Chapter-9

Tax invoice, Debit Note and Credit Notes

1. INTRODUCTION

Invoice is documentary evidence in support of a transaction entered into books of accounts for the purpose of recording revenue and confirm among other things nature of supplies made by the supplier.

Under the **GST regime** every registered person supplying goods or services shall issue some document evidencing movement of goods or supply of services within prescribed time limit and containing all the information & particulars as prescribed under the Act & Rules made there under. This document may be a Tax Invoice , Invoice, Bill of Supply, Delivery Challan etc

2. Tax Invoice

When a registered taxable person supplies taxable goods or services, a tax invoice is issued. Such tax invoice shall show the prescribed particulars.

2.1.1 What is the time limit for issue of tax invoice in case of non-continuous supply of goods/services?

Supply of goods **[Section 31(1)]**	Supplier of taxable goods is required to issue a tax invoice: ✓ before or at the time of Removal of goods, where supply involves movement of goods E.g. – When Super Cars Ltd, a car manufacturer, supplies cars to its dealer Ravindra Automobiles, the invoice must be issued at the time of removal of the cars from Super Cars Ltd's premises. This is because the supply involves movement of the cars to Ravindra Automobiles' premises. ✓ Before or at the time of Delivery of goods to the recipient, where supply does not require movement of goods E.g. – Super Cars Ltd purchases a generator set, which will be assembled and installed at the factory premises by the supplier. Here, since the supply does not require movement of the generator set, the invoice must be issued at the time when the generator set is made available to Super Cars Ltd.
Supply of services	Supplier of taxable services is required to issue a tax invoice: ✓ within 30 days from the date of supply of the service.

[Section 31(2)]	E.g. Mr. Vipin Garg, a C.A. supplies business consultancy services to M/s. R.K. Ltd. on 01/10/2017. In the said case, Mr. Vipin Garg shall have to issue an invoice within 30 days from 01.10.2017. ✓ within 45 days of the supply of service in case of an insurer or banking company or financial institution, including a non-banking financial company (NBFC) E.g. Syndicate Bank Ltd. supplies banking services to Naman Ltd. on 01.10.2017. In the aforesaid case, Syndicate Bank shall have to issue an invoice or any document in lieu of invoice within 45 days from 01.10.2017. ✓ Before or at the time the supplier records the supply in his books of accounts or before the end of the quarter in which the supply is made, Where the supplier is an insurer or banking company or a financial institution or telecom operator, and the supply is between distinct persons, E.g. Connaught Place, New Delhi Branch of State Bank of India (SBI) supplies Banking Services to Main City Branch of Jalandhar (Punjab) on 13.11.2017. However, the supplier records the supply on 14.11.2017. In this case, SBI, New Delhi, being the supplier has to raise an invoice: (i) Before or on 14.11.2017 (date of recording of supply in the books of accounts (ii) Before or on 31.12.2017 (before the expiry of quarter during which the supply was made) **Opinion:-** Invoice should be issued earlier of above dates i.e. on or before 11.11.2017 although rules does not state for earlier date. E.g. In above example it is given that the Supplier Bank supplies banking services on 29.09.2017. However, the supplier records the supply on 01.10.2017. In this case, SBI, New Delhi, being the supplier has to raise an invoice: (i) Before or on 01.10.2017 (date of recording of supply in the books of accounts (ii) Before or on 30.09.2017 (before the expiry of quarter during which the supply was made) **Opinion:-**Invoice should be issued earlier of above dates i.e. on or before 30.09.2017 although rules does not state for earlier date.

