by the notified persons. Following IRPs have been notified for the purpose of preparation of the e-invoice:

www.einvoice1.gst.gov.in

www.einvoice2.gst.gov.in

www.einvoice3.gst.gov.in

www.einvoice4.gst.gov.in

www.einvoice5.gst.gov.in

www.einvoice6.gst.gov.in

www.einvoice7.gst.gov.in

www.einvoice8.gst.gov.in

www.einvoice9.gst.gov.in

www.einvoice10.gst.gov.in

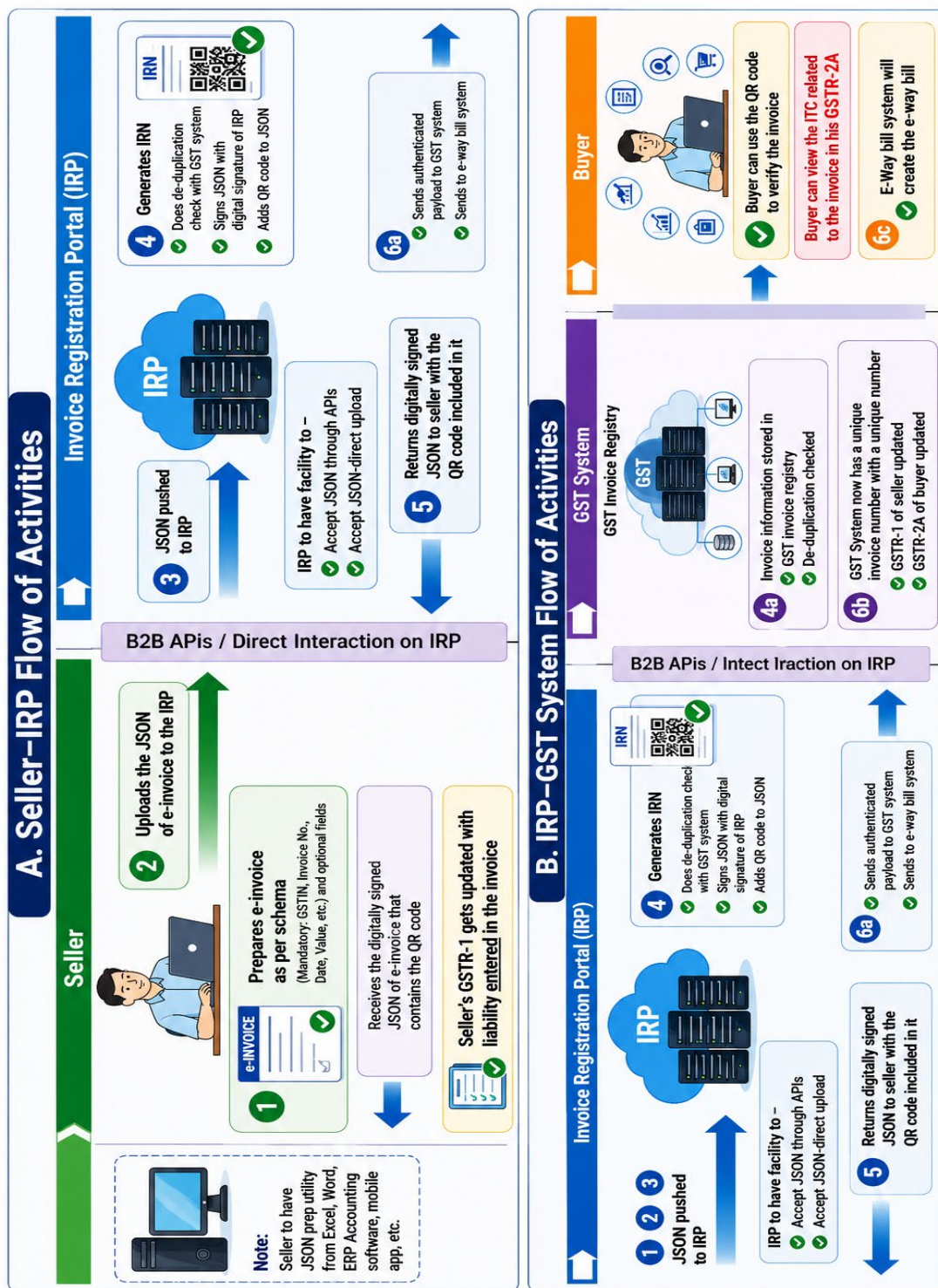
Invoice Reference Number

As seen earlier, GST invoice will be valid only with a valid IRN. IRN is different from invoice number. Invoice no. (e.g. ABC/1/2019-20) is assigned by supplier and is internal to business. Its format can differ from business to business and also governed by relevant GST rules. IRN, on other hand, is a unique reference number (hash) generated and returned by IRP, on successful registration of e-invoice. IRN is a unique 64-character hash, e.g.

35054cc24d97033afc24f49ec4444dbab81f542c555f9d30359dc75794e06bbe

The overall workflow of e-invoice generation, its reporting/registration and receipt of confirmation by way of a pictorial diagram is depicted below:

- A. Interaction between the business (supplier) and the Invoice Registration Portal (IRP).**
- B. Interaction between the IRP and the GST/E-Way Bill Systems and the Buyer.**

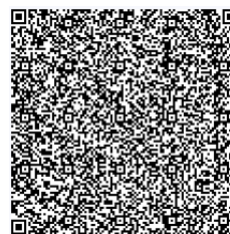


Other points:

- ☐ The e-invoicing system is also available for the E-Commerce Operators (ECO) to report the invoices to the Invoice Registration portal, generated by them on behalf of the suppliers.
- ☐ Bulk uploading of invoices to IRP is also possible¹¹.
- ☐ CBIC has clarified¹² that **there is no requirement to carry the physical copy of tax invoice in cases where e-invoice has been generated by the supplier**. Whenever e-invoice has been generated, production of the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification by the proper officer, would suffice.

Quick Response (QR) code

Upon successful registration of invoice on IRP, it will return a signed e-invoice to the supplier with IRN and QR Code. IRN is embedded in the QR Code which shall be extracted and printed on the invoice. The QR code enables quick view, validation and access of the invoices from the GST system from hand-held devices. The digitally signed QR code will have a unique IRN which can be verified on the central portal as well as by an offline app by the officer. **This will be helpful for tax officers checking the invoice offline on the roadside where internet may not be available all the time.**



The QR code consists of the following e-invoice parameters:

- ☐ GSTIN of supplier
- ☐ GSTIN of recipient
- ☐ Invoice number as given by supplier
- ☐ Date of generation of invoice

¹¹ Discussion on e-invoicing is primarily based on the relevant rules, notifications and FAQs on e-invoicing hosted on GSTN website.

¹² Circular No. 160/16/2021 GST dated 20.09.2021

- ☐ Invoice value (taxable value and gross tax)
- ☐ Number of line items
- ☐ HSN code of main item (the line item having highest taxable value)
- ☐ Unique Invoice Reference Number (hash)
- ☐ Date of generation of IRN



E-invoicing applicable to supplies made to Government Departments/PSUs etc. registered solely for the purpose of deduction of tax at source as per provisions of section 51

- ❑ The issue which arose for consideration was whether e-invoicing is applicable for supplies made by a registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, to Government Departments or establishments/ Government agencies/ local authorities/ PSUs which are registered solely for the purpose of deduction of TDS as per provisions of section 51.
- ❑ It is clarified that Government Departments or establishments/ Government agencies/ local authorities/ PSUs, which are required to deduct TDS under section 51, are liable for compulsory registration in accordance with section 24(vi).
- ❑ Therefore, Government Departments or establishments/ Government agencies/ local authorities/ PSUs, registered solely for the purpose of deduction of TDS as per provisions of section 51, are to be treated as registered persons under the GST law as per provisions of section 2(94).
- ❑ Accordingly, the registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, is required to issue e-invoices for the supplies made to such Government Departments or establishments/ Government agencies/ local authorities/ PSUs, etc. under rule 48(4)¹³.

Dynamic QR code on B2C invoices

All B2C invoices issued by a registered person whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds ₹ 500 crores will have a QR code.

Sixth proviso to rule 46 has empowered the Government to specify that the tax invoice shall have Quick Response (QR) code. Resultantly, it has been notified¹⁴ that invoice issued by a registered person [except specified class of

¹³ Circular No. 198/10/2023 GST dated 17.07.2023

¹⁴ Notification No. 14/2020 CT dated 21.03.2020

persons (*discussed subsequently*)], whose aggregate turnover in a financial year exceeds ₹ 500 crores, in respect of B2C supplies (supply of goods or services or both to an unregistered person) shall have Dynamic QR code.

A Dynamic Quick Response (QR) code made available to buyer by such registered person through digital display (with payment cross-reference) shall be deemed to be having QR code. **The purpose of this provision is to enable and encourage digital payments where buyer can scan the dynamic QR code and make payment from mobile wallet directly.**

Today, many shops have static QR code at the payment counter which is scanned by the buyer, but the buyer has to enter the amount to be paid to the shop in the mobile payment App. The dynamic QR code, on the other hand, will have the payment details and thus 'scan and pay' in one go is possible.

This has no relevance or applicability to the e-invoicing in respect to B2B supplies by notified class of taxpayers. Dynamic QR Code will be generated by the seller himself either on the Point of Sale (PoS) machine or the invoice issued.

Dynamic QR Code in case of an invoice, issued to a person having a UIN

Any person, who has obtained a Unique Identity Number (UIN), is not a "registered person" as per the definition of registered person provided in section 2(94)¹⁵. Therefore, any invoice, issued to such person having a UIN, shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of Dynamic QR Code.

Parameters/ details to be captured in the Dynamic QR Code

Dynamic QR Code, *inter-alia*, shall contain the following information: -

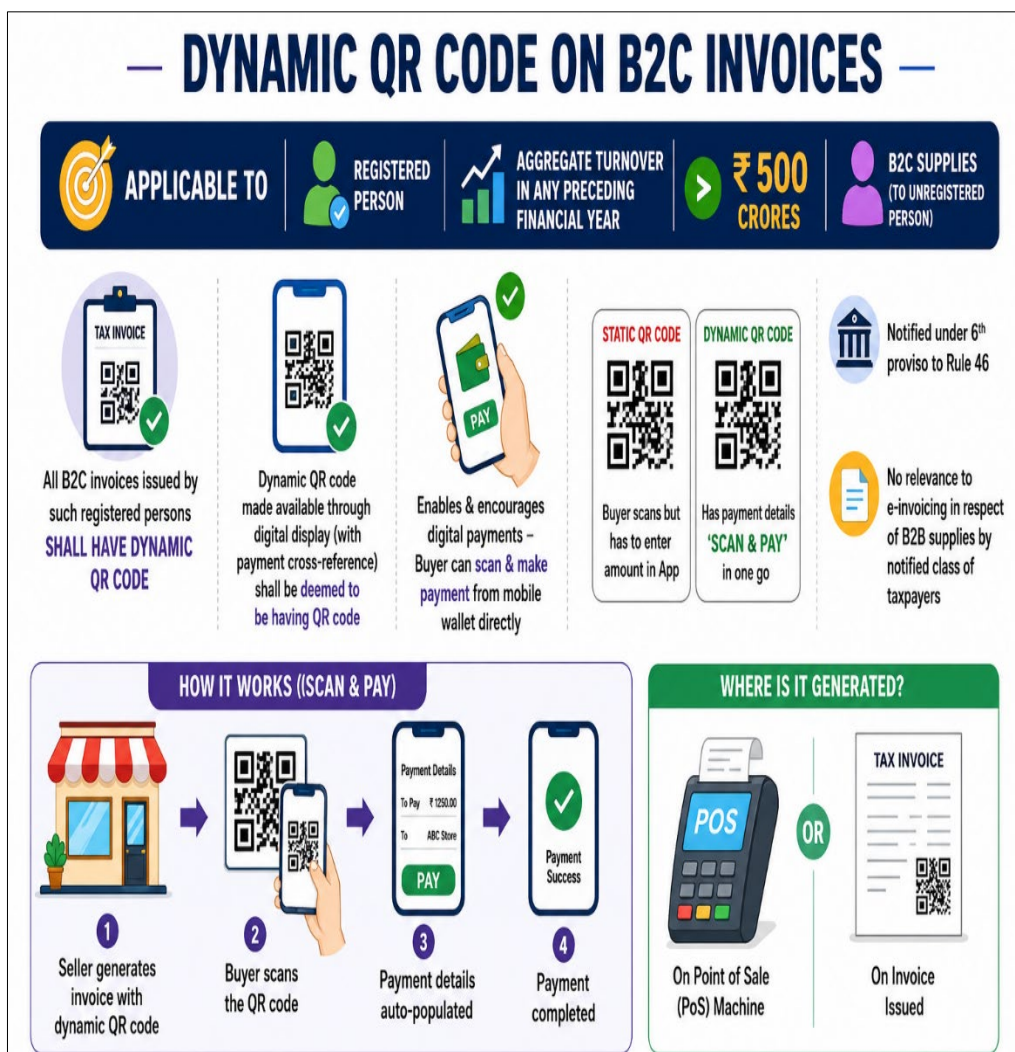
- ☐ Supplier GSTIN number
- ☐ Supplier UPI ID
- ☐ Payee's Bank A/c number and IFSC
- ☐ Invoice number & invoice date,

¹⁵ A registered person means a person who is registered under section 25 but does not include a person having a Unique Identity Number [Section 2(94)].

- ❑ Total invoice value and
- ❑ GST amount along with breakup i.e. CGST, SGST, IGST, Cess, etc.

Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.

The purpose of dynamic QR Code is to enable the recipient/ customer to scan and pay the amount to be paid to the merchant/ supplier in respect of the said supply. If the supplier has issued invoice having Dynamic QR Code for payment, the said invoice shall be deemed to have complied with Dynamic QR Code requirements.



