

Tax Invoice, Credit and Debit Notes

8 Introduction

Invoice is documentary evidence in support of a transaction entered into books of account for the purpose of recording revenue and confirm among other things nature of supplies made by the supplier. GST Acts give immense importance to invoice and named it as tax invoice because it is one of the most important documents on the basis of which tax credit is availed by the recipient of goods or services or both (GSB). An “invoice” or “tax invoice” is a document issued to the addressee/recipient specifying, amongst other things, the description of taxable goods or services or both as well as value of taxable supply. “Invoice” or “tax Invoice” is usually issued after the completion of the supply of goods or services or both.

8.1 Tax Invoice - Section 31

	<u>Time limit for issue of tax invoice in case of supply of taxable goods</u>	
31(1)	(a)	<u>Where the supply involves movement of goods</u> Before or at the time of removal of goods for supply to the recipient.
	(b)	<u>In any other case</u> Before or at the time of delivery of goods or making available the goods to therecipient
Proviso	<u>Specified categories of goods or supplies as may be notified by the Government</u> Within prescribed time and manner	
31(2)	<u>Time limit for issue of tax invoice in case of supply of taxable services</u> Before or after the provision of service but within period, prescribed under Rule 47.	
Rule 47	<u>Where the supplier of services is any person other than an insurer or a banking company or a financial institution including a non-banking financial company</u> Within a period of 30 days from the date of supply of service.	
First proviso to 47	<u>Where the supplier of services is an insurer or a banking company or a financial institution including a non-banking financial company</u> Within a period of 45 days from the date of supply of service.	
Second proviso to 47	<u>Supply of services between distinct persons as specified in Section 25</u> The following suppliers of services shall fall within the ambit of this proviso:	
	(a)	Where the supplier of services is an insurer: or
	(b)	Where the supplier is a banking company or a financial institution including a non-banking financial company; or
	(c)	Where the supplier is a telecom operator; or
	(d)	Any other class of supplier of services as may be notified by the Government
Any of the above suppliers shall issue an invoice to distinct persons as specified in Section 25(4), before or		

at the time such supplier records the supply in his books of account or before the expiry of the quarter during which the supply was made.

Issuance of revised invoice, bill of supply, receipt voucher, refund voucher, invoice under RCM and payment voucher etc.

31(3)	(a)	<p><u>Time limit for issue of revised tax invoice-</u> read with Rule 53(2) A 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 in respect of taxable supplies affected during the period beginning from the effective date of registration till the date of issuance of certificate of registration to him. Revised invoice(s) shall be issued within one month from the date of issuance of certificate of registration.</p> <p><u>First proviso to Rule 53(2) - Issue of a consolidated revised tax invoice</u> A consolidated revised tax invoice may be issued in respect of all taxable supplies made to an unregistered recipient during above mentioned period given in Rule 53(2).</p> <p><u>Second proviso to Rule 53(2) - Issue of state-wise revised tax invoice</u> In case of inter-State supplies, where the value of supply does not exceed Rs. 2,50,000/- a consolidated revised tax invoice may be issued separately in respect of all unregistered recipients located in a State.</p>		
	(b)	<p><u>No tax invoice to be issued if value is less than Rs.200/-</u> Where the value of goods or services or both supplied is less than Rs. 200, a registered person may not issue a tax invoice subject to the satisfaction of the following cumulative conditions, namely: -</p>		
		(a)	The recipient is not a registered person; and	
		(b)	The recipient does not require such invoice/bill of supply	
	<p>However, the registered person shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies. Thus, instead of issuing several invoices of less than Rs. 200 each, the registered person shall be required to issue a consolidated invoice for each day</p>			
	(c)	<p><u>Issue of bill of supply</u> In each of the following independent situations, instead of a tax invoice, a bill of Supply shall be issued by a registered person:</p>		
		(a)	When exempted goods or services or both shall be supplied; or	
		(b)	When tax shall be paid under Composition Levy	
	Proviso	<p><u>Where the value of exempted goods or services or both is less than Rs 200, the registered person may not issue a bill of supply</u></p>		
	(d)	<p><u>Issue of a receipt voucher</u> On receipt of advance payment with respect to any supply of goods or services or both, a registered person shall issue a receipt voucher or any other document, evidencing receipt of payment.</p>		
(e)	<p><u>Issue of a refund voucher</u> Sometimes, after issue of a receipt voucher in terms of Section 31(3) (d) as discussed above, no supply is made subsequently and no tax invoice is issued in pursuance thereof. In such a case, the registered person may issue a refund voucher to the person who had made the payment earlier in the form of advance.</p>			

	(f)	<p><u>Issue of invoice by a registered person liable to pay tax under reverse charge</u> A registered person who is liable to pay tax on reverse charge basis under Section 9(3) or Section 9(4) of the CGST Act/Section 5(3) or Section 5(4) of the IGST Act, shall issue an invoice in respect of goods or services or both received by him from unregistered supplier on the date of receipt of goods or services or both.</p> <p>In terms of proviso to Rule 46, a registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of section 9/Section 5(4), the aggregate value of such supplies exceeds rupees five thousand in a day from any or all the suppliers.</p>
	(g)	<p><u>Issue of a payment voucher by a registered person liable to pay tax under reverse charge</u> Where a registered person is liable to pay tax under Reverse Charge, then such person shall issue a payment voucher at the time of making payment to the supplier.</p>
	Particulars of a revised tax invoice	
	(a)	The word “Revised Invoice”, wherever applicable, indicated prominently;
	(b)	Name, address and Goods and Services Tax Identification Number of the supplier;
Rule 53(1)	(c)	<u>With effect from 01.02.2019</u> Omitted vide N. No. 03/2019-CT, dated 29.01.2019
		<u>For the period 01.07.2017 to 31.01.2019</u> Nature of the documents
	(d)	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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;
	(e)	Date of issue of the document;
	(f)	Name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
	(g)	Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is unregistered;
	(h)	Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
	(i)	<u>With Effect From 01.02.2019</u> Omitted vide N. No. 03/2019-CT, dated 29.01.2019
		<u>For the period 01.07.2017 to 30.01.2019</u> Value of taxable supply of goods or services, rate of tax and the amount of tax credited or, as the case may be, debited to the recipient; and
	(j)	Signature or digital signature of the supplier or his authorised representative.
	<u>Applicable with effect from 01.02.2019 -N.No. 03/2019-CT, dated 29.01.2019</u>	
	Particulars of a credit or debit note	
Rule 53(1A)	(a)	Name, address, goods, and services tax identification number of the supplier;
	(b)	Nature of the document;
	(c)	A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerical or special characters-hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;
	(d)	Date of issue of the document;
	(e)	Name, address and goods and services tax identification number or unique identity number, if registered, of the recipient;