2.1.2 What is the time limit for issue of tax invoice in case of continuous supply of goods/services?

Continuous supply of goods

[Section 31(4)]

If continuous supply of goods For Example, Supply of Oil etc. invoice is required to be issued:

♦ when each statement is issued, or

♦ when each payment is received, whichever is earlier

2(32) "continuous supply of goods" means

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

E.g.
Mr. Raj, a registered person, issues invoices on the first of every month in respect of supplies made in immediately preceding month. Further the following information is provided:-

Date	Event	Amount (Rs.)
01.10.2017	Supply of Goods	1,00,000
16.10.2017	Supply of Goods	50,000
20.11.2017	Receipt of payment	60,000 received in advance supplies to be made in Feb, 2018
28.11.2017	Supply of Goods	72,000
12.01.2018	Receipt of payment	36,000 received in advance supplies to be made in Mar, 2018

Solution
Mr. Raj shall be required to issue invoices before or on the following dates:

Date	Event	Amount (Rs.)
01.11.2017	Supply of Goods in the month of October, 2017	1,50,000
20.11.2017	Receipt of advance payment	60,000
01.12.2017	Supply of Goods in the month of Novemer, 2017	72,000
12.01.2018	Receipt of advance payment	36,000

Continuous supply of services

[Section 31(5)]

Where the due date of payment is ascertainable from the contract	*The invoice shall be issued on or before the due date of payment;* E.g. On 01.10.2017 XYZ Ltd. enters into contract with Mr. Harish, a practicing CA, for supply of "Taxation Consultancy Services" by said CA for a period of one year. In terms of aforesaid contract, the due of payment is fifteenth day of every month with effect from 15.11.2017 In the above case, CA. Harish shall be required to issue an invoice on or before fifteenth day of every month with effect from 15.11.2017
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;* *E.g. The above Example is amended and it is given that the due date of payment is not ascertainable from the contract.* *In this case, CA. Harish shall issue the invoice before or at the time when he receives the payment from XYZ Ltd.*
Where payment is linked to the completion of an event	*The invoice shall be issued on or before the date of completion of that event.* *E.g. On 15.10.2017 Mr. Raman, a builder, enters into contract with Mr. Om Prakash, a landlord, for supplying construction Services for Rs. 60,00,000. In terms of contract, Mr. Om Prakash shall be required to make payment as per following details:* *(a) Rs. 35,00,000 on completion of ground floor* *(b) Rs. 25,00,000 on completion of first floor.* *Solution* *In this example, Mr. Raman shall be required to issue invoices on or before the date of completion of specified events namely completion of ground floor and completion of first floor respectively.*

2(33) "continuous supply of servicess" means

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

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

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

For example, a works contract starting on 1st August 2017 was due for completion in March 2018. But it was stopped on 11th Nov 2017. The contractor will issue an invoice on 11th November 2017 to the extent of work performed.

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

If goods sent for approval than earliest of the following:

♦ Time when it becomes known that supply is taken place.

♦ Six month from the date of removal

Example:-

May Jay, a register person, supplies goods on approval for sale on return basis. The following particulars are given below:-

<table>
<tr><td>01.09.2017</td><td>Supply of goods to Mr. Mayank for Rs. 1,00,000 with the option of returning within 3 months</td></tr>
<tr><td>10.10.2017</td><td>Mr. Mayank signifies his approval for the whole of the above mentioned goods</td></tr>
<tr><td colspan="2">In the above case, Invoice shall be issue by Mr. Jay on 10.10.2017, being the earlier of the following two dates:
(i) 10.10.2017 = Before or at the time of supply
(ii) 28.02.2017 = Six Months from the date of removal</td></tr>
</table>

Example 2:-

The above example is modified and the following particulars are given:

<table>
<tr><td>01.09.2017</td><td>Supply of goods to Mr. Mayank for Rs. 1,00,000 with the option of returning within 8 months</td></tr>
<tr><td>25.03.2017</td><td>Mr. Mayank signifies his approval for the whole of the above mentioned goods</td></tr>
<tr><td colspan="2">In the above case, Invoice shall be issue by Mr. Jay on 28.02.2017, being the earlier of the following two dates:
(i) 25.03.2017 = Before or at the time of supply
(ii) 28.02.2017 = Six Months from the date of removal</td></tr>
</table>

2.4 Particular of Tax Invoice [Section 31(1) & (2) read with rule 46]

There is no format prescribed for an invoice, however, invoice rules makes it mandatory for an invoice to have the following fields (only applicable field are to be filled):