NON-APPLICABILITY OF DYNAMIC QR CODE

Dynamic QR code is **NOT APPLICABLE** to an invoice issued to an **UNREGISTERED PERSON** by following suppliers:

- i  INSURER / BANKING COMPANY / FINANCIAL INSTITUTION INCLUDING NBFC 
- ii  GOODS TRANSPORT AGENCY SUPPLYING SERVICES IN RELATION TO TRANSPORTATION OF GOODS BY ROAD IN A GOODS CARRIAGE 
- iii  SUPPLIER OF PASSENGER TRANSPORTATION SERVICE 
- iv  PERSON SUPPLYING SERVICES BY WAY OF ADMISSION TO EXHIBITION OF CINEMATOGRAPH FILMS IN MULTIPLEX SCREENS 
- v  SUPPLIER OF ONLINE INFORMATION AND DATABASE ACCESS OR RETRIEVAL (ODAR) SERVICES 

NO DYNAMIC QR CODE IN CASE OF EXPORTS



Supplies made for exports are treated as B2B supplies and e-invoices are required. Therefore, Dynamic QR code requirement will **NOT** be applicable.

Non-applicability of requirement of Dynamic QR code

Dynamic QR code is not applicable to an invoice issued to an unregistered person by following suppliers:

- (i) Insurer or banking company or financial institution including NBFC
- (ii) Goods transport agency supplying services in relation to transportation of goods by road in a goods carriage
- (iii) Supplier of passenger transportation service
- (iv) Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens
- (v) Supplier of online information and database access or retrieval (OIDAR) services¹⁸.

No Dynamic QR code in case of exports: As regards the supplies made for exports, though such supplies are made by a registered person to an unregistered person, however, since e-invoices are required to be issued in respect of supplies for exports treating them as B2B supplies, Dynamic QR code requirement will not be applicable to them.

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.

*For the purposes of section 31, the expression "**tax invoice**" shall include any **revised invoice** issued by the supplier in respect of a supply made earlier [Explanation to section 31].*

¹⁸The provisions relating to OIDAR services have been discussed at the Final level.

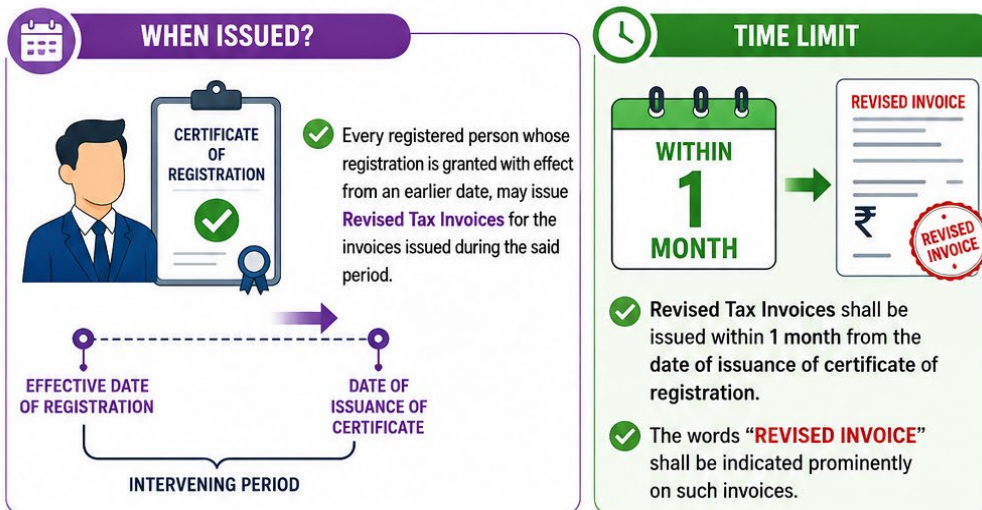
- ❑ **Revised Tax Invoices shall be issued within 1 month from the date of issuance of certificate of registration.** The words "Revised Invoice" shall be indicated prominently on such invoices.
- ❑ This provision is necessary, as a person who becomes liable for registration has to apply for registration 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 revised invoice(s), so that ITC can be availed by the recipient on such supplies.



(15) Sarabhai Private Ltd. commenced business of supply of goods on 1st April in Delhi. Its turnover exceeded the applicable threshold limit on 3rd September. Thus, it became liable to registration on 3rd September. It applied for registration on 29th September and was granted registration certificate on 5th October. Since it applied for registration within 30 days of becoming liable to registration, registration granted is effective from 3rd September. Sarabhai Private Ltd. may issue Revised Tax Invoices on or before 5th November in respect of taxable supplies effected between 3rd September and 5th October.

REVISED TAX INVOICE

[Section 31(3)(a) read with Rule 53]



PURPOSE

For supplies made during the intervening period, revised invoice(s) can be issued so that the recipient can avail **ITC** on such supplies.



Ensures seamless flow of **ITC** and promotes compliance!

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**.

However, **in case of inter-State supplies** where the value of supply does not exceed ₹ 2.5 Lakh, a consolidated revised invoice may be issued separately in respect of all unregistered recipients located in a State.

Thus, a revised/ consolidated revised invoice may be issued within one month from the date of the issuance of the certificate of registration as follows:

- ☐ **For each inter-State B2C taxable supply upto ₹ 2,50,000:** State-wise consolidated revised invoice
- ☐ **For each inter-State B2C taxable supply more than ₹ 2,50,000:** Recipient wise revised invoice
- ☐ **For all intra-State B2C taxable supplies irrespective of the amount:** Consolidated revised invoice



(16) Ravi Textiles applies for GST registration on 5th June in the State of Rajasthan and is granted registration with effect from 5th June itself, but the registration certificate is actually issued only on 25th June. During this intervening period (5th June to 25th June), Ravi Textiles makes several inter-State B2C taxable supplies (to unregistered customers) as follows:

- ☐ Supplies to 12 customers in Uttar Pradesh, each valued at ₹15,000–₹40,000
- ☐ Supplies to 8 customers in Bihar, each valued at ₹10,000–₹30,000

Since none of these individual inter-State supplies exceeds ₹ 2.5 lakh, Ravi Textiles can issue one consolidated revised invoice for all UP customers and one separate consolidated revised invoice for all Bihar customers, i.e., State-wise consolidated invoices, rather than issuing a separate revised invoice for each individual customer. Both these consolidated invoices must be issued within one month from 25th June, i.e., by 25th July.

(17) During the same period (5th June to 25th June), Ravi Textiles also supplies furnishing fabric worth ₹3,20,000 to an unregistered event management

company in Madhya Pradesh (a single, high-value inter-State B2C transaction exceeding ₹ 2.5 lakh). Since this individual supply exceeds ₹2.5 lakh, Ravi Textiles cannot club this transaction into the State-wise consolidated invoice. Instead, it must issue a separate, recipient-wise revised invoice specifically addressed to this event management company, mentioning its name and address, within one month from 25th June.

(18) Further, during the period 5th June to 25th June, Ravi Textiles makes multiple intra-State supplies to unregistered customers within Rajasthan itself, including a small supply of ₹8,000 to a local retail customer and a comparatively large supply of ₹ 4,50,000 to an unregistered interior decorator, both within Rajasthan. Since all these are intra-State supplies, Ravi Textiles can issue one single consolidated revised invoice covering all these intra-State B2C transactions made during this period, regardless of whether the individual transaction value is small (₹8,000) or large (₹4,50,000).

Particulars of Revised Tax Invoice

Name, address and GSTIN of the supplier;
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;
Date of issue of the document;
Name, address and GSTIN or UIN, if registered, of the recipient;
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;
Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
Signature/digital signature of the supplier/his authorized representative.

ILLUSTRATION 1

Luv & Kush Pvt. Ltd. of Meghalaya engaged in the supply of gifts items and repair services, provides you the following details:-

S. No.	Particulars	Date
1.	Commencement of the business of supplying goods and services	1 st August
2.	Turnover exceeds ₹ 10,00,000 on	15 th August
3.	Turnover exceeds ₹ 20,00,000 on	5 th September
4.	Application for registration made on	28 th September
5.	Registration certificate granted on	6 th October

The company seeks your advice as to how it should raise revised tax invoices for supplies made. Is there any specific provision for issuance of revised tax invoices to unregistered customers? Explain.

ANSWER

A supplier of both goods and services whose aggregate turnover in a financial year exceeds ₹ 20 lakh in a State/UT [₹ 10 lakh in specified Special Category States] is liable to apply for registration within 30 days from the date of becoming liable to registration (i.e., the date of crossing the threshold limit of ₹ 20 lakh/ ₹ 10 lakh) in terms of section 22. Since Meghalaya is not a specified Special Category State, applicable threshold limit is ₹ 20 lakh.

Further, where the application is submitted within said period, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

Every registered person who has been granted registration with effect from a date earlier than the date of issuance of registration certificate to him, may issue revised tax invoices within 1 month from the date of issuance of registration certificate in respect of taxable supplies effected during this period i.e. from the effective date of registration till the date of issuance of registration.

Since Luv & Kush Pvt. Ltd. has made the application for registration within 30 days of becoming liable for registration, the effective date of registration becomes the date on which the company becomes liable to registration i.e. 5th September.

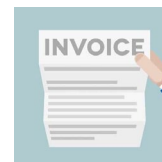
Thus, Luv & Kush Pvt. Ltd. may issue revised tax invoices against the invoices already issued during the period between effective date of registration (5th September) and the date of issuance of registration certificate (6th October), within 1 month from 6th October.

Further, Luv & Kush Pvt. Ltd. may issue a consolidated revised tax invoice in respect of all taxable supplies made to unregistered dealers during such period. However, in case of inter-State supplies where the value of supply does not exceed ₹ 2.5 Lakh, a consolidated revised invoice may be issued separately in respect of all unregistered recipients located in a State.

(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 upto 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.



However, this option is not available to a supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens.

Above provision is also applicable to Bill of Supply.



NO TAX INVOICE REQUIRED IF VALUE < ₹ 200



MAY NOT ISSUE TAX INVOICE IF:

1 VALUE OF SUPPLY < ₹ 200



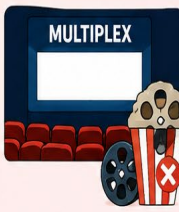
2 RECIPIENT IS UNREGISTERED



3 RECIPIENT DOES NOT REQUIRE INVOICE



EXCEPTION



X

NOT APPLICABLE TO SUPPLY OF SERVICES BY WAY OF ADMISSION TO EXHIBITION OF CINEMATOGRAPH FILMS IN MULTIPLEX SCREENS

INSTEAD – ISSUE CONSOLIDATED TAX INVOICE



END OF THE DAY



CONSOLIDATED TAX INVOICE

INVOICE

₹ 260

✓



ISSUE INVOICE WHEN CUSTOMER DEMANDS

BENEFITS



IDEAL FOR SMALL TAXPAYERS / RETAILERS



REDUCES COMPLIANCE BURDEN



ONE INVOICE AT END OF EACH DAY



APPLICABLE TO BILL OF SUPPLY ALSO

ILLUSTRATION 2

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

S. No.	Recipient of supply	Amount (₹)
1.	Raghav Traders - a registered retail dealer	190
2.	Dhruv Enterprises – an unregistered trader	358
3.	Gaurav – a painter [unregistered]	500

4.	Oberoi Orphanage –an unregistered entity	188
5.	Aaradhya – a student [unregistered]	158

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.

ANSWER

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.

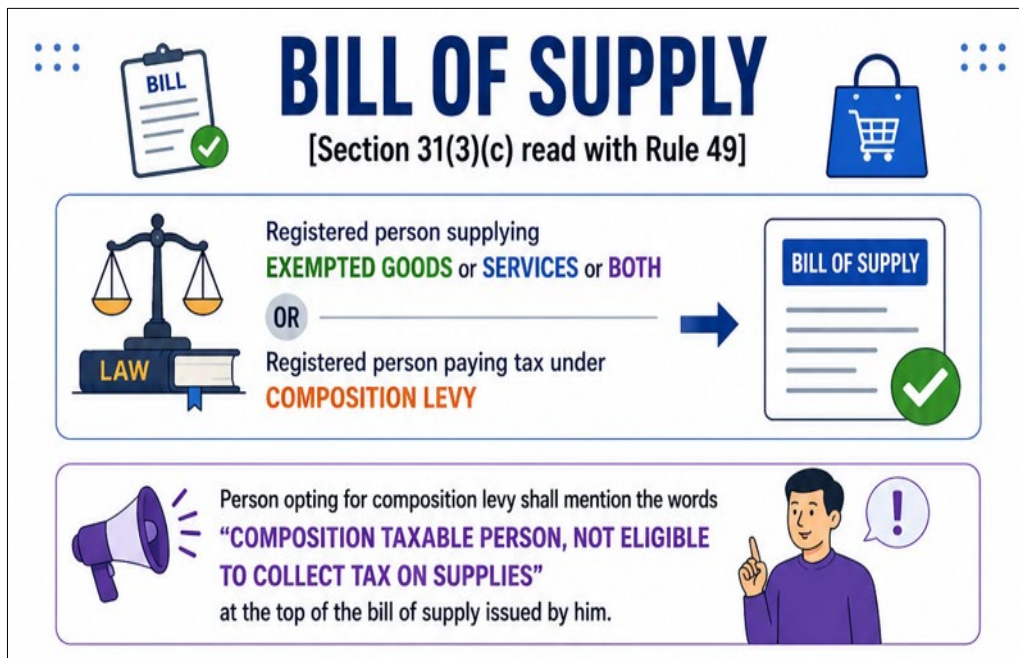
Consolidated Tax Invoice can also not be issued for supplies of goods made to Dhruv Enterprises and Gaurav although both of them are unregistered. The reason for the same is that the value of goods supplied is not less than ₹ 200.

