

Invoice, Credit and Debit Note

Q 44. What is the significance of Tax Invoice under GST?

Ans. An invoice is an important document evidencing supply of goods and services. It is an important determinant of time of supply i.e. when the liability to pay GST arises. It is also a mandatory document for the purposes of availing Input Tax Credit.

Q 45. When should a supplier of goods issue a Tax invoice?

Ans. A registered person supplying taxable goods shall, before or at the time of, —

(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or

(b) delivery of goods or making available thereof to the recipient, in any other case, issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed.

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.

Q 46. When should a supplier of services issue a Tax Invoice?

Ans. Where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, the period within which the invoice or any document in lieu thereof is to be issued shall be 45 days from the date of supply of service.

Further, if the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, or any other class of supplier of services as may be notified by the Government on the recommendations of the Council, making taxable supplies of services between distinct persons as specified in section 25, it 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 all other cases, invoice for supply of service should be issued within a period of 30 days from the date of supply of service.

Q 47. What are the particulars to be mentioned on the invoices which are prescribed by the rules?

Ans. The tax invoice should contain the following particulars

(a) name, address and GSTIN of the supplier;

(b) a consecutive serial number, not exceeding 16 characters, in one or multiple series, in one or multiple series, containing alphabets or numerals or special characters' hyphen or dash and slash symbolised 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) HSN code of goods or Accounting Code of services;

(g) description of goods or services;

(h) quantity in case of goods and unit or Unique Quantity Code thereof;

(i) total value of supply of goods or services or both;

(j) taxable value of supply of goods or services or both taking into account discount or abatement, if any;

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

(l) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);

(m) place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;

(n) address of delivery where the same is different from the place of supply;

(o) whether the tax is payable on reverse charge basis; and

(p) signature or digital signature of the supplier or his authorized representative.

Q 48. Are any particular suppliers exempt from any of the above provisions?

Ans. Yes. Where the supplier of taxable service is an insurer or a banking company or a financial institution, including a non-banking financial company, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, 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 of CGST Rules.

Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the 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 goods transport agency, and also containing other information as prescribed under rule 46 of CGST Rules.

Where the supplier of taxable service is supplying passenger transportation service, 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 prescribed under rule 46 of CGST Rules.

Q 49. Are there any special requirements for an invoice meant for export of goods and/or services?

Ans. Yes. In case of exports of goods or services, the invoice shall carry an endorsement “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) of rule 46 of CGST Rules, contain the following details:

- (i) name and address of the recipient;
- (ii) address of delivery;
- (iii) name of the country of destination.

Q 50. When can a registered person not issue a tax invoice?

Ans. 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 the condition that

- (a) the recipient is not a registered person; and
 - (b) the recipient does not require such invoice,
- and he shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

Q 51. In what manner, should an invoice be issued?

Ans. (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.

The serial number of invoices issued during a tax period has to be furnished electronically through the Common Portal in FORM GSTR-1.

Q 52. What is a Bill of Supply?

Ans. A bill of supply is document which is issued in lieu of a tax invoices. In cases where it is not mandatory for the supplier to issue an invoice, a bill of supply can be issued.

Q 53. Who are the persons required to issue a Bill of Supply under GST?

Ans. A registered person supplying exempted goods or services or both or paying tax under the provisions of section 10 (i.e. a composition taxable person) shall issue, instead of a tax invoice, a bill of supply.

Q 54. What should be the contents of a Bill of Supply?

Ans. The bill of supply should containing the following particulars:

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number, not exceeding 16 characters, in one or multiple series, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolised 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 of goods or Accounting Code for 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.

Q 55. Can issue of a bill of supply be dispensed with in any circumstances ?

Ans. Yes. A registered person may not issue a bill of supply if the value of the goods or services or both supplied is less than two hundred rupees subject to 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.

Q 56. What is a receipt voucher?

Ans. A receipt voucher is a document evidencing receipt of advance money towards a supply of goods and/or services or both.

Q 57. Who has to issue a receipt voucher under GST?

Ans. 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.

Q 58. What particulars should be mentioned in the receipt voucher?

Ans. A receipt voucher has to contain the following particulars:

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number containing not exceeding 16 characters, in one or multiple series, alphabets or numerals or special characters -hyphen or dash and slash symbolised 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 authorized representative.

Q 59. What should be done in case a receipt voucher is issued, but subsequently no supply takes place?

Ans. 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. It is important to note that there is no liability to pay GST at the time of receipt of advance in case of supply of goods.

Q 60. Is a Tax Invoice supposed to be issued only by the supplier of goods/services under GST?

