

Tax Invoice, Credit & Debit Notes

CHAPTER VII OF THE CGST ACT

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SECTION 31 – TAX INVOICE

- Normal Invoice: RTP supplying taxable goods shall issue a Tax Invoice —

If Supply Involves Movement of Goods	Before or at the time of <u>removal</u> of goods for supply to the recipient
In Any Other Case	Before or at the time of <u>delivery</u> of goods or <u>making available</u> thereof to the recipient
Govt may notify categories of supplies in respect of which a tax invoice shall be issued within different time limit	

- The Tax Invoice shall show - the description, quantity and value of goods, the tax charged thereon and others (see Rule 46). Also see Notification no. 12/2017 – CT.
- RTP supplying **taxable services** shall issue a tax invoice –

Where supplier is Banking/ Insurance/ FI/ NBFC	<u>Before or after</u> the provision of service but <u>within</u> a period of <u>45 days</u> from the date of the supply of service
In All Other Case	<u>Before or after</u> the provision of service but <u>within</u> a period of <u>30 days</u> from the date of the supply of service
Notified class of suppliers making Inter-branch supplies	<u>Before or at the time</u> such supplier <u>records</u> the same in his <u>books</u> of account or <u>before</u> the <u>expiry</u> of the <u>quarter</u> during which the supply was made
Govt may notify categories of services for which any other document issued deemed tax invoice, or a tax invoice may not be issued	

- The Invoice shall show - the description, value, tax charged thereon and others (see Rule 46).
- Invoices shall be issued in [**3 copies** (goods) – Recipient, Transporter, Supplier] & [**2 copies** (services) – Recipient, Supplier]

REVISED INVOICE



- RTP may issue a revised invoice against the invoice already issued, during the period -
The effective date of registration ←-----→ the date of issuance of certificate,
within 1 month from the date of issuance of certificate of registration. See Rule 53 for particulars required.
- May issue a **consolidated** revised tax invoice against all intra-state taxable supplies made to unregistered recipients during such period. If inter-state supplies (where value \leq 2.5 lakhs), then consolidated revised invoices to be issued state-wise.

- RTP supplying **exempted** goods/ services/ both or **Composition** taxable person shall issue a **bill of supply** instead of a tax invoice, for particulars, see Rule 49.
- Any document issued under any other Act for the time being in force in respect of any non-taxable supply shall be treated as a bill of supply for the purposes of the Act.

BILL OF SUPPLY



OPTION FOR CONSOLIDATION OF CERTAIN TAX INVOICES/ BILL OF SUPPLY

- RTP may not issue individual tax invoice/ bill of supply - if the value of the supply is less than Rs. 200, and -
 - The Recipient is unregistered person, and
 - The Recipient does not demand/ require such invoice/ bill of supply
- Then issue a **consolidated** tax invoice for such supplies at the close of each day for all such supplies.



RCM INVOICE



- If RTP receives a supply from an unregistered person, on which he is liable to pay tax Sec 9(3) or 9(4) → shall issue an invoice in respect of such supply received by him on the date of receipt of goods or services or both.
- As we know that if the aggregate value of supplies from unregistered persons does not exceeds Rs. 5000 in a day from any or all the suppliers, then it is exempt from RCM liability u/s 9(4). For those which are not exempt (greater than Rs. 5000) → RTP may issue a consolidated invoice at the end of a month.

RECEIPT VOUCHER

- RTP shall issue a receipt voucher or any other document, evidencing receipt of such payment, containing particulars as given in Rule 50, on receipt of advance payment with respect to any supply.
- If at time of receipt of advance – Rate of tax indeterminable → 18%;
Nature of supply indeterminable → **Inter-State supply**

- Where, on receipt of advance payment the RTP issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued, the RTP may issue a refund voucher against such payment, containing particulars as given in Rule 51.

REFUND VOUCHER

- If RTP receives a supply on which he is liable to pay tax Sec 9(3) or 9(4) → shall issue a payment voucher at the time of making payment to the supplier, containing particulars as given in Rule 52.

PAYMENT VOUCHER



CONTINUOUS SUPPLY

For definition –

- ‘Continuous supply of goods’ - see Section 2(32)
- ‘Continuous supply of services’ – see Section 2(33)

- **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 **payment** is received.

- **Of Services** - Subject to the provisions of issuing receipt voucher, in case of continuous supply of services –
 - Where due date of payment is ascertainable from contract,
 - invoice shall be issued **on or before the due date of payment**.
 - Where due date of payment is not ascertainable from the contract,
 - invoice shall be issued **before or at the time** when the supplier **receives payment**.
 - Where payment is linked to completion of an event,
 - invoice shall be issued **on or before the date of completion** of that event.

CESSATION OF SUPPLY OF SERVICES

- 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.

- 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.