(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 invoice¹⁹. Person opting for composition levy shall mention the words “**composition taxable**”

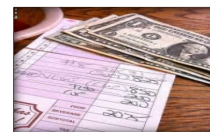
¹⁹Order No. 3/2019 CT dated 08.03.2019 has stipulated that a person paying tax under Notification No. 2/2019 will also issue a bill of supply instead of tax invoice.

person, not eligible to collect tax on supplies” at the top of the bill of supply issued by him²⁰.



Particulars of Bill of Supply

A registered person opting for the composition levy does not collect tax from the recipient on outward supplies made by him. Similarly, in 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 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.

²⁰ Fourth proviso to rule 49 stipulates that the Bill of supply shall have a Quick Response Code. However, the same is not yet made effective.

Name, address and GSTIN of the supplier;

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;

Date of its issue;

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

HSN Code for goods or services;

Description of goods or services or both;

Value of supply of goods or services or both taking into account discount/ abatement, if any; and

Signature/ digital signature of supplier/his authorized representative.
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.



(19) Patel & Sons is a manufacturer of goods who has opted for composition levy under section 10(1) and 10(2). It will issue a Bill of Supply to the buyers of goods and not the tax invoice.



BILL OF SUPPLY

**COMPOSITION TAXABLE PERSON,
NOT ELIGIBLE TO COLLECT TAX ON SUPPLIES**

2 Invoice No. : BOS/24-25/001

3 Date : 15-05-2025

1 FROM (SUPPLIER)

ABC Traders

123, Business Park, Andheri (E),
Mumbai – 400093, Maharashtra, India

GSTIN : 22ABCDE1234F1Z5

4 TO (RECIPIENT)

XYZ Enterprises

456, Industrial Area, Phase 1,
Pune – 411001, Maharashtra, India

GSTIN : 27XYZAB5678G1ZP

5 S. No.	6 Description of Goods / Services	7 HSN / SAC	Quantity	Unit	8 Value (₹)
1.	Housekeeping Services (Monthly Service)	998599	10	Nos.	10,000.00
TOTAL VALUE					₹ 10,000.00

9 For ABC Traders

Rajesh Kumar

Authorised Signatory



Signature / digital signature of supplier/his authorized representative not required in case of electronic bill of supply (as per Information Technology Act, 2000).

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. The said single “invoice-cum-bill of supply” shall contain the particulars as specified under rule 46 or rule 54, as the case may be, and rule 49.

(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.

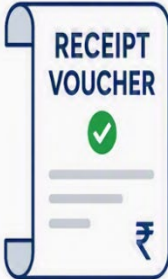


(20) Om Furniture Manufacturers, Jaipur, receives an advance of ₹ 2,00,000 +GST from Mr. Sharma (a customer in Jaipur, Rajasthan)

on 5th July for a custom-made dining table set to be delivered after 45 days. Since this is an advance payment towards a future supply of goods, Om Furniture Manufacturers must issue a Receipt Voucher on 5th July itself, evidencing receipt of this advance

Particulars of Receipt Voucher

Name, address and GSTIN of the supplier;
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
Date of its issue;
Name, address and GSTIN or UIN, if registered, of the recipient;
Description of goods or services;
Amount of advance taken;
Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
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;
Whether the tax is payable on reverse charge basis; and
Signature/digital signature of supplier/his authorized representative

RECEIPT VOUCHER


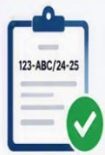
RECEIPT VOUCHER

[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

1  NAME, ADDRESS & GSTIN OF SUPPLIER	2  CONSECUTIVE SERIAL NUMBER (≤ 16 CHARACTERS, UNIQUE FOR A FY)	3  DATE OF ITS ISSUE	4  NAME, ADDRESS & GSTIN OR UIN (IF REGISTERED) OF RECIPIENT	5  DESCRIPTION OF GOODS OR SERVICES	6  AMOUNT OF ADVANCE TAKEN
7  RATE OF TAX (CENTRAL TAX, STATE TAX, INTEGRATED TAX, UNION TERRITORY TAX OR CESS)	8  AMOUNT OF TAX CHARGED (CENTRAL TAX, STATE TAX, INTEGRATED TAX, UNION TERRITORY TAX OR CESS)	9  PLACE OF SUPPLY ALONG WITH STATE NAME & CODE (INTER-STATE SUPPLY)	10  WHETHER TAX IS PAYABLE ON REVERSE CHARGE BASIS	11  SIGNATURE / DIGITAL SIGNATURE OF SUPPLIER / AUTHORIZED REPRESENTATIVE	

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

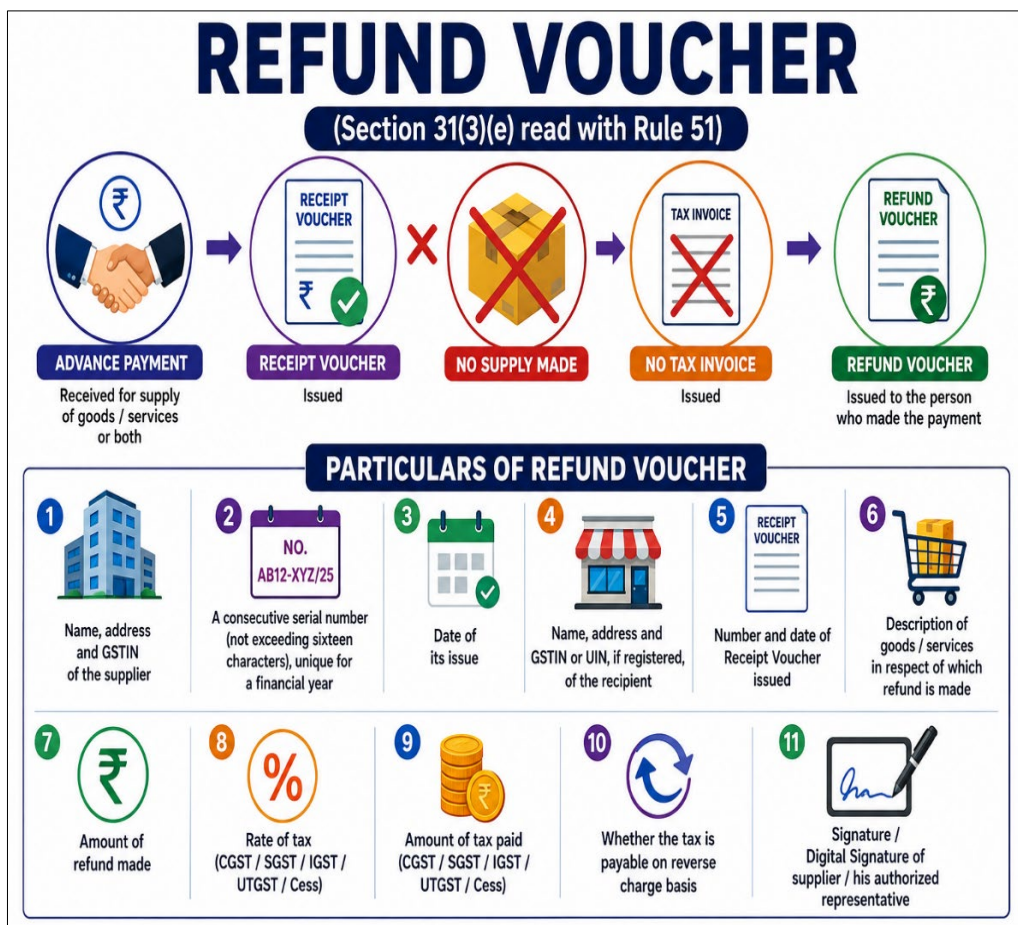
Where at the time of receipt of advance -	
(i) rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii) nature of supply is not determinable	same shall be treated as inter-State supply

(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.



(21) Om Furniture Manufacturers had issued Receipt Voucher dated 5th July for ₹ 2,00,000 + ₹ 36,000 GST received in advance from Mr. Sharma. However, on 20th July, Mr. Sharma cancels his order due to a change in requirements and no supply is ultimately made nor is any tax invoice issued. Om Furniture Manufacturers refunds the entire ₹ 2,36,000 (₹ 2,00,000 + ₹ 36,000 GST) to Mr. Sharma and issues a Refund Voucher on 20th July.



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
Amount of refund made
Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess)
Amount of tax paid in respect of such goods or services (central tax, State tax, integrated tax, Union territory tax or cess)
Whether the tax is payable on reverse charge basis; and
Signature/digital signature of supplier/his authorized representative

(vi) Invoice and Payment Voucher [Section 31(3)(f) & (g) read with to rule 46, rule 47A 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 under section 9(3). Such supplies can be received from a registered or an unregistered supplier.



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:

- (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).
- (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
- (iii) GST on capital goods purchased from unregistered person 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 within the period as may be prescribed 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**.

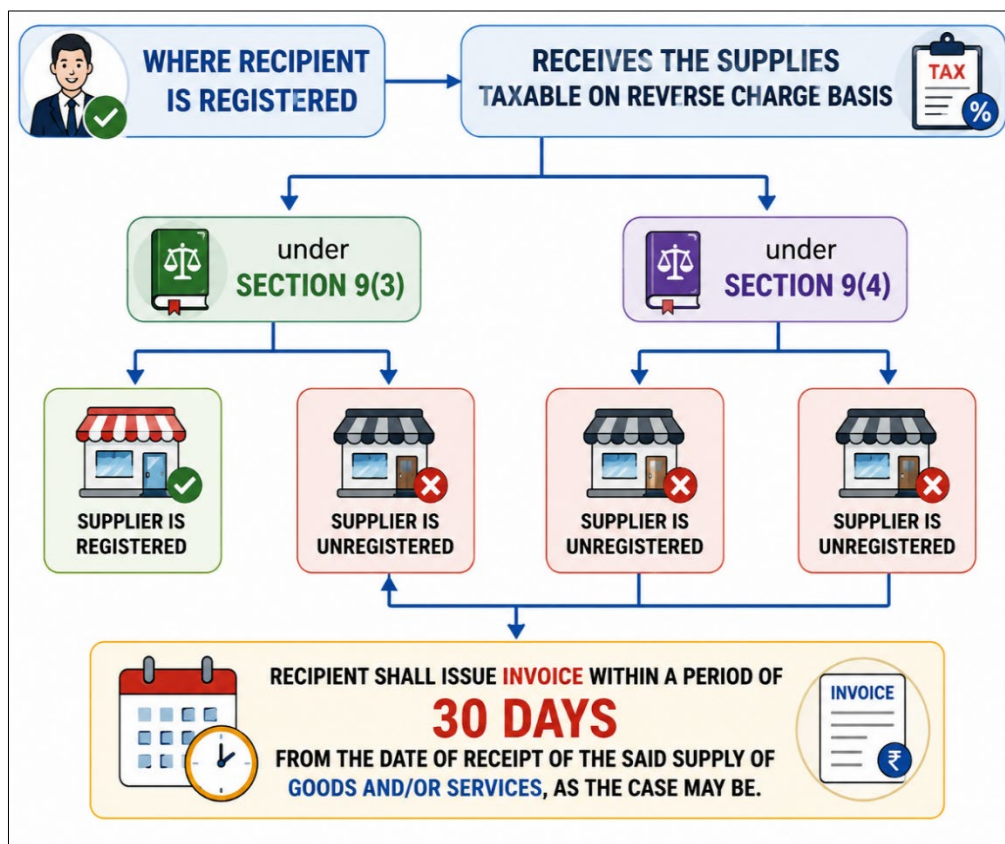
Thus, invoice to be issued by recipient within the prescribed time if he is liable to pay tax under section 9(3)/(4) and receives supplies from an unregistered person

Further, the time limit for issuing tax invoice in case of reverse charge mechanism supplies has been prescribed in rule 47A.

Rule 47A provides that where an invoice referred to in rule 46 is required to be issued under clause (f) of section 3(3) by a registered person, who is liable to pay tax under section 9(3)/9(4), he shall issue the said invoice within a period of 30 days from the date of receipt of the said supply of goods and/or services, as the case may be.

Thus, invoice to be issued within a period of 30 days from the date of receipt of the said supply of goods and/or services, as the case may be.