	(f)	Name and address of the recipient and the address of delivery, along with the name of state and itscode, if such recipient is un-registered;
	(g)	Serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply;
	(h)	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; and
	(i)	Signature or digital signature of the supplier or his authorized representative.
Rule 10(3)	<p><u>Specific situation in which revised tax invoice cannot be issued</u> Where the applicant has applied for registration after the expiry of 30 days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration. As a consequence, effective date of registration and the date of issuance of certificate of registration shall be same. Thus, the basic condition for issuance of a revised invoice namely there should be a time lag between the effective date of registration and the date of issuance of certification of registration, does not get satisfied. Resultantly, Revised Tax Invoice cannot be issued in the given situation.</p>	
Rule 53(3)	<u>Situations in which an invoice shall contain the words "Input Tax Credit Not Admissible"</u>	
	Any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of any of the following sections shall prominently contain the words " INPUT TAX CREDIT NOT ADMISSIBLE".	
	Section	Heading of section
	74	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized by reason of fraud or any willful misstatement or suppression of facts.
	129	Detention, seizure and release of goods and conveyances in transit.
	130	Confiscation of goods or conveyances and levy of penalty.
Rule 49	Details to be given in the bill of supply	
	(a)	Name, address and GSTIN of the supplier;
	(b)	A consecutive serial number not exceeding sixteen characters, in one or more multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolized as "-" and "/" respectively, and any combination thereof, unique for a financial year;
	(c)	Date of its issue;
	(d)	Name, address and GSTIN or UIN, if registered, of the recipient;
	(e)	HSN code for goods or services;
	(f)	Description of goods or services or both;
	(g)	Value of supply of goods or services or both taking into account discount or abatement, if any; and
	(h)	Signature or digital signature of the supplier or his authorized representative.
First proviso to Rule 49	Proviso to Rule 46 shall, apply to the bill of supply issued under this rule. Proviso to Rule 46 provides thatthe Board may, by notification, specify -	
	(i)	The number of digits of Harmonised System of Nomenclature code for goods or services that aclass of registered persons shall be required to mention, for such period as may be specified in the said notification; and
	(ii)	The class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services, for such period as may be specified in the said notification.
Second proviso to Rule 49	<p><u>Treatment of tax invoice in respect of non- taxable supply under any other Act</u> 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 CGST Act.</p>	

Third Provisoto Rule 49	<p>Applicable with effect from 31.12.2018 - N.No. 74/2018-CT, dated 31.12.2018</p> <p><u>Signature or digital signature not required in case of issuance of an electronic bill of supply</u></p> <p>The signature or digital signature of the supplier or his authorised representative shall not be required with effect from 31.12.2018 in the case of issuance of an electronic bill of supply in accordance with the provisions of the Information Technology Act, 2000.</p>																																		
Fourth Proviso to Rule 49	<p>Applicable with effect from 01.04.2020 - Inserted N. No. 31/2019-CT, dated 28.06.2019, N. No. 71/2019-CT, dated 13.12.2019 and N. No. 72/2019-CT, dated 13.12.2019</p> <p><u>B2C bill of supply issued by registered person whose annual aggregate turnover exceeds Rs. 500 crore to have Quick Response (QR) code</u></p> <p>The Government may specify by Notification that the bill of supply shall have Quick Response (QR) code subject to specified conditions and restrictions. In exercise of aforesaid powers, Government has notified that B2C bill of supply issued by registered person whose aggregate turnover in a financial year exceeds Rs. 500 crore shall have QR Code.</p>																																		
Rule 50	<p><u>Particulars to be contained in Receipt Voucher</u></p> <table border="1" data-bbox="321 730 1466 1350"> <tr> <td data-bbox="321 730 394 772">(a)</td> <td colspan="2" data-bbox="394 730 1466 772">Name, address and GSTIN of the supplier;</td> </tr> <tr> <td data-bbox="321 772 394 919">(b)</td> <td colspan="2" data-bbox="394 772 1466 919">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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;</td> </tr> <tr> <td data-bbox="321 919 394 961">(c)</td> <td colspan="2" data-bbox="394 919 1466 961">Date of its issue;</td> </tr> <tr> <td data-bbox="321 961 394 1003">(d)</td> <td colspan="2" data-bbox="394 961 1466 1003">Name, address and GSTIN or UIN, if registered, of the recipient;</td> </tr> <tr> <td data-bbox="321 1003 394 1045">(e)</td> <td colspan="2" data-bbox="394 1003 1466 1045">Description of goods or services;</td> </tr> <tr> <td data-bbox="321 1045 394 1087">(f)</td> <td colspan="2" data-bbox="394 1045 1466 1087">Amount of advance taken;</td> </tr> <tr> <td data-bbox="321 1087 394 1129">(g)</td> <td colspan="2" data-bbox="394 1087 1466 1129">Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);</td> </tr> <tr> <td data-bbox="321 1129 394 1192">(h)</td> <td colspan="2" data-bbox="394 1129 1466 1192">Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);</td> </tr> <tr> <td data-bbox="321 1192 394 1276">(i)</td> <td colspan="2" data-bbox="394 1192 1466 1276">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;</td> </tr> <tr> <td data-bbox="321 1276 394 1318">(j)</td> <td colspan="2" data-bbox="394 1276 1466 1318">Whether the tax is payable on reverse charge basis; and</td> </tr> <tr> <td data-bbox="321 1318 394 1350">(k)</td> <td colspan="2" data-bbox="394 1318 1466 1350">Signature or digital signature of the supplier or his authorised representative.</td> </tr> </table>		(a)	Name, address and GSTIN of the supplier;		(b)	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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;		(c)	Date of its issue;		(d)	Name, address and GSTIN or UIN, if registered, of the recipient;		(e)	Description of goods or services;		(f)	Amount of advance taken;		(g)	Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);		(h)	Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);		(i)	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;		(j)	Whether the tax is payable on reverse charge basis; and		(k)	Signature or digital signature of the supplier or his authorised representative.	
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Proviso to Rule 50	S.No.	Situation	Treatment																																
	(i)	Where at the time of receipt of advance, the rate of tax is not determinable,	The tax shall be paid at the rate of 18%.																																
	(ii)	Where at the time of receipt of advance, the nature of supply is not determinable,	The same shall be treated as inter-State supply.																																
Rule 51	<p><u>Particulars of a refund voucher</u></p> <p>A refund voucher referred to in clause (e) of sub-section (3) of section 31 shall contain the following particulars, namely:</p> <table border="1" data-bbox="321 1654 1466 2041"> <tr> <td data-bbox="321 1654 394 1696">(a)</td> <td colspan="3" data-bbox="394 1654 1466 1696">Name, address and GSTIN of the supplier;</td> </tr> <tr> <td data-bbox="321 1696 394 1843">(b)</td> <td colspan="3" data-bbox="394 1696 1466 1843">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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;</td> </tr> <tr> <td data-bbox="321 1843 394 1885">(c)</td> <td colspan="3" data-bbox="394 1843 1466 1885">Date of its issue;</td> </tr> <tr> <td data-bbox="321 1885 394 1927">(d)</td> <td colspan="3" data-bbox="394 1885 1466 1927">Name, address and GSTIN or UIN, if registered, of the recipient;</td> </tr> <tr> <td data-bbox="321 1927 394 2001">(e)</td> <td colspan="3" data-bbox="394 1927 1466 2001">Number and date of receipt voucher issued in accordance with provisions of rule 50;</td> </tr> <tr> <td data-bbox="321 2001 394 2041">(f)</td> <td colspan="3" data-bbox="394 2001 1466 2041">Description of goods or services in respect of which refund is made;</td> </tr> </table>			(a)	Name, address and GSTIN of the supplier;			(b)	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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;			(c)	Date of its issue;			(d)	Name, address and GSTIN or UIN, if registered, of the recipient;			(e)	Number and date of receipt voucher issued in accordance with provisions of rule 50;			(f)	Description of goods or services in respect of which refund is made;										
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	(g)	Amount of refund made;		
	(h)	Rate of tax (central tax, state tax, integrated tax, union territory tax or cess);		
	(i)	Amount of tax paid in respect of such goods or services (central tax, state tax, integrated tax, union territory tax or cess);		
	(j)	Whether the tax is payable on reverse charge basis; and		
	(k)	Signature or digital signature of the supplier or his authorized representative		
Rule 52	<u>Particulars of payment voucher</u>			
	(a)	Name, address and GSTIN of the supplier if registered;		
	(b)	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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;		
	(c)	Date of its issue;		
	(d)	Name, address and GSTIN of the recipient;		
	(e)	Description of goods or services;		
	(f)	Amount paid;		
	(g)	Rate of tax (central tax, state tax, integrated tax, union territory tax or cess);		
	(h)	Amount of tax payable in respect of taxable goods or services (central tax, state tax, integrated tax, union territory tax or cess);		
	(i)	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		
	(j)	Signature or digital signature of the supplier or his authorized representative.		
31(4)	<u>Time limit for issue of invoice in case of continuous supply of goods</u> 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 of issue of each such statement or receipt of each such payment.			
31(5)	<u>Time limit for issue of invoice in case of continuous supply of services</u> It covers following three situations:			
	(a)	<u>Where the due date of payment is ascertainable from the contract</u> The invoice shall be issued on or before the due date of payment		
	(b)	<u>Where the due date of payment is not ascertainable from the contract</u> The invoice shall be issued before or at the time when the supplier of service receives the payment.		
	(c)	<u>Where the payment is linked to the completion of an event</u> The invoice shall be issued on or before the date of completion of the event.		
31(6)	<u>Issue of invoice in a case where the supply of services ceases under a contract before the completion of the supply</u> The invoice shall be issued at the time when the supply comes to an end. Further, such invoice shall be issued to the extent of the supply made before such termination or coming to an end.			
31(7)	<u>Time limit for issue of invoice in case of goods sent or taken on approval for sale or return</u> Where the goods being sent or taken on approval for sale or return basis and are removed before the supply takes place, the invoice shall be issued earlier of the following times:			
	(i)	Before or at the time of supply; or	(ii)	6 months from the date of removal