SALE ON APPROVAL BASIS

SPECIAL PROVISIONS

1. **For Insurer/ Banking company/ financial institution (including a NBFC)** – Invoice, Bill of supply, Receipt voucher, Refund Voucher, Payment Voucher, Revised Tax Invoice, Debit or Credit Notes, → may be ‘issued’ or ‘made available’, physically or electronically → **may not be serially numbered** and may not contain the address of the recipient.
2. **ISD** invoice or credit note shall contain particulars as in Rule 54(1). For Banking company/ financial institution (including a NBFC), serial number is not necessary.
3. **For GTA** supplying services in relation to transportation of goods by road in a goods carriage, the tax invoice shall **also** contain → the gross weight of the consignment, name of the consigner 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 consigner, consignee or goods transport agency).
4. **For Passenger transport service**, Tax invoice, Bill of supply, Receipt voucher, Refund Voucher, Payment Voucher, Revised Tax Invoice, Debit or Credit Notes → may be in form of ticket, & **may not contain serial number or address of recipient**.
5. **For Exports**, invoice shall carry an endorsement as specified in 3rd Proviso to Rule 46, and contain → Name and address of the recipient, address of delivery; and name of the country of destination (instead of name of state/ state code)

PROHIBITION OF UNAUTHORISED COLLECTION (SECTION 32)

- An unregistered person shall not collect any amount by way of tax under this Act in respect of any supply.
- No RTP shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.

- NWA 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.

AMOUNT OF TAX TO BE INDICATED (SECTION 33)

CREDIT & DEBIT NOTES (SECTION 34)



1. Where a tax invoice has been issued for a supply and –
 - The taxable value/ tax charged in that tax invoice is found to exceed the correct amount, or
 - Where the goods supplied are returned by the recipient, or
 - Where supply is found to be deficient

The registered supplier may issue to the recipient a **credit note** containing particulars as per Rule 53.

2. Any RTP who issues a credit note shall declare the details of such credit note in the return for the month during which such credit note has been issued.
 - Last Date: Credit note can be issued not later than September following the end of the FY in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier
 - The tax liability shall be adjusted (reduced) accordingly.
 - No reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

3. Where a tax invoice has been issued for a supply and –
 - The taxable value/ tax charged in that tax invoice is found to be less than the correct amount,

The registered supplier shall issue to the recipient a **debit note** containing particulars as per Rule 53.

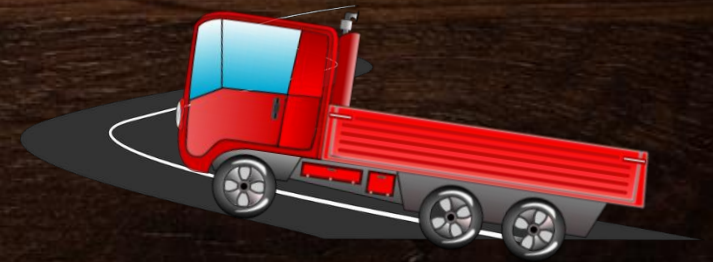
4. Any RTP who issues a debit note shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted (increased).

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

TRANSPORTATION OF GOODS WITHOUT ISSUE OF INVOICE

1. For the purposes of --

- 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,



2. The consigner may issue a delivery challan in lieu of invoice at the time of removal of goods for transportation. It shall be serially numbered not exceeding 16 characters, in one or multiple series, containing the following details, namely:-

• date and number of the delivery challan;
• name, address and GSTIN of the consigner, if registered;
• name, address and GSTIN or Unique Identity Number of the consignee, if registered;
• Harmonised System of Nomenclature code and description of goods;
• quantity (provisional, where the exact quantity being supplied is not known);
• taxable value;
• tax rate and tax amount – CGST/ SGST/ UTGST/ IGST or cess, where for supply to the consignee;
• place of supply, in case of inter-State movement; and
• signature.

TRANSPORTATION OF GOODS WITHOUT ISSUE OF INVOICE

3. The delivery challan shall be prepared in 3 copies - original copy marked as ORIGINAL FOR CONSIGNEE; duplicate copy marked as DUPLICATE FOR TRANSPORTER; and triplicate copy marked as TRIPLICATE FOR CONSIGNER.
4. Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared as specified in rule 138.
5. 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.
6. Where the goods are being transported in a semi knocked down or completely knocked down condition -
 - a) Supplier shall issue the **complete invoice** before dispatch of the first consignment;
 - b) 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.



End of Presentation!

What we learned →

- Section 31 – Tax Invoice
 - Normal Invoice
 - Revised Invoice
 - Bill of Supply
 - Option for Consolidation of certain Tax Invoices/ Bill of Supply
 - Receipt Voucher
 - Refund Voucher
 - RCM Invoice
 - Payment Voucher
 - Continuous Supply
 - Cessation of Supply of services
 - Sale on Approval Basis
 - Special Provisions
- Prohibition of Unauthorised Collection (Section 32)
- Amount of tax to be indicated (Section 33)
- Credit & Debit Note (section 34)
- Transportation of goods without issue of invoice

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