INVOICE



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

Name, address and GSTIN of the supplier if registered;

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;

Name, address and GSTIN of the recipient;

Description of goods or services;

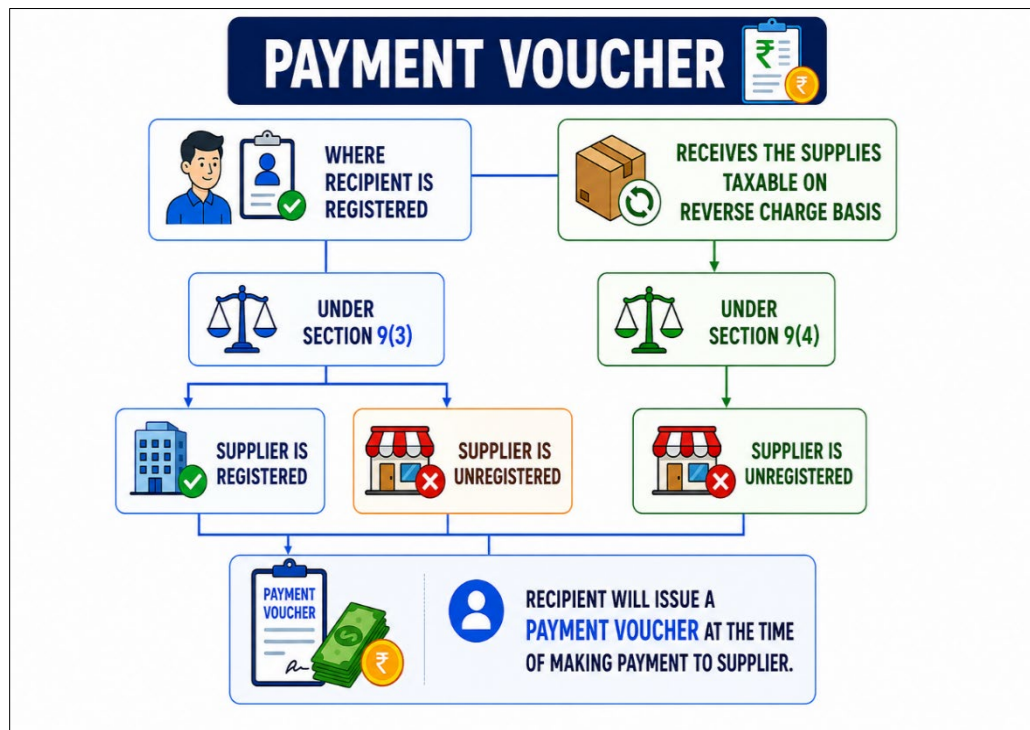
Amount paid;

Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);

Amount of tax payable in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);

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

Signature/digital signature of supplier/his authorized representative



(vii) Supplier permitted to issue any document other than tax invoice [Section 31(2) and proviso to section 31(1) read with rules 54 and 55]

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:

Supplier of taxable service	Document in lieu of the tax invoice	
	Optional information	Mandatory information
Insurer/Banking company/Financial institution, including NBFC	☐ Serial number (It is not mandatory for a bank/insurance company to serially number the invoices/document). ☐ Address of the recipient of taxable service.	Other information (other than serial no. and address of recipient) as prescribed for a Tax Invoice, under rule 46. 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/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 provisions of the Information Technology Act, 2000.
Goods Transport Agency (GTA) supplying services in relation to transportation of goods by road in a goods carriage		Gross weight of the consignment Name of the consignor and the consignee Registration number of goods carriage in which the goods are transported Details of goods transported Details of place of origin and destination GSTIN of the person liable for paying tax whether as consignor, consignee or GTA

		Other information as prescribed for a tax invoice, under rule 46
Supplier of passenger transportation service	☐ Serial number ☐ Address of the recipient of taxable service	Tax invoice shall include ticket in any form, by whatever name called. Other information (other than serial no. and address of recipient) as prescribed for a tax invoice, under rule 46. 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.
Registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens	Details of recipient of service	Supplier is required to issue an electronic ticket and the said electronic ticket shall be deemed to be a tax invoice. Other information (other than details of recipient of service) as prescribed for a tax invoice, under rule 46. However, supplier of such service in a screen other than multiplex screens may, at his option, follow the above procedure.



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.



(22) ADFC Bank provides various services to Mr. Anand during the month of July, namely, locker rental charges, account maintenance charges and processing fee for a personal loan. Instead of issuing a separate serially-numbered tax invoice for each individual service as and when rendered, ADFC Bank issues one consolidated bank statement/advice at the end of July, covering all these services together, mentioning GST charged on each service head, without serially numbering the invoice and without mentioning Mr. Anand's address (since both are optional for banks), but includes other prescribed particulars under rule 46. This consolidated statement is deemed to be a valid tax invoice.

(23) Bharat Roadways, a GTA, transports 500 bags of cement (gross weight 25,000 kg) from Shree Cement Factory, Kota, Rajasthan (consignor) to Punjab Building Materials, Ludhiana (consignee), using truck RJ-14-GB-4567 and issues a Consignment Note mentioning the gross weight, consignor/consignee names, place of origin (Kota) and destination (Ludhiana) and the GSTIN of the consignee (who is liable to pay tax under RCM). This Consignment Note is treated as a valid document in lieu of a tax invoice.

(24) Golite Airlines sells a flight ticket to Mr. Rajesh for a Delhi–Mumbai flight. The ticket, containing flight details, fare and GST charged, is issued without a serial number and without mentioning Mr. Rajesh's address (both optional), but includes other prescribed particulars under rule 46. This ticket, by whatever name called, is deemed to be a tax invoice.

(25) A private luxury bus operator issues an online ticket to a passenger travelling from Bengaluru to Hyderabad, mentioning fare, GST amount, seat number and journey details, including other prescribed particulars under rule 46 except a formal serial number or the passenger's address. This ticket is treated as a valid tax invoice for the passenger transportation service rendered.

(26) TVR Cinemas (a multiplex) sells an online movie ticket to a customer for a 7:00 PM show, mentioning the film name, seat number, show timing, value and GST charged, but does not capture the customer's name/address on the ticket (this being optional). This electronic ticket is deemed to be a valid tax invoice.

Delivery challan

Rule 55 specifies the cases where at the time of removal of goods for transportation, goods can be removed on delivery challan and invoice may be issued after delivery. These are provided in the following table:

Nature of supply ²¹	Deliver challan to be issued	Particulars of Delivery Challan
(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 reasons other than by way of supply, or (3) 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

²¹ It may be noted that delivery challan is to be issued in case of transportation of goods for job work also. The provisions relating to job work will be discussed at Final level.

		the transportation is for supply to the consignee
		Place of supply, in case of inter-state movement
		Signature



(27) Ganga Industrial Gases Ltd. dispatches a tanker loaded with liquid oxygen from its plant in Odisha to a steel manufacturing unit in West Bengal. Since liquid gas is measured by volume/weight, which can vary slightly during transit due to temperature and pressure changes, the exact quantity actually delivered to the customer cannot be precisely determined at the time the tanker leaves the supplier's premises.

In such a case, Ganga Industrial Gases Ltd. removes the goods on a delivery challan (mentioning a provisional quantity, say "approximately 15,000 kg"), and issues the tax invoice only after delivery, once the actual quantity delivered is measured and confirmed at the recipient's premises using calibrated meters.

(28) Vishal Furnishings sends a set of premium sofas worth ₹3,00,000 to a hotel in a neighbouring State on an "approval basis," so that the hotel management can inspect and decide whether to purchase them. Since no supply has taken place at the point of removal (the hotel may reject the goods), Vishal Furnishings transports these goods under a delivery challan. If the hotel approves and accepts the sofas, a tax invoice is then issued at that point or within 6 months' from removal, whichever is earlier.

(29) Bharat Textiles Ltd. sends a damaged weaving machine (capital goods) to the manufacturer's service centre in another city for repair. Since this movement is merely for repair and not a supply, the goods are transported under a delivery challan, clearly showing that this is a movement "otherwise than by way of supply," and no tax invoice is required at this stage since no sale is involved.

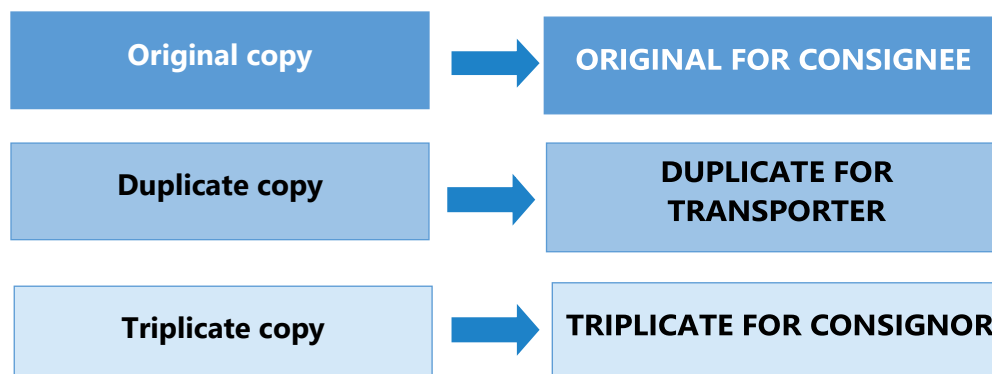
(30) Priya Handicrafts sends handcrafted items worth ₹2,00,000 to a trade exhibition being held in another State, purely for display and potential sale

to visiting buyers (no confirmed sale has taken place yet). The goods are transported under a delivery challan; if and when actual sales are made to buyers at the exhibition, separate tax invoices are issued at that point for each sale.

(31) Suresh Electricals sends a batch of manufactured switches to an accredited testing laboratory in another State for quality certification before they can be sold in the market. Since this movement is for testing purposes and not a supply, a delivery challan accompanies the goods instead of a tax invoice.

A. Delivery challan in Triplicate

The delivery challan shall be prepared in TRIPLICATE, in case of supply of goods, in the following manner:



B. 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.

C. 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.

D. 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.

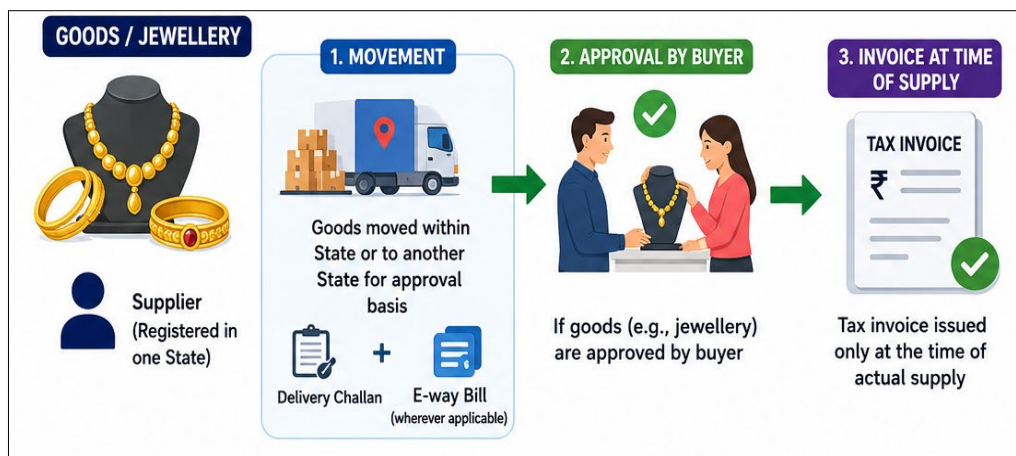
Goods may be moved within the State/from the State of registration to another State for supply on approval basis and art works may be sent by artists to galleries for exhibition on delivery challan along with e-way bill wherever applicable

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.

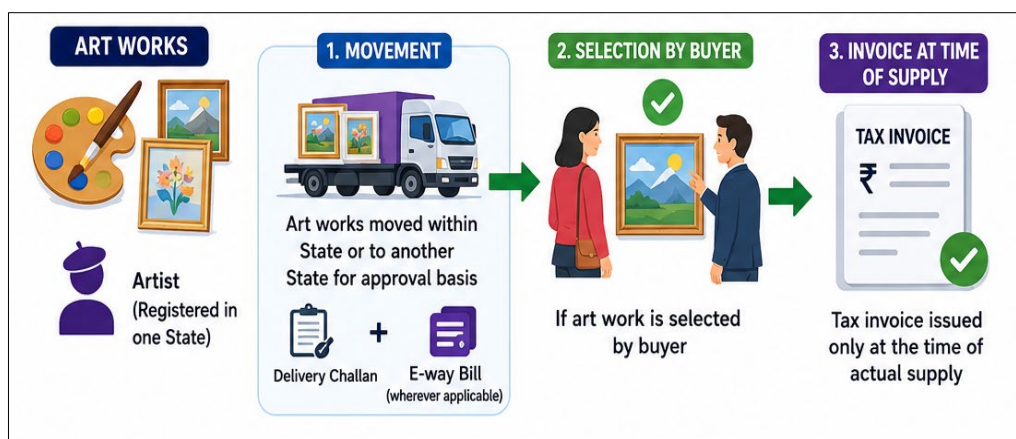
Since the suppliers are not able to ascertain their actual supplies beforehand and while ascertainment of tax liability in advance is a mandatory requirement for registration as a casual taxable person, the supplier is not able to register as a casual taxable person. Such goods are also carried within 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].





4. CREDIT AND DEBIT NOTES [SECTION 34]



STATUTORY PROVISIONS

Section 34	Credit and Debit Notes
Sub-section	Particulars
(1)	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 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 the 30th day of November 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— (i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or (ii) incidence of tax on such supply has been passed on to any other person, in other cases.
(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

	<i>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.</i>
(4)	<i>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.</i>
	<i>Explanation—For the purposes of this Act, the expression “debit note” shall include a supplementary invoice.</i>



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

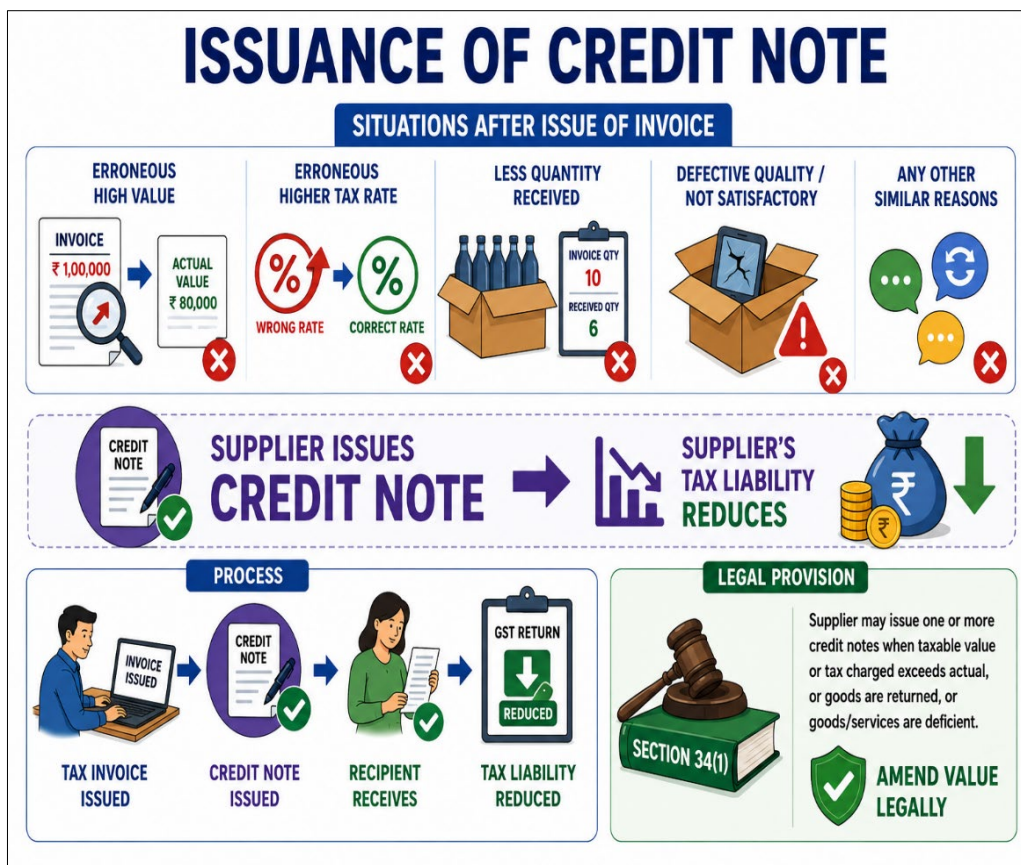
liability in his returns without requiring him to undertake any tedious process of refunds.