31A	<p><u>With effect from 01.01.2020</u></p> <p><u>Facility of digital payment to recipient</u></p> <p>Specified class of registered persons who shall mandatorily give the option of electronic payment to the recipient of supply of goods or services or both made by them. However, option of electronic payment shall be given in the prescribed manner and shall be subject to prescribed conditions and restrictions.</p>	
<p><u>Circular No. 108/27/2019-GST- Clarification in respect of goods sent/taken out of India for exhibition or on consignment basis for export promotion</u></p> <p>Various representations have been received from the trade and industry regarding procedure to be followed in respect of goods sent/ taken out of India for exhibition or on consignment basis for export promotion. Such goods sent/ taken out of India crystallize into exports, wholly or partly, only after a gap of certain period from the date they were physically sent/ taken out of India.</p>		
2	<p>The matter has been examined and in view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) hereby clarifies various issues in succeeding paragraphs.</p>	
3	<p>As per section 7 of the CGST Act, for any activity or transaction to be considered a supply, it must satisfy twin testsnamely-</p>	
	(i)	It should be for a consideration by a person; and
	(ii)	It should be in the course or furtherance of business.
4	<p>The exceptions to the above are the activities enumerated in Schedule I of the CGST Act which are treated as supply even if made without consideration. Further, sub-section (21) of section 2 of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the “IGST Act”) defines “supply”, wherein it is clearly stated that it shall have the same meaning as assigned to it in section 7 of the CGST Act.</p>	
5	<p>Section 16 of the IGST Act deals with “Zero rated supply”. The provisions contained in the said section read asunder:</p> <p>16. (1) “zero rated supply” means any of the following <u>supplies</u> of goods or services or both, namely:-</p> <p>(a) export of goods or services or both; or</p> <p>(b) Supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.</p> <p>Therefore, it can be concluded that only such ‘ <u>Supplies</u>’ which are either ‘export’ or are ‘supply to SEZ unit / developer’ would qualify as zero-rated supply .</p>	
6	<p>It is, accordingly, clarified that the activity of sending/taking the goods out of India for exhibition or on consignment basis for export promotion, except when such activity satisfy the tests laid down in Schedule I of the CGST Act (hereinafter referred to as the “specified goods”), do not constitute supply as the said activity does not fall within the scope of section 7 of the CGST Act as there is no consideration at that point in time. Since such activity is not a supply, the same cannot be considered as ‘Zero rated supply’ as per the provisions contained in section 16 of the IGST Act.</p>	
7	<p>Since the activity of sending/ taking specified goods out of India is not a supply, doubts have been raised by the trade and industry on issues relating to maintenance of records, issuance of delivery challan/tax invoice etc.</p>	

8.2 Other important rules in respect of issue of a tax invoice - Rule 46

Rule 46	<u>Particulars to be given in a Tax Invoice</u>
(a)	Name, address and GSTIN of the supplier;