Ans. No. In some cases even the recipient has to issue a tax invoice. 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 issue an invoice in respect of goods or services or both received by him from the supplier on the date of receipt of goods or services or both.

Q 61. What is a payment voucher? When is to be issued?

Ans. A payment voucher is a document evidencing payment of a certain sum of money to the supplier. Under GST, a registered person who is liable to pay tax under sub-section (3)

or subsection (4) of section 9 (i.e. where the recipient is liable to discharge GST on reverse charge basis) shall issue a payment voucher at the time of making payment to the supplier.

Q 62. When should an invoice be issued in case of continuous supply of goods?

Ans. 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.

Q 63. When should an invoice be issue in case of continuous supply of services?

Ans. In case of continuous supply of services,—

- (a) where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;
- (b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;
- (c) where the payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event.

Q 64. In case where supply of services ceases under a contract before completion of the contract, when should an invoice be issued?

Ans. The invoice has to 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.

Q 65. Can an unregistered person collect GST?

Ans. No. A person who is not a registered person shall not collect any amount by way of tax under this Act in respect of any supply of goods or services or both.

Q 66. Does the term “invoice” include a revised invoice also?

Ans. Yes. The expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply of goods or services or both made earlier.

Q 67. Is it mandatory to show tax amount on every invoice?

Ans. Yes. 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.

Q 68. What is a Credit Note?

Ans. A Credit note is a document evidencing reduction in value of a particular supply made earlier. Every credit note has to be linked to an invoice issued earlier. A credit note enables

a supplier to reduce his output tax liability in relation to the invoice issued earlier.

Q 69. When can a supplier issue a credit note?

Ans. (1). Where a tax invoice has 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 a credit note containing such particulars as is prescribed under Rules.

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

Q 70. What is a debit note?

Ans. A debit note is a document evidencing enhancement in value of a particular supply made earlier. Every debit note has to be linked to an invoice issued earlier. A debit note enables a recipient to take further Input Tax Credit in relation to the invoice issued earlier.

Q 71. When can a supplier issue a debit note?

Ans. (1) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient a debit note containing such particulars as is prescribed under the rules.

(2) 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 the prescribed manner.

Q 72. Does the term Debit Note include a supplementary invoice?

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

Q 73. What should be the contents of a revised invoice?

Ans. A revised tax invoice, credit or debit note shall contain the following particulars

(a) the word “Revised Invoice”, wherever applicable, indicated prominently;

- (b) name, address and GSTIN of the supplier;
- (c) nature of the document;
- (d) 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 symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (e) date of issue of the document;
- (f) name, address and GSTIN or UIN, 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 un-registered;
- (h) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
- (i) 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
- (j) signature or digital signature of the supplier or his authorized representative.

Q 74. Can an Input Service Distributor (ISD) issue a Invoice or credit note?

Ans. Yes. An ISD can issue an invoice or credit note.

Q 75. What should be the contents of an ISD Invoice/Credit Note issued by the ISD?

Ans. An ISD invoice or, as the case may be, an ISD credit note issued by an Input Service Distributor shall contain the following details:-

- (a) name, address and GSTIN of the Input Service Distributor;
- (b) 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 symbolised 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:

Provided that where the Input Service Distributor is an office of a banking company or a financial institution, including a non-banking financial company, a tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as prescribed above.

Q 76. Can a registered person having the same PAN as that of ISD issue an invoice/debit/credit note to the ISD? If so what would be the contents of such an

invoice

Ans. Yes.

(1). A registered person, having the same PAN and State code as an Input Service Distributor, 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 Input Service Distributor, 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 symbolised 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.

(2). The taxable value in the invoice issued under clause (1) shall be the same as the value of the common services.

Q 77. When should delivery challans be issued?

Ans. 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,
- the consigner may issue a delivery challan, serially numbered, not exceeding 16 characters in lieu of invoice at the time of removal of goods for transportation.

Q 78. What should be the contents of the delivery challan?

Ans. The delivery challan should contain the following details

- (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.

Q 79. What is the manner of issuing a delivery challan?

Ans. The delivery challan shall be prepared in triplicate, in case of supply of goods, 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.

Q 80. When can an invoice cum bill of supply be issued?

Ans. Notwithstanding anything contained in rule 46 or rule 49 or rule 54, 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.

Q 81. When should a person in charge of a conveyance be necessarily carrying a Tax Invoice or a bill of supply?

Ans. 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 CGST Rules. It may be noted that carrying a tax invoice is compulsory even where carrying e-way bill is necessary.