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. 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:

- (i) ITC as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or***
- (ii) incidence of tax on such supply has been passed on to any other person, in other cases.***

Thus, underlying intention is that double benefit is not claimed by anyone in the supply chain. A supplier can reduce his GST liability through a credit note only if the corresponding benefit is genuinely passed on; either the registered recipient reverses the ITC availed or in case of unregistered recipients, the incidence of tax has not been passed on to the customer.



It is important to note that credit note(s) are not permitted to be issued in case secondary discounts²² 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].

Secondary discounts

²² Students may note that conditions for availing post supply discount are proposed to be amended by the Finance Act, 2026. Consequently, when said amendment comes into effect, it will no longer be necessary for post supply discount to be in terms of an agreement existing at the time of supply and capable of being linked invoice-wise. Such discount will be excluded from the value of supply if the supplier issues a credit note and the recipient reverses the proportionate input tax credit. Said provisions have been discussed in detail in Chapter 7 – Value of Supply in Module 1 of this Study Material.



(32) Ganesh Traders supplies 100 units of a product to a customer and while raising the invoice, mistakenly enters the unit price as ₹1,200 instead of the actual agreed price of ₹1,000, resulting in an invoice value of ₹1,20,000 (plus GST) instead of the correct ₹1,00,000 (plus GST). On realizing the error, Ganesh Traders issues a credit note for ₹20,000 plus the corresponding GST amount, thereby reducing his output tax liability to the extent of the excess tax originally charged.

(33) Priya Textiles supplies a batch of cotton fabric taxable @ 5% GST, but mistakenly charges 18% GST on the invoice (due to incorrect HSN classification in the billing software). Since the tax charged (18%) exceeds the tax actually payable (5%) on this supply, Priya Textiles issues a credit note for the excess tax amount (13% of the invoice value), thereby correcting the tax liability and reducing it to the correct 5% rate.

(34) Om Ltd. issues a tax invoice for 500 bags of cement dispatched to a construction site. However, upon delivery, the recipient physically counts and receives only 480 bags (20 bags short, possibly lost or damaged in transit). Since the quantity actually received is less than what was invoiced, Om Ltd. issues a credit note for the value and tax corresponding to the 20 short-delivered bags.

(35) Vishal Electronics supplies 50 television units to a retailer, but upon inspection, the retailer finds that 5 units have minor manufacturing defects and are unsellable at full price. As a goodwill gesture, Vishal Electronics agrees to reduce the invoice value by ₹ 50,000 (corresponding to these 5 defective units) instead of taking a full return. Vishal Electronics issues a credit note for ₹50,000 plus applicable GST, reducing its tax liability accordingly.

(36) Radhika Garments supplies a consignment of readymade garments worth ₹80,000 to a boutique, but the entire lot is found to be of substandard stitching quality and is returned in full by the boutique. Radhika Garments issues a credit note for the entire ₹80,000 plus GST, nullifying its tax liability on this transaction completely.

(37) Mahaveer Distributors supplies goods worth ₹10,00,000 to a dealer during the year. It gave post supply discount to the dealers. However, said post supply discount is not allowable as deduction under section 15(3)(b).

Mahaveer Distributors cannot issue a GST credit note to reduce its tax liability for this discount. However, as clarified by *Circular No. 92/11/2019 GST dated 07.03.2019*, Mahaveer Distributors may still issue a financial/commercial credit note (without any GST component) purely to reduce the amount payable by the dealer in the books of account, but this will not reduce Mahaveer Distributors' GST output tax liability, since no GST credit note (under section 34) has been issued.

(38) Meena sells a mobile phone to an unregistered retail customer, Rohan, for ₹ 20,000 + ₹ 3,600 GST (Total ₹23,600), which Rohan pays in full. A week later, due to a minor defect, Meena agrees to reduce the price by ₹ 2,000 and issues a credit note for ₹ 2,000 + ₹ 360 GST, refunding this ₹ 2,360 back to Rohan.

Since Meena has returned the tax amount also she originally collected, the incidence of tax no longer lies with Rohan. Meena can reduce her output tax liability by ₹ 360 through this credit note.

(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

Debit note shall include a supplementary invoice.

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 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.



(39) Anand Steels supplies 200 MT of steel rods to a construction company at an agreed price of ₹55,000 per MT, but while raising the invoice, mistakenly enters the rate as ₹50,000 per MT, resulting in an invoice value of ₹1,00,00,000 instead of the correct ₹1,10,00,000 (plus applicable GST on each). On discovering the error, Anand Steels issues a debit note for the shortfall of ₹10,00,000 along with the corresponding GST amount, thereby enhancing its output tax liability to reflect the correct value of supply.

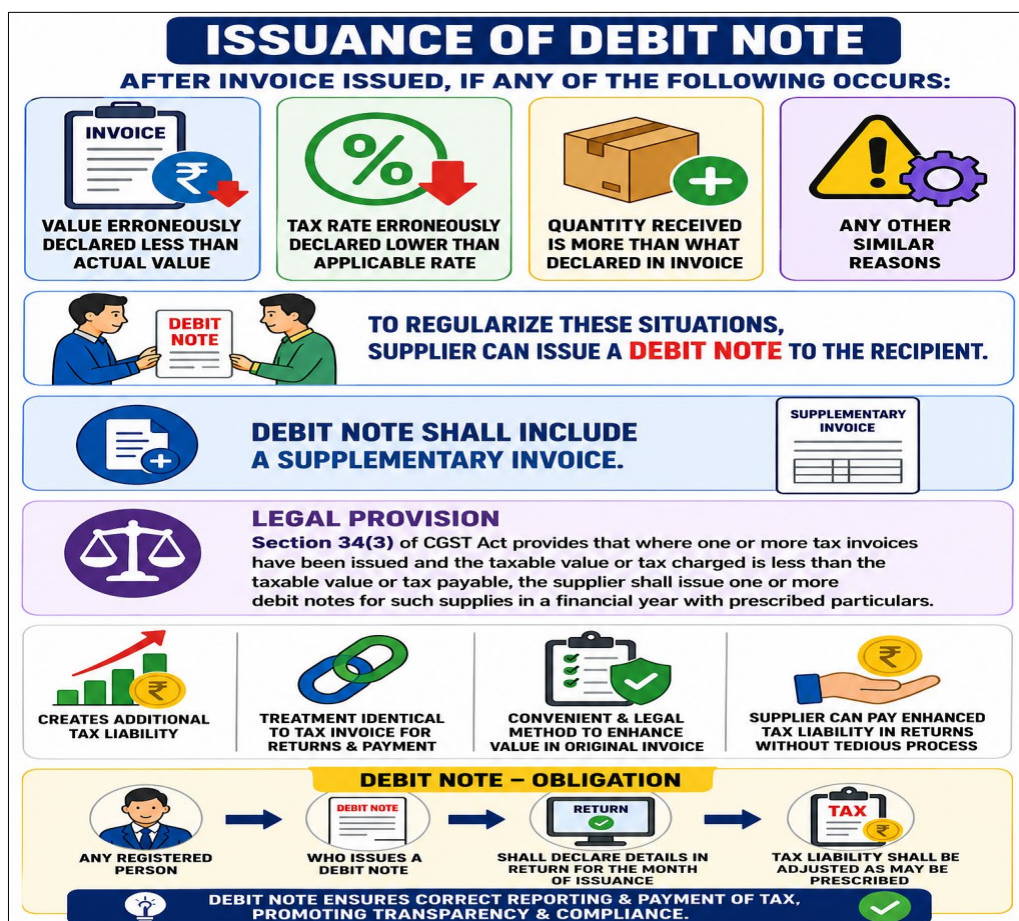
(40) Meera Electronics supplies air conditioners taxable at 18% GST, but mistakenly charges only 5% GST on the original invoice due to an incorrect HSN code mapping in the billing system. Since the tax actually charged (5%) is less than the tax payable (18%) on this supply, Meera Electronics issues a debit note for the differential tax amount (13% of invoice value), thereby correcting its tax liability upward to the applicable 18% rate.

(41) Om Ltd. issues a tax invoice for 500 bags of cement dispatched to a construction site. However, upon physical verification at the site, the recipient finds that 520 bags were actually delivered (20 bags in excess of what was invoiced, perhaps due to a loading error at the warehouse). Since the recipient has received more goods than what was originally invoiced, Om Ltd. issues a debit note for the value and tax corresponding to these additional 20 bags.

(42) Suresh Machinery Pvt. Ltd. supplies an industrial machine along with ancillary installation services, but subsequently, the customer requests certain

additional customization work after the original invoice has already been raised, agreeing to pay an extra ₹2,00,000 for this additional scope. Since this additional consideration relates to the same supply/contract and increases the value beyond what was originally invoiced, Suresh Machinery Pvt. Ltd. issues a debit note for ₹2,00,000 plus applicable GST, to account for this enhanced value of supply.

(43) Continuing the Anand Steels example, the debit note issued for ₹10,00,000 (value) plus ₹1,80,000 GST (at 18%) is treated exactly like a regular tax invoice for return-filing purposes. Anand Steels must report this debit note in its GSTR-1 for the month/period in which it is issued and pay the additional ₹1,80,000 GST through its GSTR-3B for that period, just as it would for any fresh outward supply, without needing to revise or reopen the original invoice or undertake any separate rectification 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) 30th November 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.

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.

III. 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:–

Name, address and GSTIN of the supplier.
Nature of the document.
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.
Date of issue of the document.
Name, address and GSTIN or UIN, if registered, of the recipient.

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.

Serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply.

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

Signature/digital signature of the supplier/his authorized representative.

ILLUSTRATION 3

Kartik & Co., a registered supplier under GST, provides the following information regarding various tax invoices issued by it during the month of March:

- (i) *Value of supply charged in invoice no. 1 was ₹2,50,000 against the actual taxable value of ₹2,30,000.*
- (ii) *Tax charged in invoice no. 4 was ₹32,000 against the actual tax liability of ₹68,000 due to wrong HSN code being chosen while issuing invoice.*
- (iii) *Value charged in invoice no. 8 was ₹3,20,000 as against the actual value of ₹4,20,000 due to wrong quantity considered while billing.*

Kartik & Co. asks you to answer the following:

- (1) *Who shall issue a debit/credit note under the CGST Act, 2017 in each of the above circumstances?*
- (2) *Whether debit note or credit note has to be issued in each of the above circumstances?*
- (3) *What is the maximum time-limit available for declaring the credit note in the GST Return?*

ANSWER

- (1) The debit/credit note shall be issued by the registered person who has supplied the goods and/or services, i.e. Kartik & Co. in all the cases.

- (2) Yes, debit/credit note need to be issued in each of the circumstances as under:
 - (i) A credit note is required to be issued as the taxable value in invoice no. 1 exceeds the actual taxable value.
 - (ii) A debit note is required to be issued as the tax charged in the invoice no. 4 is less than the actual tax payable.
 - (iii) A debit note is required to be issued as the value of supply charged in the invoice no. 8 is less than the actual value.
- (3) The details of the credit note cannot be declared later than **30th November** 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.



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 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.



(44) Rujuta is engaged in providing grooming services. She is not registered under GST law as her turnover is below the threshold limit. Rujuta cannot collect tax on the grooming services provided by her as a person who is not a registered person cannot collect any amount by way of tax under GST law in respect of any supply of goods or services or both.

(45) Dhriti Bakers supplies fresh bread which is fully exempt from GST. However, while billing a bulk order to a hotel, Dhriti Bakers adds GST @ 5% on the invoice and collects this amount from the hotel.

Since the supply itself is exempt, no tax is payable at all and hence, collecting any amount as "tax" on this supply, whether Dhriti Bakers is registered or not, amounts to unauthorised collection of tax under section 32 and the amount so collected must be deposited with the Government.



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.



(46) Om Electronics makes an intra-State supply of a washing machine for a total price of ₹23,600 (Value + GST @ 18%). On the tax invoice, Om Electronics must prominently and separately indicate:

Taxable value: ₹20,000

- CGST @ 9%: ₹1,800
- SGST @ 9%: ₹1,800
- Total invoice value: ₹23,600

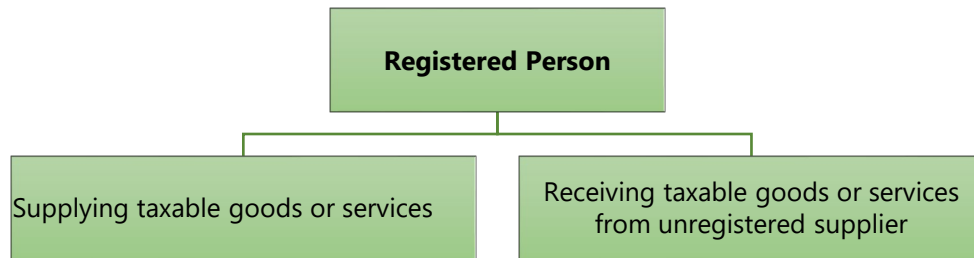
This separate, prominent disclosure of the tax amount, which forms part of the overall price, is mandatory under section 33, so that the customer clearly knows how much of the total price represents tax.