(b)	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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;		
(c)	Date of its issue;		
(d)	Name, address and GSTIN or UIN, if registered, of the recipient;		
(e)	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 and where the value of taxable supply is fifty thousand rupees or more;		
(f)	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 and where the value of taxable supply is less than fifty thousand rupees and the recipient request that such details be recorded in the tax invoice;		
(g)	HSN code for goods or services;		
(h)	Description of goods or services;		
(i)	Quantity in case of goods and unit or Unique Quantity Code thereof;		
(j)	Total value of supply of goods or services or both;		
(k)	Taxable value of supply of goods or services or both taking into account discount or abatement, if any;		
(l)	Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);		
(m)	Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);		
(n)	Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;		
(o)	Address of delivery where the same is different from the place of supply;		
(p)	Whether the tax is payable on reverse charge basis; and		
(q)	Signature or digital signature of the supplier or his authorized representative:		
First proviso	The number of digits of HSN code for goods or the Accounting Code for services, that a class of registered persons shall be required to mention, for such period as may be specified in the said notification, and		
	The class of registered persons that would not be required to mention the HSN code for goods or services, for such period as may be specified in the said notification.		
	With effect from <u>01.07.2017</u> - N.No.12/2017-CT, N.No. 05/2017-IT, both dated 28.06.2017		
	A registered person, having annual turnover in the preceding financial year as specified in column (2) of the Table given below shall mention the digits of Harmonized System of Nomenclature (HSN) Codes as specified in column (3) of the said Table in a tax invoice issued by him:		
	S. No.	Annual Turnover in the preceding Financial Year	Number of Digits of HSN Code
	1.	Upto Rs. 1.50 Crore	Nil
	2.	More than Rs. 1.50 Crore and upto Rs. 5 Crore	2
	3.	More than Rs. 5 Crore	4
Second proviso	Where an invoice is required to be issued under 31(3)(f), representative registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of Section 9, the aggregate value of such supplies exceeds Rupees Five Thousand in a day from any or all the suppliers:		
	In case of export of goods or services, the invoice shall carry the following endorsement:		
	For the period <u>01.07.2017 to 26.07.2017</u> - N.No. 10/2017-CT, dated 28.06.2017		

Third proviso	“Supply meant for export on payment of integrated tax” or “supply meant for export under bond or letter of undertaking without payment of integrated tax”, as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details:			
	(i)	Name and address of the recipient;	(iii)	Name of the country of destination:
	(ii)	Address of delivery; and		
	<u>With effect from 27.07.2017 - N.No. 17/2017-CT, dated 27.07.2017</u>			
	Supply meant for export/Supply to SEZ unit or SEZ developer for authorised operations on payment of integrated tax” or “supply meant for export/supply to SEZ unit or SEZ developer for authorised operations under bond or letter of undertaking without payment of integrated tax, as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details, namely-			
	(i)	Name and address of the recipient;	(iii)	Name of the country of destination:
	(ii)	Address of delivery; and		
Fourth Proviso	A registered person may not issue a tax invoice in accordance with the provisions of clause (b) of sub-section (3) of section 31. In terms of 31(3)(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. Such relaxation is subject to the following conditions, namely:-			
	(a)	The recipient is not a registered person; and		
	(b)	The recipient does not require such invoice and shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.		
Fifth Proviso	<u>Applicable with Effect from 31.12.2018 - N.No. 74/2018-CT, dated 31.12.2018</u> <u>Signature or digital signature not required in case of issuance of an electronic invoice</u>			
	The signature or digital signature of the supplier or his authorised representative shall not be required with effect from 31.12.2018 in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000.			
Sixth Proviso	<u>Applicable from 01.04.2020 - N. No. 31/2019-CT, dated 28.06.2019, N. No. 71/2019-CT, dated 13.12.2019 and N. No. 72/2019-CT, dated 13.12.2019</u>			
	<u>B2C invoice issued by registered person whose annual aggregate turnover exceeds Rs. 500 crore to have Quick Response (QR) code</u> The Government may specify by Notification that the tax invoice shall have Quick Response (QR) code subject to specified conditions and restrictions. In exercise of aforesaid powers, Government has notified that B2C tax invoice issued by registered person whose aggregate turnover in a financial year exceeds Rs. 500 crore shall have QR Code.			
Rule 46A	<u>Applicable with effect from 13.10.2017 - N.No.45/2017-CT, dated 13.10.2017</u> <u>Invoice-cum-bill of supply</u>			
	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. Further, Rule 46A shall prevail irrespective of anything provided in any of the following Rules:			
	Rule 46	Deals with tax invoice; or	Rule 54	Deals with tax invoice in specialcases
	Rule 49	Deals with bill of supply; or		
Rule 48	<u>Manner of issuing invoice</u>			
	(1)	The invoice shall be prepared in triplicate, in case of supply of goods , in the following manner: -		
	(a)	The original copy being marked as original for recipient;		
	(b)	The duplicate copy being marked as duplicate for transporter; and		
	(c)	The triplicate copy being marked as triplicate for supplier.		

	(2)	The invoice shall be prepared in duplicate, in case of supply of services , in the following manner:
	(a)	The original copy being marked as original for recipient; and
	(b)	The duplicate copy being marked as duplicate for supplier.
	(3)	The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in FORM GSTR-1 .
Rule 54	<u>Tax Invoice in special cases</u>	
54(1)	Details to be included in an ISD Invoice/ an ISD Credit Note	
	(a)	Name, address and GSTIN of the Input Service Distributor;
	(b)	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 symbolized as, “-”, “/”, respectively, and any combination thereof, unique for a financial year;
	(c)	Date of its issue;
	(d)	Name, address and GSTIN of the recipient to whom the credit is distributed;
	(e)	Amount of the credit distributed; and
	(f)	Signature or digital signature of the Input Service Distributor or his authorized representative:
Proviso	If ISD is an office of a banking company or a financial institution including a NBFC A tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as mentioned above.	
54(1A)	Applicable with effect from 23.01.2018 - N.No. 03/2018-CT, dated 23.01.2018	
	Details to be included in an invoice/ credit or debit note for transfer of credit of common input services to the	
	<u>ISD</u>	
	This rule shall apply where a registered person is having the same PAN and the state code as an ISD which means that PAN of the registered person and ISD shall be the same and both are registered in the same state. Such registered person may issue an invoice or, as the case may be, a credit or debit note to transfer the credit of common input services to the ISD which shall contain the following details: -	
	(i)	Name, address and Goods and Services Tax Identification Number of the registered person having the same PAN and same State code as the Input Service Distributor;
	(ii)	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 symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;
	(iii)	Date of its issue;
	(iv)	Goods and Services Tax Identification Number of supplier of common service and original invoice number whose credit is sought to be transferred to the Input Service Distributor;
	(v)	Name, address and Goods and Services Tax Identification Number of the Input Service Distributor;
	(vi)	Taxable value, rate and amount of the credit to be transferred; and
(vii)	Signature or digital signature of the registered person or his authorised representative.	
(b)	The taxable value in the invoice issued under clause (a) shall be the same as the value of the common services.	
<u>Special Provisions for issuance of invoice by an insurer or a banking company or a financial institution including a NBFC</u>		