1. name, address and GSTIN of the supplier
2. A consecutive serial number not exceeding 16 characters containing alphabets or numerals or special characters unique for a financial year
3. Date of issue
4. **If the recipient is registered-** name, address and GSTIN or UIN of the recipient.
5. 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 Rs.50,000 or more
6. name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than Rs. 50,000 and the recipient requests that such details be recorded in the tax invoice
7. HSN code of goods or Accounting Code of services if the supplier's turnover is more than 1.5 crores
8. Description of goods or services;
9. If the supply is of goods, quantity (number) of the goods or Unique Quantity Code (metre, kg etc.) thereof
10. Total value of supply of goods or services or both;
11. Taxable value of the supply, after considering additional charges, discount, etc.
12. Rate of tax (CGST, SGST, IGST, UTGST or cess)
13. Amount of tax (CGST, SGST, IGST, UTGST or cess)
14. If the supply is interstate, the place of supply along with the State name should be given
15. Address of delivery, if it is different from the place of supply
16. Whether tax is payable on reverse charge
17. Signature or digital signature of the supplier or authorised representative

2.5 HSN codes to be declared Notification No. 12/2017 CT dated 28.06.2017

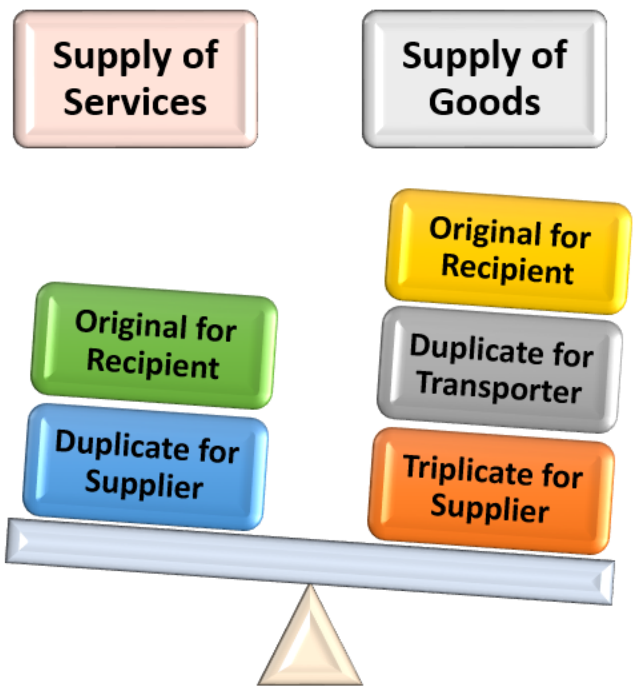
Turnover	No. of digits of HSN to be declared
Upto 1.5 crore	0
More than1.5 crore and upto 5 crore	2

More than 5 crore	4

- These HSN codes must be declared in every tax invoice issued by the taxpayer under GST.
- The turnover for previous year will be considered as a basis to find out number of HSN digits to be used.
- All 8 digits of HSN code is mandatory in case of export and imports under the GST.

2.6 How many copies of Invoices should be issued? [Sections 31(1) & (2) read with rule 48]

- For goods– **3 copies**
- For services– **2 copies**



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

3. SPECIAL CASES

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

Requirements of revised invoice for invoices issued prior to registration	A registered person may o issue Revised Invoice such manner as prescribed in the Invoice Rules o within one month from the date of issuance of certificate of registration o against the invoices already issued o for Supplies made during the period beginning with the effective date of registration till the date of issuance of certificate of registration to the supplier Example:- Sarabhai Private Ltd. commenced business of supply of goods on 1^{st} April in Delhi. Its turnover exceeded Rs. 20,00,000 on 3^{rd} September. Thus it became liable to registration on 3^{rd} September. It applied for registration on 29^{th} September and granted registration certificate on 5^{th} October. Since it applied for registration within 30 days of becoming liable to registration, it was granted registration with effect from 3^{rd} September. Sarabhai Private Ltd. may issue Revised Tax Invoices in respect of taxable supplies effected between 3^{rd} September and 5^{th} October.
Local supplies to unregistered person	Such person may also issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered
Inter-state supplies to unregistered person	In a transaction of inter-State supply where the value of supply does not exceed Rs.2.50 lakhs a consolidated revised tax invoice is to be issued separately for each of the recipients in a particular State who are not registered.
Particulars of Revised Tax Invoice	1. The word **"Revised Invoice"**, wherever applicable, indicated prominently; 2. name, address and GSTIN of the supplier 3. Nature of Document 4. A consecutive serial number not exceeding 16 characters containing alphabets or numerals or special characters unique for a financial year 5. Date of issue of ducument 6. **If the recipient is registered-** name, address and GSTIN or UIN of the recipient. 7. 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 8. Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply; 9. Value of taxable supply of goods or services, rate of tax and the amount of the tax credited/debited to the recipient 10. Signature or digital signature of the supplier or authorised representative *Note: Particulars of the Debit and Credit Notes are also same as revised tax invoices.*