(47) Priya Furniture Mart sells a sofa set to a customer for a lump-sum, all-inclusive price of ₹47,200, without breaking up the invoice into taxable value and tax amount. The bill simply says "Total amount payable: ₹47,200," with no mention of GST separately. Even though GST is legally embedded within this ₹47,200 (since it is a consideration for a taxable supply), failing to prominently indicate the tax component separately on the invoice violates section 33, since the law requires the tax amount to be clearly and separately shown in all documents relating to assessment, tax invoice, and similar documents, not merged invisibly into a single composite figure.

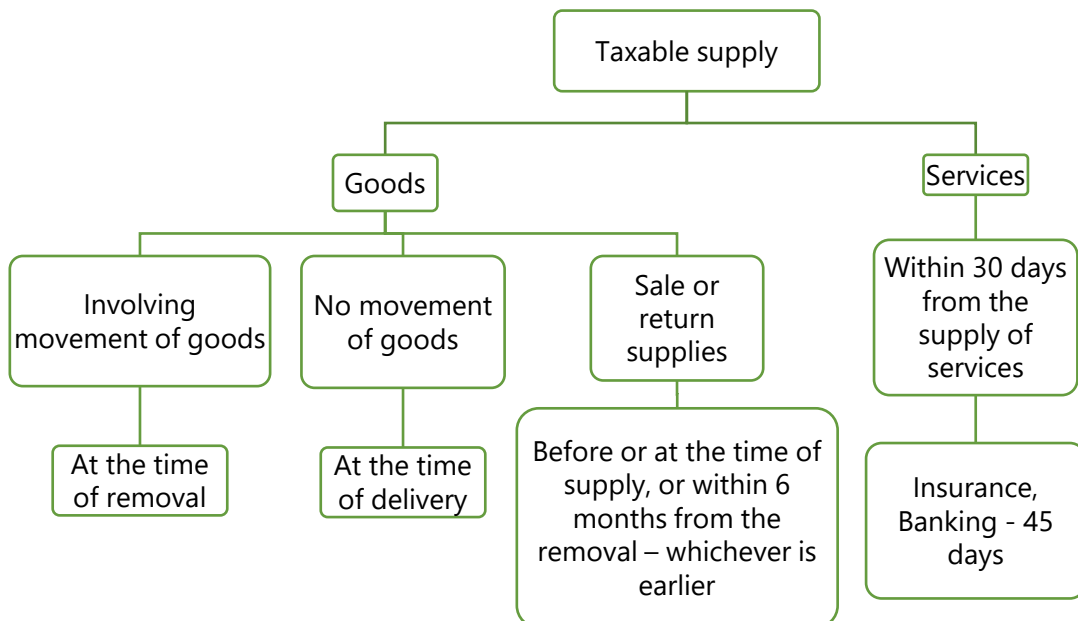


LET US RECAPITULATE

Who can raise a tax invoice?



Time limit for issuance of invoice



In case of
continuous
supply of goods

• before/at the time each successive statements of accounts is issued or each successive payment is received

In case of
continuous
supply
services

due date of payment is ascertainable from the contract	on/before due date of payment
not so ascertainable	before/at the time of receipt of payment
payment is linked to the completion of an event	on/before the date of completion of that event

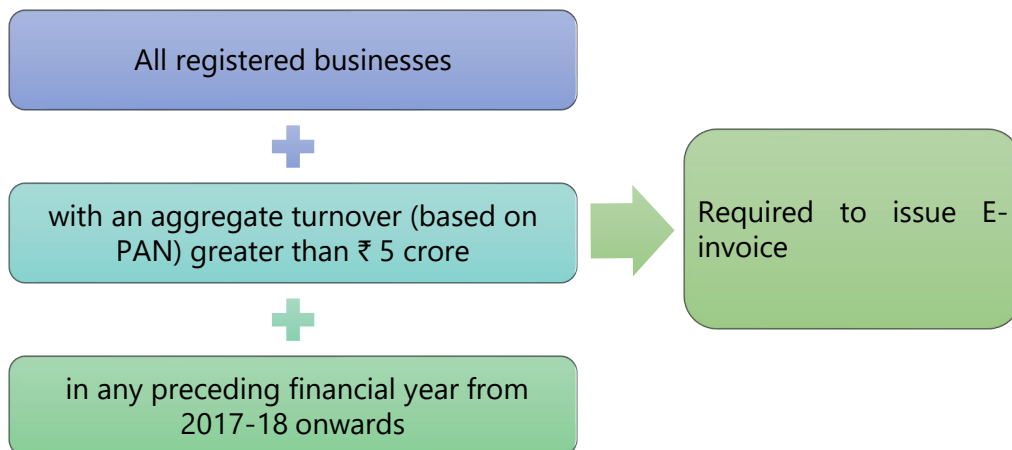
Important contents of tax invoice

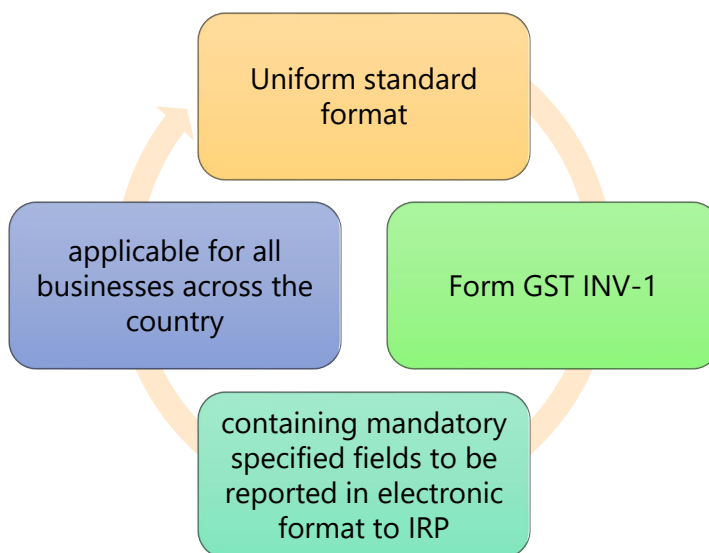
Name, address & GSTIN of supplier	Consecutive Serial Number & date of issue	Name, address & GSTIN of recipient, if registered	Name & address of recipient alongwith delivery address , name & State code, if not registered
HSN	Description of goods or services	Quantity in case of goods	Total Value of supply
Taxable Value of supply	Tax rate – Central tax & State tax or Integrated tax, cess	Amount of tax charged	Place of supply
Address of delivery where different than place of supply	Tax payable on reverse charge basis	Signature of supplier or authorised signatory - not req. if e-invoice issued as per IT Act, 2000	QR code having embedded IRN in it - in case if e-invoice issued

Manner of issuing the invoice

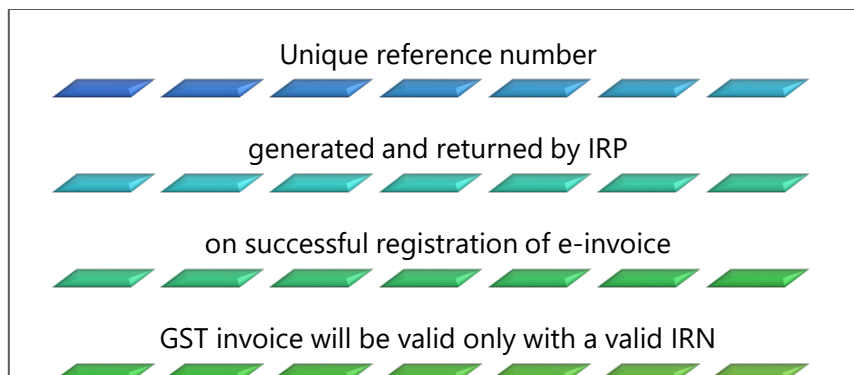
Supply of Goods	Supply of services
Triplicate	Duplicate
Original copy for recipient Duplicate copy for transporter; and Triplicate copy for supplier	Original copy for recipient; and Duplicate copy for supplier
The serial number of invoices issued during a month / quarter shall be furnished electronically in FORM GSTR-1.	

E-invoicing

A. Class of persons mandatorily required to issue e-invoice [Notified Taxpayers]

B. Important terms**E-invoice schema****Invoice Registration Portal [IRP]**

website
for uploading or reporting of invoices
by notified persons

Invoice Reference Number [IRN]

C. Advantages of e-invoicing

Auto-reporting of invoices into GST return	
Auto-generation of e-way bill	
Substantial reduction in transcription errors	
Early payment	
Cost reduction	
Improved efficiency of business	
Reduction of tax evasion	
Elimination of fake invoices	

D. Situations in which e-invoices are applicable

Supply of goods and/or services to a registered person by notified person [B2B supplies]	•Applicable
Exports by notified persons	•Applicable
B2C supplies by notified persons	•Not applicable
Invoices issued by Input Service Distributor	•Not applicable
Supplies made by notified person, tax on which is payable under reverse charge under section 9(3)	•Applicable
Where specified category of supplies are received by notified persons from unregistered persons [attracting reverse charge under section 9(4)] or through import of services	•Not applicable
Import of goods (Bills of Entry)	•Not applicable

E. No requirement of issuing invoice copies in triplicate/duplicate

Where e-invoicing is applicable



No need of issuing invoice copies in triplicate/duplicate

F. Exemption from e-invoicing

Special Economic Zone units

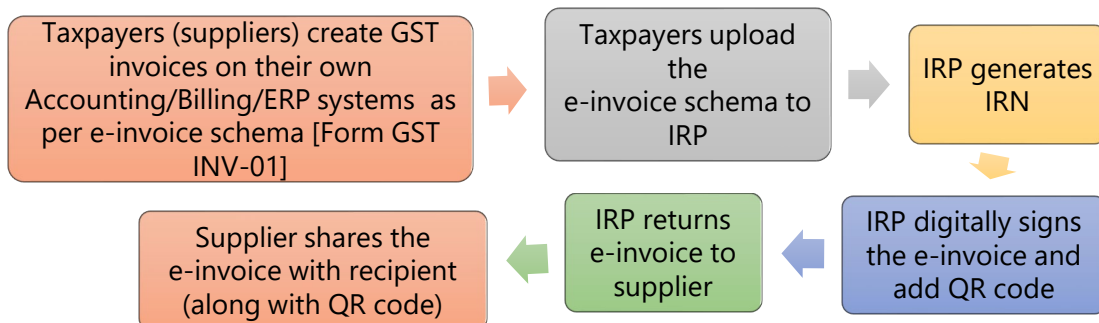
Insurer/banking company/financial institution including NBFC

GTA supplying services in relation to transportation of goods by road in a goods carriage

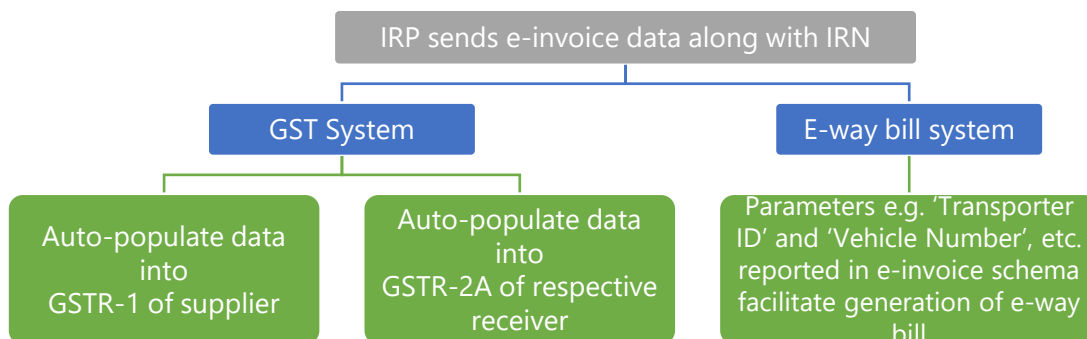
Supplier of passenger transportation service

Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens

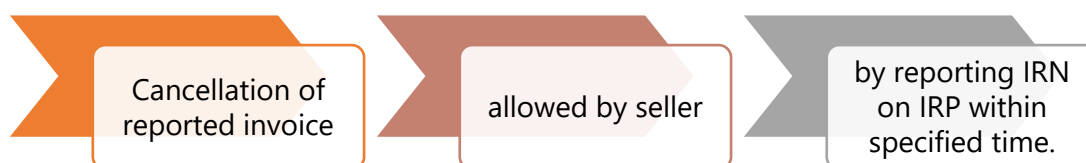
Government Department and local authority

G. Overall work flow of e-invoice

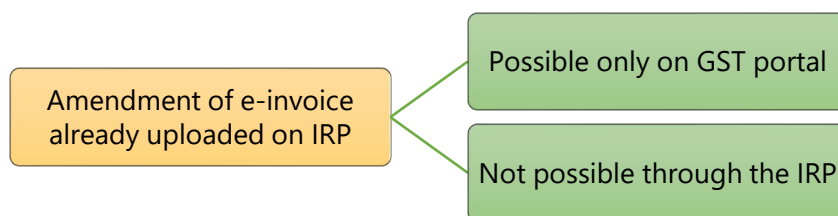
H. Generation of e-way bill/populating relevant parts of GST return through e-invoicing data