54(2)	<p><u>For the period 01.07.2017 to 12.10.2017 - N.No. 10/2017-CT, dated 28.06.2017</u> The said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, whether issued or made available, physically or electronically whether or not serially numbered and whether or not containing the address of the recipient of taxable service but containing other information as prescribed under Rule 46.</p> <p><u>For the Period 13.10.2017 to 14.11.2017 -N.No. 45/2017-CT, dated 13.10.2017</u> The said supplier shall issue a consolidated tax invoice or any other document in lieu thereof, by whatever name called, for the supply of services made during a month at the end of the month whether issued or made available, physically or electronically whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as prescribed under Rule 46.</p> <p><u>With effect from 15.11.2017 - N.No. 55/2017-CT, dated 15.11.2017</u> The said supplier may issue consolidated tax invoice or any other document in lieu thereof, by whatever name called, for the supply of services made during a month at the end of the month whether issued or made available, physically or electronically whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as prescribed under Rule 46. A careful perusal of the amended Rule 54(2) reveals that with effect from 15.11.2017 the mandatory requirement of issuance of consolidated tax invoice by an Insurer or Banking Company or a Financial Institution including a NBFC has been made optional.</p>														
Proviso	<p><u>Applicable with effect from 31.12.2018 - N.No. 74/2018-CT, dated 31.12.2018</u> The signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof in accordance with the provisions of the Information Technology Act, 2000.</p>														
54(3)	<p><u>Contents of invoice/any other document in lieu thereof issued by a Goods Transport Agency</u></p> <table border="1" data-bbox="300 1060 1466 1375"> <tr> <td data-bbox="300 1060 389 1102">(a)</td> <td data-bbox="389 1060 1466 1102">The gross weight of the consignment,;</td> </tr> <tr> <td data-bbox="300 1102 389 1144">(b)</td> <td data-bbox="389 1102 1466 1144">Name of the consignor and the consignee;</td> </tr> <tr> <td data-bbox="300 1144 389 1186">(c)</td> <td data-bbox="389 1144 1466 1186">Registration number of goods carriage in which the goods are transported;</td> </tr> <tr> <td data-bbox="300 1186 389 1228">(d)</td> <td data-bbox="389 1186 1466 1228">Details of goods transported,</td> </tr> <tr> <td data-bbox="300 1228 389 1270">(e)</td> <td data-bbox="389 1228 1466 1270">Details of place of origin and destination;</td> </tr> <tr> <td data-bbox="300 1270 389 1333">(f)</td> <td data-bbox="389 1270 1466 1333">GSTIN of the person liable for paying tax whether as consignor, consignee or goods transportagency, and</td> </tr> <tr> <td data-bbox="300 1333 389 1375">(g)</td> <td data-bbox="389 1333 1466 1375">Other information as mentioned under rule 46.</td> </tr> </table>	(a)	The gross weight of the consignment,;	(b)	Name of the consignor and the consignee;	(c)	Registration number of goods carriage in which the goods are transported;	(d)	Details of goods transported,	(e)	Details of place of origin and destination;	(f)	GSTIN of the person liable for paying tax whether as consignor, consignee or goods transportagency, and	(g)	Other information as mentioned under rule 46.
(a)	The gross weight of the consignment,;														
(b)	Name of the consignor and the consignee;														
(c)	Registration number of goods carriage in which the goods are transported;														
(d)	Details of goods transported,														
(e)	Details of place of origin and destination;														
(f)	GSTIN of the person liable for paying tax whether as consignor, consignee or goods transportagency, and														
(g)	Other information as mentioned under rule 46.														
54(4)	<p>Special provisions for issuance of invoice by supplier supplying passenger transport service-</p> <p><u>N.No. 10/2017-CT, dated 28.06.2017</u> A tax invoice shall include ticket in any form, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as mentioned under Rule 46.</p>														
Proviso	<p><u>Applicable with effect from 31.12.2018 - N. No. 74/2018-CT, dated 31.12.2018</u> <u>No requirement of signature/ digital signature of the supplier/ his representative</u> The signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of ticket in accordance with the provisions of the Information Technology Act, 2000.</p>														
54(4A)	<p><u>Special provisions for issuance of an electronic ticket by a supplier supplying services by way of admission to exhibition of cinematograph films in multiplex screens</u> Such electronic ticket shall be deemed to be a tax invoice for all purposes of the Act, even if such ticket doesnot contain the details of the recipient of service but contains the other information as mentioned under rule 46. However, the supplier of such services in a screen other than multiplex screens may follow the aforesaid special provision.</p>														

54(5)	<u>Applicability of Rule 54(2) and Rule 54(4) to other rules</u> Rule 54(2) deals with special provisions for issuance of invoice by an insurer or banking company or a financial institution including a NBFC. Similarly, Rule 54(4) deals with special provisions for issuance on invoice by supplier supplying Passenger Transport Service. Rule 54(2) and Rule 54(4) shall apply, with necessary changes, to the documents issued under any of the following Rules:			
	Rules	Heading	Rules	Heading
	Rule 49	Bill of supply	Rule 52	Payment voucher
	Rule 50	Receipt voucher	Rule 53	Revised tax invoice and credit or debit notes
Rule 51	Refund voucher			
Rule 55	<u>Transportation of goods without issuance of invoice</u> In case goods are transported without Invoice it must be accompanied by delivery challan.			
55(1)	<u>Contents of delivery challan in case of transportation of specified goods without invoice</u>			
	(A)	<u>Specified Goods</u>		
		(a)	Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,	
		(b)	Transportation of goods for job work,	
		(c)	Transportation of goods for reasons other than by way of supply, or	
		(d)	Such other supplies as may be notified by the Board	
	(B)	<u>Contents of delivery challan for transportation of specified goods</u> The consigner may issue a delivery challan, serially numbered not exceeding sixteen characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation. Further, the delivery challan shall contain the following details, namely:-		
		(i)	Date and number of the delivery challan;	
		(ii)	Name, address and GSTIN of the consigner, if registered;	
		(iii)	Name, address and GSTIN or UIN of the consignee, if registered;	
		(iv)	HSN code and description of goods;	
		(v)	Quantity (provisional, where the exact quantity being supplied is not known);	
		(vi)	Taxable value;	
(vii)		Tax rate and tax amount - Central Tax, State tax, integrated tax, Union territory tax or cess, where the transportation is for supply to the consignee;		
(viii)		Place of supply, in case of inter-State movement, and		
(ix)	Signature.			
55(2)	<u>Manner of issuing delivery challan</u> In case of supply of goods, the delivery challan shall be prepared in triplicate in the following manner:-			
	(a)	The original copy being marked as original for consignee;		
	(b)	The duplicate copy being marked as duplicate for transporter; and		
	(c)	The triplicate copy being marked as triplicate for consigner.		
55(3)	<u>Declaration of goods being transported on a delivery challan</u> Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared as specified in Rule 138 (E-way bill). Rule 138 has been dealt in Chapter 16.			