I. Cancellation of reported invoice

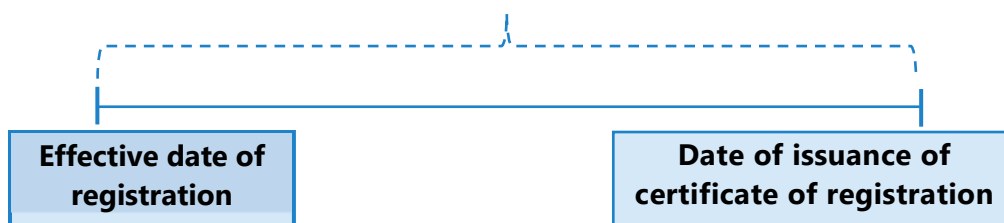


J. Amendment of reported invoice



Revised Tax Invoice

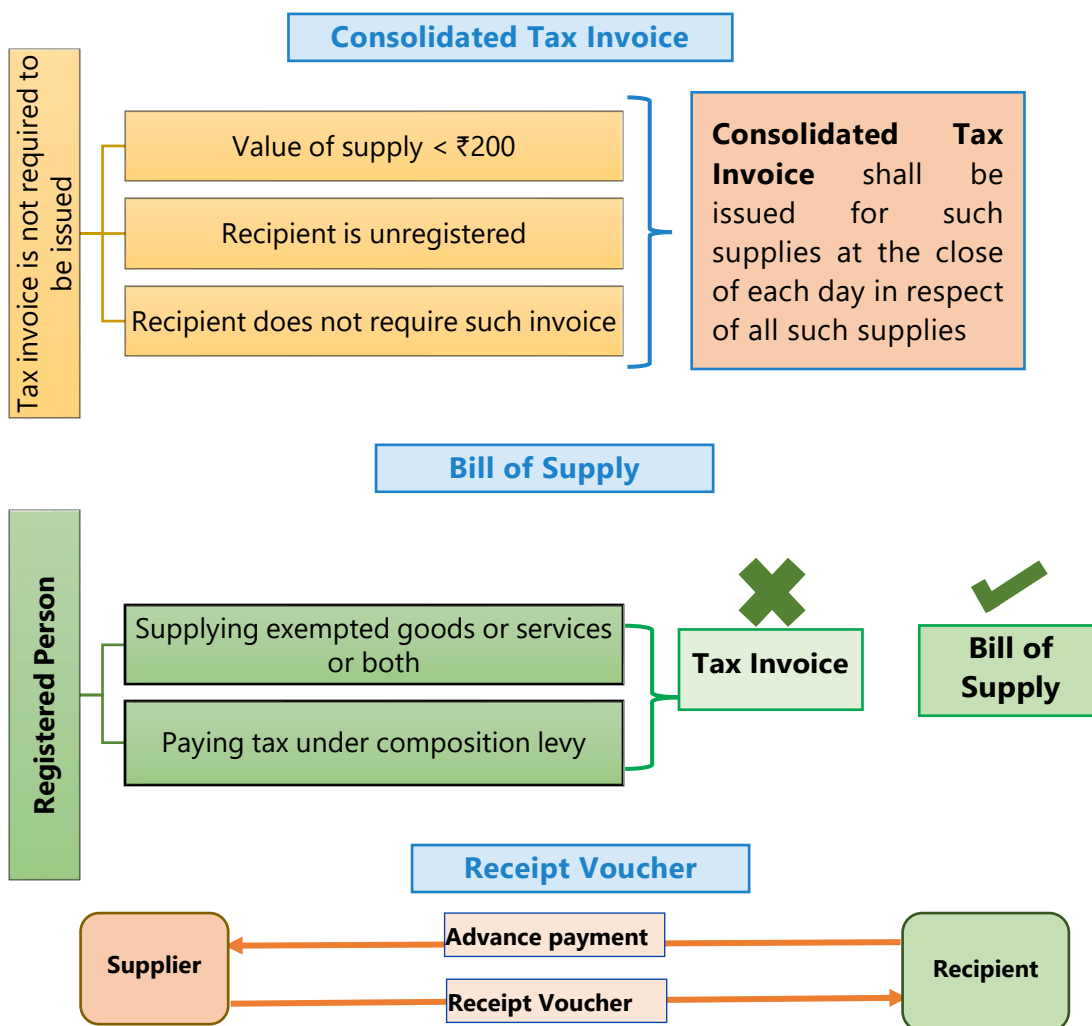
Revised Tax Invoices to be issued in respect of taxable supplies effected during this period



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



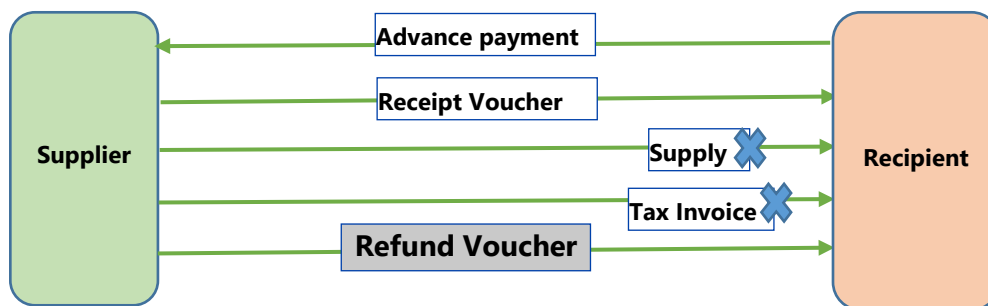
In case of Inter-State supplies, where the value of a supply does not exceed ₹ 2,50,000, a **CRTI** may be issued separately in respect of all unregistered recipients located in a State.



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

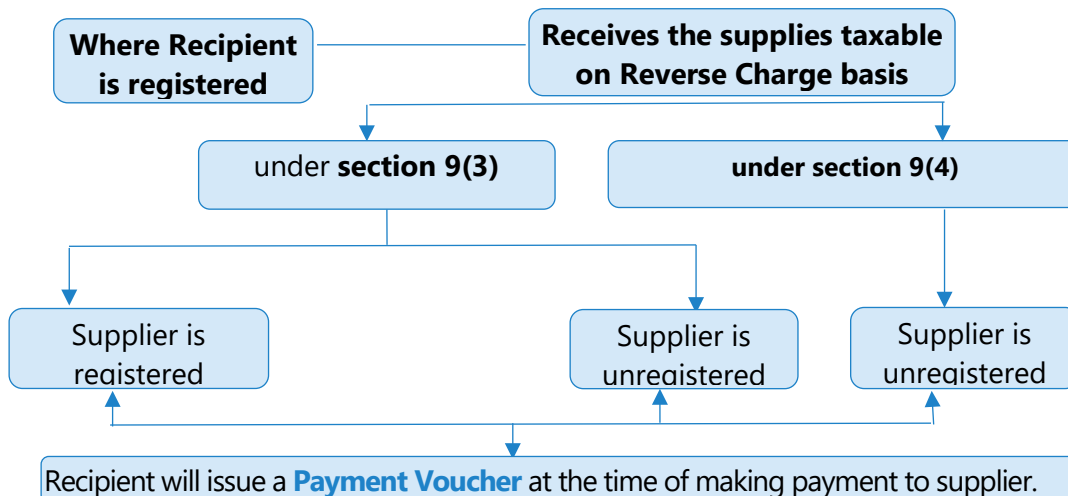
Where at the time of receipt of advance	
(i) rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii) nature of supply is not determinable	same shall be treated as inter-State supply

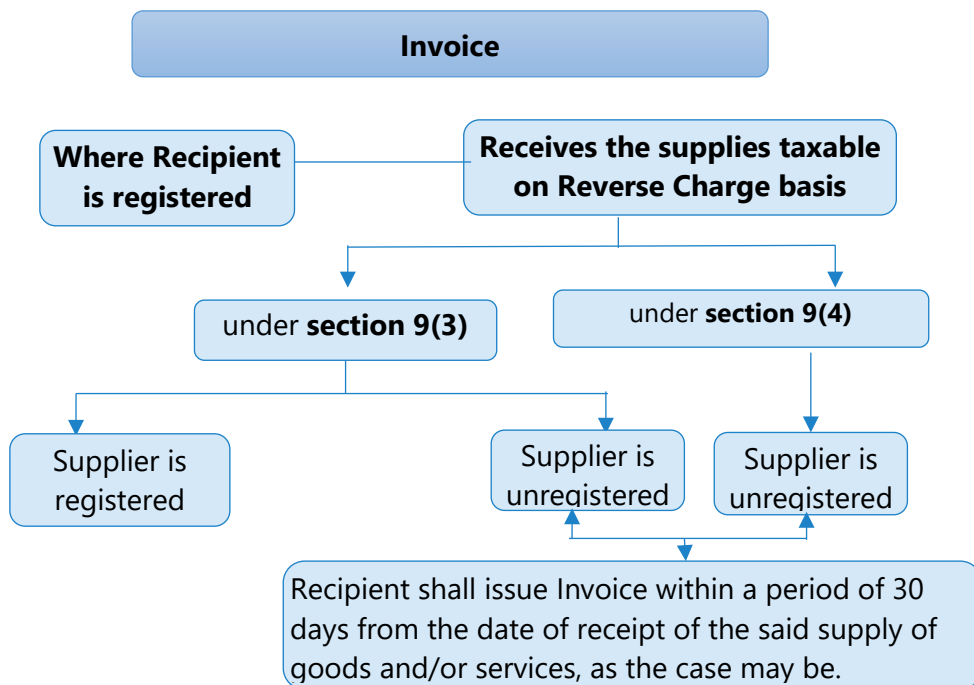
Refund Voucher



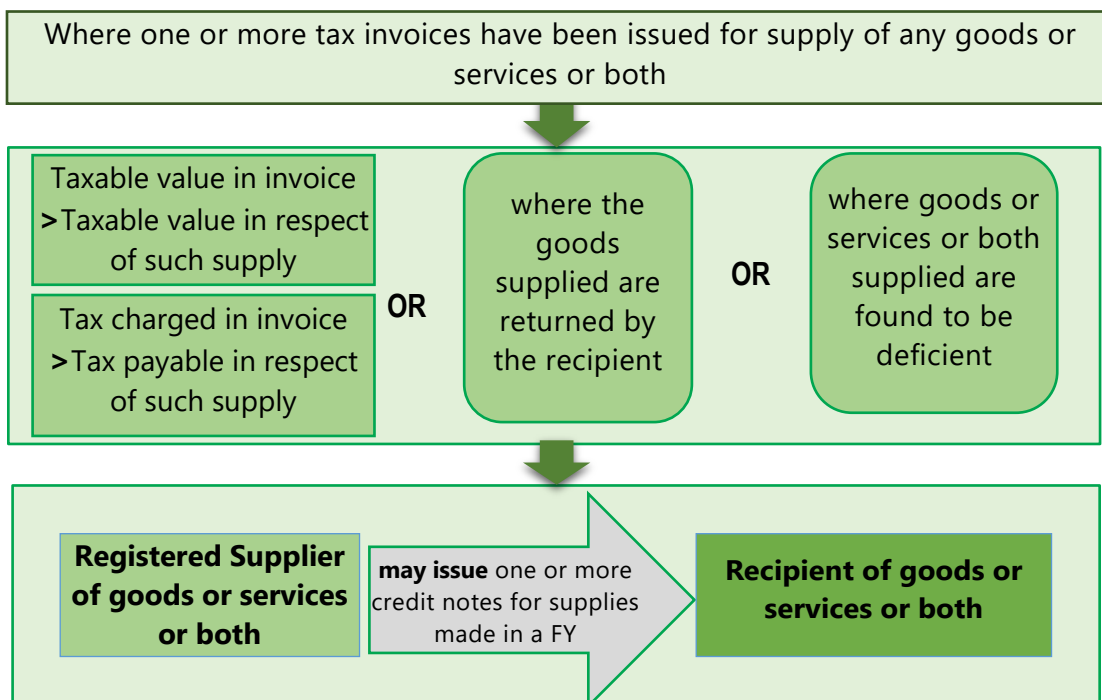
Invoice and payment vouchers to be issued by recipient of supply liable to pay tax under reverse charge

Payment Voucher





Credit Notes



Debit Notes

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

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

Tax charged in invoice < Tax payable in respect of such supply

**Registered Supplier
of goods or services
or both**

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

**Recipient of goods or
services or both**

**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 for supply to Prakash Entrepreneurs. Determine the date by which tax 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?*
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 advise 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. *Royal Fashions, a registered supplier of designer outfits in Delhi, decides to exhibit its products in a Fashion Show being organised at Hotel Park Royal, Delhi on 4th January. For the occasion, it gets the service by way of makeover of its models from Aura Beauty Services Ltd., Ashok Vihar, on 4th January, for which a consideration of ₹ 5,00,000 (excluding GST) has been charged. Aura Beauty Services Ltd. issued a duly signed tax invoice on 10th February showing*

the lumpsum amount of ₹ 5,90,000 inclusive of CGST and SGST @ 9% each for the services provided. Answer the following questions:

- (i) Examine whether the tax invoice has been issued within the time limit prescribed under law.
 - (ii) Tax consultant of Royal Fashions objected to the invoice raised suggesting that the amount of tax charged in respect of the taxable supply should be shown separately in the invoice raised by Aura Beauty Services Ltd. However, Aura Beauty Services Ltd. contended that there is no mandatory requirement of showing tax component separately in the invoice. You are required to examine the validity of the objection raised by tax consultant of Royal Fashions.
6. Kidzee Toys Ltd., a wholesaler of toys registered in Chandigarh, is renowned in the local market for the variety of toys and their reasonable prices. Kidzee Toys Ltd. makes supply of 100 pieces of baby's learning laptops and chat learning phones to Nancy General Store on 25th September by issuing a tax invoice amounting to ₹ 1,00,000.
- However, the said toys were returned by Nancy General Store on 30th September. Discuss which document Kidzee Toys Ltd. is required to issue in such a case?
7. Rana Sanga Ltd., a registered supplier, has made following taxable supplies to its customer Babur in the quarter ending 30th June.

Date	Bill No.	Particulars	Invoice value (including GST)[₹]
5 th April	102	Notebooks [10 in numbers]	1,200
10 th May	197	Chart Paper [4 in number]	600
20 th May	230	Crayon colors [2 packets]	500
2 nd June	254	Poster colors [5 packets]	900
22 nd June	304	Pencil box [4 sets]	700

Goods in respect of bill no. 102, 230 and 254 have been returned by Babur. You are required to advise Rana Sanga Ltd. whether it can issue a consolidated credit note against all the three invoices?

- 8. Chidanand Products Pvt. Ltd. is a registered supplier who has opted for composition levy in the current financial year. He wishes to know whether the issue of a bill of supply can be dispensed with under any circumstances. You are required to advise him.*
- 9. A registered person has to mandatorily issue separate invoices for taxable and exempted goods when supplying both taxable as well as exempted goods to an unregistered person. Examine the validity of the statement.*
- 10. A non-banking financial company can issue a consolidated tax invoice at the end of every month for the supply made during that month. Examine the validity of the statement.*
- 11. Sakthi Enterprises, Kolkata entered into a contract with Suraj Enterprises, Surat for supply of goods and the delivery shall be made on or before 31st October. The goods were removed from the factory at Kolkata on 11th October for supply to Suraj Enterprises. As per the agreement, the goods were to be delivered on or before 31st October. Suraj Enterprises has received the goods on 14th October. Determine the time of issue of invoice as per the provisions of CGST Act.*
- 12. Trust and Fun Ltd., an event management company, has provided its services for an event at Kapoor Film Agencies, Mumbai on 5th June. Payment for the event was made on 19th June. Determine the time of issue of invoice as per the provisions of CGST Act.*
- 13. Udai Singh, a registered supplier, has received advance payment with respect to services to be supplied to Sujamal. His accountant asked him to issue the receipt voucher with respect to such services to be supplied. However, he is apprehensive as to what would happen in case a receipt voucher is issued, but subsequently no services are supplied. You are required to advise Udai Singh regarding the same.*
- 14. Bhoj Raj, a registered person, has availed GTA services from unregistered supplier, on which he is liable to pay tax under reverse charge. He wishes to know whether he is required to issue an invoice. Please advise him discussing the relevant provisions under CGST Act and rules thereunder.*

15. (a) *Fashion Queen Ltd., registered under GST and dealing in baby products has an aggregate turnover of ₹ 9 crore in the preceding financial year. The tax consultant of Fashion Queen Ltd. advised it to issue e-invoices mandatorily. However, Fashion Queen Ltd. is of the view that since it's aggregate turnover is less than the threshold limit applicable for e-invoicing, it is not required to issue e-invoices. You are required to comment upon the validity of the advice given by tax consultant.*
- (b) *Public Works Department (PWD), Government of Uttar Pradesh, a Government Department registered under GST has an aggregate turnover of ₹ 52 crore in the preceding financial year. You are required to comment whether Ministry of Communications and Information Technology is required to issue e-invoices in the current financial year?*



ANSWERS

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 tax 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, 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, 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 the CGST Rules, 2017].
5. (i) As per section 31 read with the CGST Rules, in case of taxable supply of services, invoices should be issued before or after the provision of service, but within a period of 30 days [45 days in case of insurer/ banking company or financial institutions including NBFCs] from the date of supply of service.

In view of said provisions, in the present case, the tax invoice should have been issued in the prescribed time limit of 30 days from the date of supply of service i.e. upto 3rd February. However, the invoice has been issued on 10th February.

- (ii) Section 31 read with the CGST Rules, inter alia, provides that tax invoice in addition to other mandatory details shall also contain the amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess). Further, 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 charged in respect of taxable goods or services which shall form part of the price at which such supply is made.

The objection raised by the tax consultant of Royal Fashions suggesting that the amount of tax charged in respect of the taxable supply of makeover services should be shown separately in the invoice raised by Aura Beauty Services Ltd., is valid in law.

6. Kidzee Ltd. is required to issue a credit note in such a case.

As per section 34, where one or more tax invoices have been issued for supply of any goods or services or both and the goods supplied are returned by the recipient 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. Therefore, Kidzee Ltd. is required to issue a credit note to Nancy General Store for the good returned.

7. Where one or more tax invoices have been issued for supply of any goods and/or services and

- (a) the taxable value/tax charged in that tax invoice is found to exceed the taxable value/tax payable in respect of such supply, or
- (b) where the goods supplied are returned by the recipient, or
- (c) where goods and/or services supplied are found to be deficient,

the registered person, who has supplied such goods and/or services, may issue to the recipient one or more credit notes for supplies made in a financial year containing prescribed particulars.

Thus, one (consolidated) or more credit notes can be issued in respect of multiple invoices issued in a financial year without linking the same to individual invoices.

Hence, in view of the above-mentioned provisions, Rana Sanga Ltd. can issue a consolidated credit note for the goods returned in respect of all the three invoices.

8. Yes. Chidanand Products Pvt. Ltd. may not issue a bill of supply if the value of the goods or services or both supplied is less than ₹ 200 subject to the condition that:

- (a) the recipient is not a registered person; and
- (b) the recipient does not require such bill of supply,

and he shall issue a consolidated bill of supply for such supplies at the close of each day in respect of all such supplies.

9. The statement is not valid in law. As per the CGST Rules, 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.

10. The said statement is valid in law. A customer may avail numerous services from a non-banking financial company in a given tax period. It 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.

11. A registered person supplying taxable goods shall issue a tax invoice, before or at the time of removal of goods for supply to the recipient, where the supply involves movement of goods.

Therefore, in the given case, invoice has to be issued on or before, 11th October (the time of removal of goods).

12. A registered person [other than an insurer/banking company/financial institution, including an NBFC] supplying taxable services shall issue a tax invoice before or after the provision of service, but within a period of 30 days from the date of supply of service.

Thus, in the given case, invoice has to be issued within 30 days of 5th June (date of supply of service), i.e. on or before, 5th July.

- 13.** Udai Singh is required to issue a receipt voucher at the time of receipt of advance payment with respect to services to be supplied to Sujamal. A receipt voucher is a document evidencing receipt of advance money towards a supply of goods and/or services or both. A registered person, on receipt of advance payment with respect to any supply of goods or services or both, shall issue a receipt voucher or any other document, evidencing receipt of such payment.

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. Therefore, in case subsequently no services are supplied by Udai Singh, and no tax invoice is issued in pursuance thereof, Udai Singh may issue a refund voucher against such payment to Sujamal.

- 14.** Bhoj Raj is required to issue an invoice with regard to the GTA services availed by him. A registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 (i.e. where the recipient is liable to discharge GST on reverse charge basis) shall within the prescribed period 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.

Further, the time limit for issuing tax invoice in case of reverse charge mechanism supplies has been prescribed in rule 47A.

Rule 47A provides that where an invoice referred to in rule 46 is required to be issued under clause (f) of section 3(3) by a registered person, who is liable to pay tax under section 9(3)/9(4), he shall issue the said invoice within a period of 30 days from the date of receipt of the said supply of goods and/or services, as the case may be.

Thus, invoice is to be issued by Bhoj Raj within a period of 30 days from the date of receipt of GTA services.

- 15. (a)** E-invoicing is mandatory for all registered businesses (except specified class of persons) with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ₹ 5 crore, in respect of B2B supplies (supply of goods or services or both to a registered person) or

for exports. Thus, the advice given by tax consultant of Fashion Queen Ltd. for issuance of e-invoices mandatorily in the current financial year is valid in law as the aggregate turnover of Fashion Queen Ltd. has exceeded the threshold limit i.e. ₹ 5 crore in the preceding financial year.

- (b)** Following entities are exempt from the mandatory requirement of e-invoicing:
- ☐ Special Economic Zone units
 - ☐ Insurer or banking company or financial institution including NBFC
 - ☐ GTA supplying services in relation to transportation of goods by road in a goods carriage
 - ☐ Supplier of passenger transportation service
 - ☐ Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens
 - ☐ Government Department and a local authority

Thus, above mentioned entities are not required to issue e-invoices even if their turnover exceeds ₹ 5 crore in the preceding financial year from 2017-18 onwards.

Thus, Public Works Department (PWD), Government of Uttar Pradesh, being a Government Department is not required to issue e-invoices in the current financial year even if it's aggregate turnover has exceeded ₹ 5 crore.

R A P I D FIRE Q U I Z

1

•Is it correct that NBFC has to mandatorily issue e-invoice?

2

•Physical copy of tax invoice is to be mandatorily carried even in cases where e-invoice has been generated by the supplier. Is it valid in law?

3

•Is it correct that a registered person may not issue a tax invoice, if value of services supplied to unregistered recipient is less than ₹ 200?

4

•Which document is required to be issued by a registered person paying tax under composition levy?

5

•What will be the rate of tax if at the time of receipt of advance, it is not determinable?

6

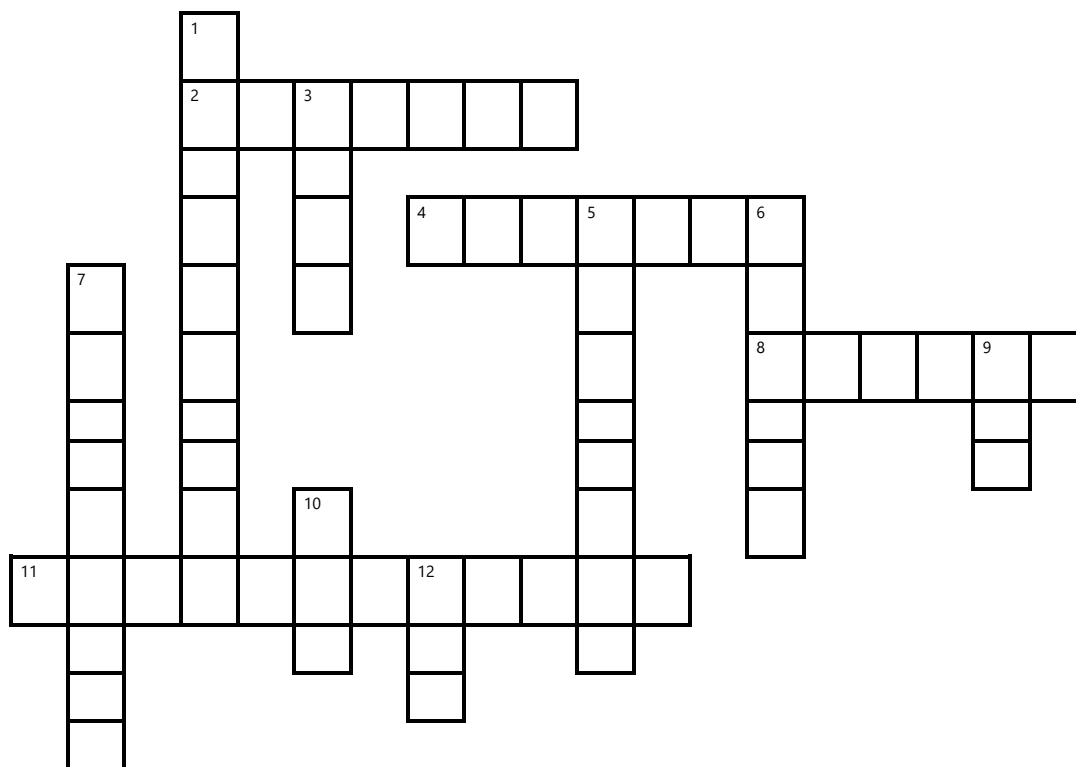
•What will be the nature of supply if at the time of receipt of advance it is not determinable?

7

•Which document is required to be issued in case of transportation of goods for reasons other than supply without invoice?

8

Which document is required to be issued if post issuance of invoice, quantity received by recipient is less than what has been declared in the tax invoice?

**ACROSS**

2. Invoice shall be issued before or at the time of _____ of goods for supply to the recipient, where the supply involves movement of goods.
4. A registered person on receipt of advance payment with respect to any supply of goods shall issue a _____ Voucher.
8. Where tax invoice has been issued for supply of any goods and goods supplied are found to be deficient, the registered person may issue _____ note.
11. Dynamic QR code is not applicable to an invoice issued to an _____ person by Insurer.

DOWNWARDS

1. Invoice shall be prepared in _____ in case of taxable supply of goods.
3. Name and address of the recipient and the address of delivery, along with the name of State and its code is mandatory for tax invoice, if recipient is unregistered and value of supply is ₹ 50,000 or _____.
5. A registered person supplying _____ services is required to issue a bill of supply.
6. In case of supplier of passenger transportation service, tax invoice shall include _____ in any form, by whatever name called.
7. Supplier of _____ transportation service are exempt from the mandatory requirement of e-invoicing.
9. _____ is the website for uploading/reporting of invoices by the notified persons. (Acronym)
10. Where the goods being sent on approval for sale are removed before the supply takes place, the invoice shall be issued before/at the time of supply or _____ months from the date of removal, whichever is earlier.
12. The aggregate total turnover of a company with the turnover of ₹ 4 crore in DTA unit and turnover of ₹ 6 crore in SEZ unit (both having same PAN) in preceding year is ₹ _____ crore and thus, e-invoicing is applicable for said company.

AMENDMENTS MADE VIDE THE FINANCE ACT, 2026

The Finance Act, 2026 has come into force from 30.03.2026. However, most of the amendments made under the CGST Act and the IGST Act vide the Finance Act, 2026 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 30.04.2026. Therefore, the applicability or otherwise of such amendment for May 2027, September 2027 and/or January 2028 examinations shall be informed by the ICAI by way of an announcement.

In the table given below, the existing provisions of section 34(1) of the CGST Act, 2017 are compared with the provisions as amended by the Finance Act, 2026.

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

Section 34	Existing provisions	Provisions as amended by the Finance Act, 2026	Remarks
(1)	<i>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 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,</i>	<i>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 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</i>	Section 34 is to be amended so as to include the reference of section 15 in the said section.

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.

found to be deficient or where a discount referred to in clause (b) of sub-section (3) of section 15 is given, 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.