55(4)	<p><u>Issuance of a tax invoice after delivery of goods</u></p> <p>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.</p>
55(5)	<p><u>Transport of goods in a semi-knocked down (SKD) or completely knocked down condition (CKD) or in batches or lots</u></p> <p>Where the goods are being transported in a semi knocked down or completely knocked down condition or with effect from 04.09.2018 in batches or lot</p>
	(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) Each consignment shall be accompanied by copies of the corresponding delivery challan 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.	
55A	<p><u>Applicable with effect from 23.01.2018 - N.No. 03/2018-CT, dated 23.01.2018</u></p> <p><u>Tax Invoice or bill of supply to accompany transport of goods in a case where such person is not required to carry an e-way bill</u></p> <p>The person-in-charge of the conveyance shall carry a copy of the tax invoice or the bill of supply issued in accordance with the provisions of Rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under the CGST Rules.</p>
Circular No. 90/9/2019-GST, dated 18.02.2019 - Compliance of Rule 46(n) of the CGST Rules, 2017 while issuing invoices in case of inter-state supply.	
A registered person supplying taxable goods or services or both is required to issue a tax invoice as per the provisions contained in section 31 of the Central Goods and Services Tax Act, 2017 (CGST Act for short). Rule 46 of the Central Goods and Services Tax Rules, 2017 (CGST Rules for short) specifies the particulars which are required to be mentioned in a tax invoice.	
2.	It has been brought to the notice of the Board that a number of registered persons (especially in the banking, insurance and telecom sectors, etc.) are not mentioning the place of supply along with the name of the State in case of a supply made in the course of inter-State trade or commerce in contravention of rule 46(n) of the CGST Rules which mandates that the said details must be mentioned in a tax invoice. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017, issued certain instructions.
3.	After introduction of GST, which is a destination-based consumption tax, it is essential to ensure that the tax paid by a registered person accrues to the State in which the consumption of goods or services or both takes place. In case of inter-State supply of goods or services or both, this is ensured by capturing the details of the place of supply along with the name of the State in the tax invoice.
4.	It is therefore , instructed that all registered persons making supply of goods or services or both in the course of inter-State trade or commerce shall specify the place of supply along with the name of the State in the tax invoice . The provisions of sections 10 and 12 of the Integrated Goods and Services Tax Act, 2017 may be referred to in order to determine the place of supply in case of supply of goods and services respectively. Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of sections 122 or 125 of the CGST Act.

8.2.1 Important issues in respect of issue of tax invoice

	Issue of sharing of common services between distinct persons when invoices are raised in the name of head office/regional office/principal office
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1.	
(A)	<u>Relevant Statutory Provisions:</u>
	25(4) A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.
	25(5) Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.
	2(61) "Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office.
1.	Circular No. 10/10/2017-GST, dated 18.10.2017- Clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis.
<p>Various communications have been received particularly from the suppliers of jewellery etc. who are registered in one State but 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. It has also been represented that such goods are also carried within the same State for the purposes of supply. Therefore, in exercise of the powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter as follows -</p>	
2.	It is seen that clause (c) of sub-rule (1) of rule 55 of the Central Goods and Services Tax Rules, 2017 (hereafter referred as "the said Rules") provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule also provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that "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".
3.	A combined reading of the above provisions indicates 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.
4.	It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.
5.	It is also clarified that this clarification would be applicable to all goods supplied under similar situations.
2.	Circular No. 22/22/2017-GST, dated 21.12.2017 -Clarification on issues regarding treatment of supply by an artist in various States and supply of goods by artists from galleries

Various representations have been received regarding taxation of the supply of art works by artists in different States other than the State in which they are registered as a taxable person. In such cases, if the art work is selected by the buyer, then the supplier issues a tax invoice only at the time of supply. It has been represented that the artists give their work of art to galleries where it is exhibited for supply. There seems to be confusion regarding the treatment of this activity whether it is taxable in the hands of the artist when the same is given to the art gallery or at the time of actual supply by the gallery. Therefore, in exercise of the powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter.

2. It is seen that clause (c) of sub-rule (1) of rule 55 of the Central Goods and Services Tax Rules, 2017 (hereafter referred as “the said Rules”) provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that 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.

3. A combined reading of the above provisions indicates 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.

4. It is also clarified that the supplies of the artwork from one State to another State will be inter-State supplies and attracts integrated tax in terms of section 5 of the Integrated Goods and Services Tax Act, 2017.

5. It is further clarified that in case of supply by artists through galleries, there is no consideration flowing from the gallery to the artist when the art works are sent to the gallery for exhibition and therefore, the same is not a supply. It is only when the buyer selects a particular art work displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply.

4. Circular No.72/46/2018-GST dated 26.10.2018 [Relevant Extract]- to clarify the procedure in respect of return of time expired drugs or medicines

Various representations have been received seeking clarification on the procedure to be followed in respect of return of time expired drugs or medicines under the GST laws. The issues raised in the said representations have been examined and to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) hereby clarifies the issue in succeeding paragraphs.

2. The common trade practice in the pharmaceutical sector is that the drugs or medicines (hereinafter referred to as “goods”) are sold by the manufacturer to the wholesaler and by the wholesaler to the retailer on the basis of an invoice/bill of supply as case may be. It is significant to mention here that such goods have a defined life term, which is normally referred to as the date of expiry. Such goods which have crossed their date of expiry are colloquially referred to as time expired goods and are returned back to the manufacturer, on account of expiry, through the supply chain.

It is clarified that the retailer/wholesaler can follow either of the below mentioned procedures for the return of the time expired goods:

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

3.	(a)	In case the person returning the time expired goods is a registered person (other than a composition taxpayer), he may, at his option, return the said goods by treating it as a fresh supply and thereby issuing an invoice for the same (hereinafter referred to as the, “return supply”). The value of the said goods as shown in the invoice on the basis of which the goods were supplied earlier may be taken as the value of such return supply. The wholesaler or manufacturer, as the case may be, who is the recipient of such return supply, shall be eligible to avail Input Tax Credit (hereinafter referred to as “ITC”) of the tax levied on the said return supply subject to the fulfillment of the conditions specified in Section 16 of the CGST Act.
	(b)	In case the person returning the time expired goods is a composition taxpayer, he may return the said goods by issuing a bill of supply and pay tax at the rate applicable to a composition taxpayer. In this scenario, there will not be any availability of ITC to the recipient of return supply.
	(c)	In case the person returning the time expired goods is an unregistered person, he may return the said goods by issuing any commercial document without charging any tax on the same.
	(d)	Where the time expired goods , which have been returned by the retailer/wholesaler, are destroyed by the manufacturer , he/she is required to reverse the ITC availed on the return supply in terms of the provisions of clause (h) of sub-section (5) of section 17 of the CGST Act. It is pertinent to mention here that the ITC which is required to be reversed in such scenario is the ITC availed on the return supply and not the ITC that is attributable to the manufacture of such time expired goods.

(B) Issuance of Credit Notes

As per sub-section (1) of Section 34 of the CGST Act the supplier can issue a credit note where the goods are returned back by the recipient. Thus, the manufacturer or the wholesaler who has supplied the goods to the wholesaler or retailer, as the case may be, has the option to issue a credit note in relation to the time expired goods returned by the wholesaler or retailer, as the case may be. In such a scenario, the retailer or wholesaler may return the time expired goods by issuing a delivery challan. It may be noted that there is no time limit for the issuance of a credit note in the law except with regard to the adjustment of the tax liability in case of the credit notes issued prior to the month of September following the end of the financial year and those issued after it.

It may further be noted that if the credit note is issued within the time limit specified in sub-section (2) of section 34 of the CGST Act, the tax liability may be adjusted by the supplier, subject to the condition that the person returning the time expired goods has either not availed the ITC or if availed has reversed the ITC so availed against the goods being returned.

However, if the time limit specified in sub-section (2) of section 34 of the CGST Act has lapsed, a credit note may still be issued by the supplier for such return of goods but the tax liability cannot be adjusted by him in his hands. It may further be noted that in case time expired goods are returned beyond the time period specified in the sub-section (2) of section 34 of the CGST Act and a credit note is issued consequently, there is no requirement to declare such credit note on the common portal by the supplier (i.e. by the person who has issued the credit note) as tax liability cannot be adjusted in this case.

Further, where the time expired goods, which have been returned by the retailer/wholesaler , are destroyed by the manufacturer , he/she is required to reverse the ITC attributable to the manufacture of such goods, in terms of the provisions of clause (h) of subsection (5) of section 17 of the CGST Act. This has been illustrated in table below:

It may be noted that though this circular discusses the scenarios in relation to return of goods on account of expiry of the same, it may be applicable to such other scenarios where the goods are returned on account of reasons other than the one detailed above.

8.3 Prohibition on unauthorized collection of tax - Section 32

32(1)	<p><u>No tax collection by an unregistered person</u> An unregistered person shall not collect any amount by way of tax in respect of any supply of goods or services or both under the CGST Act. If he does so, such unregistered person shall be subject to penal provisions that have been discussed in Chapter 13.</p>
32(2)	<p><u>Tax collection strictly in accordance with provisions of the CGST Act and CGST Rules</u> No registered person shall collect tax except in accordance with the provisions of the CGST Act and the Rules thereunder. If value of taxable supply has been incorrectly charged or wrong rate of taxes is applied, then such supplier has to issue debit note or credit note as the case may in terms of Section 34 of the Act as discussed in detail subsequently in this chapter. Only registered persons can collect the tax from the recipient as stated above and that collection has to be made as per the provisions of law read with rules. It implies that there shall be correct amount of collection of tax i.e. value and rate shall be correct. Further supplier has to issue documents as applicable on such supply and transportation of goods has also been done as per the rules.</p>

8.4 Amount of tax to be indicated in tax invoice and other documents - Section 33

In case of conflict in the provisions of this section or any other provision of this Act or any other law for the time being in force provisions of this section shall prevail. Further, every person who is liable to pay tax on any supply of goods or services or both shall prominently indicate the amount of tax which shall form part of the price at which supply is made. Prominent indication of tax shall be made in all documents relating to assessment, the tax invoice and other like documents.

8.5 Credit and debit notes - Section 34

34(1)	<p><u>Situations in which a credit note is to be issued - With effect from 01.02.2019 - A registered person, who has issued one or more tax invoices for supply of any goods or services or both, may issue to the recipient of the supply one or more credit notes for the supplies made in a financial year under any of the following situations:</u></p>	
	(a)	Where the taxable value or tax charged in the tax invoice exceeds the taxable value or tax payable in respect of such supply; or
	(b)	Where the goods are returned by the recipient; or
	(c)	Where goods or services or both supplied by the supplier are found to be deficient.
<p>Thus, a registered person may issue a credit note for multiple tax invoices in respect of supplies made in a financial year. Looking from a different perspective, a credit note cannot be issued for multiple tax invoices in respect of supplies made during different financial years.</p>		
<p><u>For the period 01.07.2017 to 31.01.2019</u> - The registered person was required to issue a credit note for each tax invoice separately. The previously mentioned requirement was increasing the compliance burden of the concerned registered person.</p>		
34(2)	<p><u>Declaration of details of credit note in the return</u> 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 at earlier of the following two dates:</p>	
	(a)	Return for the month during which such credit note has been issued but not later than 30th September following the end of the financial year in which such supply was made; or

	(b)	Date of furnishing of the relevant annual return.
		Further, the tax liability shall be adjusted in the prescribed manner.
Proviso		No reduction in output tax liability of the supplier shall be permitted, if the incidence of such tax and interest of such supply has been passed on to any other person.
34(3)		<p><u>Situation in which a debit note is to be issued - With effect from 01.02.2019</u> - A registered person, who has issued one or more tax invoices for the supply any goods or services or both, may issue to the recipient of the supply one or more debit notes for the supplies made in a financial year, where the taxable value or tax charged in the invoice is found to be less than the taxable value or tax payable in respect of such supply. The previously mentioned Debit Note shall contain the prescribed particulars. Further, in terms of Explanation to Section 34, 'Debit Note' shall include a supplementary invoice.</p> <p>In view of above, it may be understood that the registered person may issue a debit note for multiple tax invoices in respect of supplies made in a financial year . Looking from a different perspective, a debit note cannot be issued for multiple tax invoices in respect of supplies made during different financial years.</p> <p><u>For the period 01.07.2017 to 31.01.2019</u></p> <p>The registered person was required to issue a debit note for each tax invoice separately. The previously mentioned requirement was increasing the compliance burden of the concerned registered person.</p>
34(4)		<p><u>Declaration of details of debit note in the return</u></p> <p>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 . Further, the tax liability shall be adjusted in the prescribed manner.</p>
Rule 53(1) for the period 01.07.2017 to 31.01.2019 and Rule 53(1A) w.e.f. 01.02.2019		<u>Particulars to be contained in debit or credit notes</u>
	(a)	Name, address, GSTIN of the supplier;
	(b)	Nature of the document;
	(c)	A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerical or special characters-hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;
	(d)	Date of issue of the document;
	(e)	Name, address and GSTIN or Unique Identity Number, if registered, of the recipient;
	(f)	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;
	(g)	Serial number(s) and date(s) of the corresponding tax invoice(s) or bill(s) of supply;
	(h)	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; and
	(i)	Signature or digital signature of the supplier or his authorized representative.
Rule 53(3)		<p><u>Situations in which a debit note shall contain the words “input tax credit not admissible</u></p> <p>A debit note issued in pursuance of any tax payable in accordance with the provisions of any of the following sections shall prominently contain the words "INPUT TAX CREDIT NOT ADMISSIBLE".</p>
	Section	Heading of the Section
	74	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized by reason of fraud or any

		willful misstatement or suppression of facts.
	129	Detention, seizure and release of goods and conveyances in transit.
	130	Confiscation of goods or conveyances and levy of penalty.

8.6 E-invoicing under GST

E.	Mandatory Fields of E-Invoice	
	Category	Particulars
A.	Introduction to E-Invoice under GST	
(a)	<p>E-invoice does not mean generation/creation of invoice from central portal or tax department because practically it is not possible it will create unnecessary restrictions on trade and industry and different industry have different business requirement, which cannot be met out by software.</p> <p>E-Invoice is a submission of already generated Invoices from accounting software to GST Portal and we all are aware that there are hundreds of accounting & billing software, which generate invoices, but they all use their own formats to store information electronically and data in such different formats cannot be integrated with GST System, hence it was not possible to submit the data from accounting software (Like ERP/Tally/SAP) to GST System. So, need was felt to issue a standard format (Schema) in which data will be shared with other systems, although from user prospective it's same as earlier, there would not any change in print or electronically creation of invoice. Only standard schema needs to be implemented by all the accounting and billing software so that it can generate JSON of each invoice in such format which can be uploaded on GST Portal for further authentication and approval.</p>	
(b)	E-invoice is not only part of Tax reform but also a Business reform as it make the e-invoices completely inter-operable eliminating transcription and other errors	
(c)	It must have mandatory 45 fields/details with limited sets of characters/digits	
(d)	ERP is required to integrate with specific tool/technology to generate an Invoice reference number ('IRN') for E-invoice	
B.	Applicability of E-Invoice under GST	
(a)	E-invoicing will be mandatory from 1 April 2020 for businesses having turnover of INR 100 crore or more.	
(b)	It will start on voluntary and trial basis from 1 January 2020 if turnover is INR 500 crore or more.	
(c)	It will start on voluntary and trial basis from 1 February 2020 if turnover is INR 100 crore or more.	
(d)	Applicable for B2B invoices only and QR code is required to be mentioned on B2C invoices.	
(e)	It is applicable on domestic B2B sales, export sales and sales to SEZ units.	
	Provisions will be applicable on tax invoices, debit notes, credit notes and RCM invoice except pro-formainvoices.	
C.	Process(steps) to Generate an E-invoice under GST	
1.	A supplier needs to generate an invoice as per the e-invoice schema along with mandatory perimeters. All the mandatory parameters are discussed below. Invoice will be generated by the supplier in his own accounting or billing system. The supplier needs to make sure that its accounting and billing software generates JSON file. Further, such JSON file may also be generated by an Offline Tool by keying-in invoice data.	
2.	JSON file will be generated by the supplier to upload on the IRP.	

3. (Optional)	Unique Invoice Reference Number ('IRN') can be generated by the supplier on the basis of 4 parameters like Supplier GSTIN, invoice number, financial year and document type	
4.	Supplier will upload the JSON file of the e-invoice (either generated through accounting/billing software or offline tool) directly on the IRP.	
5.	Once submitted, IRP generates the e-invoices and shows the 64 character length Invoice reference number for each request. If it is not possible it will show the appropriate error for each request. The hash computed by e-invoice system will become the IRN (Invoice Reference Number of 64 character length) of the e-invoice. This shall be unique to each invoice and hence be the unique identity for each invoice for the entire financial year in the entire GST System for a taxpayer.	
6.	System may also update the invoice details to E-Waybill system. E-Way bill system will create Part-A of e-way bill using this data to which only vehicle number will have to be attached in Part-B of the e-way bill. Supplier will download digitally signed JSON with IRN along with a QR code. IRP will share back digitally signed e-invoice to seller and recipient if email ids are mentioned on the e-invoice.	
D.	Other Important Points related to E-invoice under GST	
(a)	E-invoices will not be generated by the GST Portal. •	
(b)	E-Invoice schema issued by GST System will be used by the all kind of businesses. The Schema has mandatory and non-mandatory fields, mandatory fields has to be filled by all the taxpayers. Non-mandatory field is for the business to choose.	
(c)	E-Invoice will be authenticated with the digital signature of the IRP. • Each E-Invoice will be uploaded for registration on IRP within time line (will be notified by the Government) without registration of the e-invoice the same will not be valid (required changed will be made in the law).	
(d)	IRP will generate QR code, generate IRN, digitally sign and may send e-invoice to buyer and seller if email id's are mentioned on the tax invoice.	
(e)	E-Invoice cannot be partially cancelled it has to be fully cancelled.	
(f)	E-Invoice mechanism has an option to cancel the invoice within 24 hours of registration of IRP. Any cancellation after 24 hours could not be possible through IRN, taxpayer have to manually cancel the same on GST Portal before filing the return.	
1.	General	Version number (Tax schema), Invoice reference number, Code for invoice type, Invoice number, Invoice date.
2.	Supplier	Legal name (Name in PAN), GST number, Address, State name, Pin code.
3.	Buyer	Legal name, GST number, State code, Address, State name, Pin code.
4.	Payment	Payee name, Account number, Payment mode, IFSC code.
5.	Delivery	Company name, Address, State name, Pin code (Applicable in case of stocktransfer/sale of goods).
6.	Invoice item	Serial number, Quantity, Item rate, Net amount, GST rate, GST Amount, Batch number for manufactures.
7.	Document Total	Total invoice value, Total tax amount, Amount paid in advance, Amount due.
8.	Extra	Tax scheme.
9.	Ship to	Company name, GST number, Address, Pin code, State name, Supply Type, Transaction mode.
Summary of E-invoice related Notifications issued on 13.12.2019		
N.No.	Subject	Summary

72/2019-CT	Seeks to notify the class of registered person required to issue invoice having QR Code.	QR Code on B2C Invoice is mandatory for registered person, whose aggregate turnover in a financial year exceeds five hundred crore rupees (>500crore) with effect from 01.04.2020.
71/2019-CT	Seeks to give effect to the provisions of rule 46 of the CGST Rules, 2017.	Applicability of Rule 5 of CGST (Fourth Amendment), 2019 made vide N.No. 31/2019 - CT, dated the 28th June, 2019 "Tax invoice shall have Quick Response (QR) code " with effect from 01.04.2020.
70/2019-CT	Seeks to notify the class of registered person required to issue e-invoice.	E-Invoice is mandatory for registered person, whose aggregate turnover in a financial year exceeds one hundred crore rupees (>100crores) with effect from 01.04.2020.
69/2019-CT	Seeks to notify the common portal for the purpose of e-invoice.	Electronic Invoice Portal- w.e.f.1st January, 2020
		(i) www.einvoice1.gst.gov.in; (vi) www.einvoice6.gst.gov.in;
		(ii) www.einvoice2.gst.gov.in; (vii) www.einvoice7.gst.gov.in;
		(iii) www.einvoice3.gst.gov.in; (viii) www.einvoice8.gst.gov.in;
		(iv) www.einvoice4.gst.gov.in; (ix) www.einvoice9.gst.gov.in;
		(v) www.einvoice5.gst.gov.in; (x) www.einvoice10.gst.gov.in.
68/2019-CT	Seeks to carry out changes in the CGST Rules, 2017.	Insertion of Sub-rules 4, 5 & 6 in Rule 48 of GST Rules, 2017 (Regarding issuance of Invoice) E-Invoice should contain the particulars as mentioned in FORM GST INV-01 w.e.f. 13th December, 2019.

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