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

A tax invoice need not be issued when the value of the goods or services supplied is less than Rs. 200 if

1. The recipient is unregistered and
2. The recipient does not require an invoice

However, a consolidated tax invoice should be prepared at the end of each day for all such supplies for which the tax invoice is not issued.

Note: In case a person paying tax on reverse charge receives goods or services from an unregistered supplier, the receiver must issue an invoice on the date of receipt of goods or services and a payment voucher at the time of making payment.

Thus, small taxpayers, like small retailers, doing a large number of small transactions for upto a value of Rs. 200 per transaction to unregistered customers need not issue invoice for every such transaction. They can issue one consolidated invoice at the end of each day for all transactions done during the day. However, they should also issue an invoice when the customer demands.
Above provisions are also applicable to Bill of Supply

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

S. No.	***Recipient of supply***	***Amount (Rs.)***
1	*Raghav Traders - a*	*190*

	registered retail dealer	
2	*Dhruv Enterprises – an unregistered trader*	*358*
3	*Gaurav – a Painter [unregistered]*	*500*
4	*Oberoi Orphanage – an unregistered entity*	*188*
5	*Aaradhya – a Student [unregistered]*	*158*
6		

None of the recipients require a tax invoice [Raghav Traders being a composition dealer].
Determine in respect of which of the above supplies, Jain & Sons may issue a Consolidated Tax Invoice instead of Tax Invoice at the end of the day?
Solution:-
In the given illustration, Jain & Sons can issue a Consolidated Tax Invoice only with respect to supplies made to Oberoi Orphanage [worth Rs. 188] and Aaradhya [worth Rs. 158] as the value of goods supplied to these recipients is less than Rs. 200 as also these recipients are unregistered and don't require a tax invoice.
As regards the supply made to Raghav Traders, although the value of goods supplied to it is less than Rs. 200, Raghav Traders is registered under GST. So, Consolidated Tax Invoice cannot be issued.
Consolidated Tax Invoice can also not be issued for supplies of goods made to Dhruv Enterprises and Gaurav although both of them are unregistered. The reason for the same is that the value of goods supplied is not less than Rs. 200.

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

A supplier supplying

- exempted goods or service or
- a supplier who has opted for composition levy scheme

has to issue a bill of supply instead of a tax invoice. A bill of supply is not eligible for claiming input tax credits. A bill of supply is similar to a GST invoice except that bill of supply does not contain any tax amount as the seller cannot charge GST to the buyer.

Tax Invoice Vs. Bill of Supply

	Tax Invoice	**Bill of Supply**
Who has to issue?	**Taxable Supplier** who is supplying Taxable goods or Taxable Services.	**Supplier** of **Exempt Goods** or services and Composition Tax payer
When need not be issued	Need not issue a Tax Invoice if the value of the goods or services supplied is less than ₹200/- and recipient is unregistered .(Need to prepare one aggregate Invoice for each day)	Need not issue a bill of supply if the value of the goods or services supplied is less than ₹200/-.(Need to prepare one aggregate BOS for each day)
Can Input	Input Tax Credit(ITC) can be claimed	Input Tax Credit(ITC) cannot be

Tax claimed?	based on Tax Invoice	claimed based on 'Bill of Supply'

Contents of Bill of supply:

A bill of supply shall be issued by the supplier containing the following details:

I. Name, address and GSTIN of the supplier
II. A consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters like hyphen or dash and slash symbolised as "-" and "/"respectively, and any combination there of, unique for a financial year
III. Date of its issue
IV. Name, address and GSTIN or UIN, if registered, of the recipient
V. HSN Code of goods or Accounting Code for Services
VI. Description of goods or services or both
VII. Value of supply of goods or services or both taking into account discount or abatement, if any
VIII. Signature or digital signature of the supplier or his authorized representative

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

Whenever a registered person receives an advance payment with respect to any supply of goods or services or both, he has to issue a receipt voucher or any other document, containing such particulars as per Rule 50 of the CGST Rules, 2017 evidencing the receipt of such payment.

Content of Receipt Voucher

1. name, address and GSTIN of the supplier
2. A consecutive serial number not exceeding 16 characters containing alphabets or numerals or special characters unique for a financial year
3. Date of issue
4. **If the recipient is registered-** name, address and GSTIN of the recipient.
5. Description of goods or services;
6. Amount of advance taken;
7. Rate of tax (CGST, SGST, IGST, UTGST or cess)
8. Amount of tax (CGST, SGST, IGST, UTGST or cess)
9. If the supply is interstate, the place of supply along with the State name should be given
10. Whether tax is payable on reverse charge
11. Signature or digital signature of the supplier or authorised representative

Proviso to Rule 50 of the CGST Rules, 2017, if at the time of receipt of advance,
(i) The rate of tax is not determinable, the tax may be paid@18%;
(ii) The nature of supply is not determinable, the same shall be treated as inter-State supply.

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

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

Particulars of Refund Voucher

1. name, address and GSTIN of the supplier
2. A consecutive serial number not exceeding 16 characters containing alphabets or numerals or special characters unique for a financial year
3. Date of issue
4. **If the recipient is registered-** name, address and GSTIN of the recipient.
5. Number and date of Receipt Voucher issued
6. Description of goods/services in respect of which refund is madeAmount of advance taken;
7. Amount of refund made
8. Rate of tax (CGST, SGST, IGST, UTGST or cess)
9. Amount of tax (CGST, SGST, IGST, UTGST or cess)
10. Whether tax is payable on reverse charge
11. Signature or digital signature of the supplier or authorised representative

3.6 Invoice and Payment Vouchers to be issued by recipient of supply liable to pay tax under reverse charge [Section 31(3)(f) & (g) read with second proviso to rule 46 and rule 52]

Self-Invoice (RCM) – Sec 31(3)(f)	A registered person who is liable to pay tax under reverse charge [under section 9(3)/9(4) of the CGST Act] shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both. **Note:-** **1.** A recipient liable to pay tax by virtue of section 9(3) has to issue invoice only when supplies have been received from an unregistered supplier. 2. It is important to note here that intra-State supplies of goods

	and/or services received by a registered person from an unregistered supplier are exempt from tax provided the aggregate value of such supplies received from any/all unregistered suppliers is upto Rs. 5,000 in a day *[Notification No. 08/2017 CT dated 28.06.2017].* *3.* Further, where the aggregate value of such supplies covered under section 9(4) exceeds Rs. 5,000 in a day from any/all the unregistered suppliers, the registered person may issue a consolidated invoice at the end of the month. *This provision also applies to a Bill of Supply.* *4.* A registered person who is liable to pay tax under reverse charge [under section 9(3)/9(4) of the CGST Act] shall issue a **Payment Voucher** at the time of making payment to the supplier.
Payment Voucher (RCM) – Sec 31(3)(g)	A registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier. **Particulars of Payment Voucher** 1. Name, address and GSTIN of the supplier if registered; 2. A consecutive serial number not exceeding 16 characters containing alphabets or numerals or special characters unique for a FY. 3. Date of its issue; 4. Name, address and GSTIN of the recipient; 5. Description of goods or services 6. Amount paid; 7. Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess); 8. Amount of tax payable in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess); 9. 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 10. Signature/digital signature of supplier/his authorized representative

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

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

(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
(b) tax invoice may not be issued.

Insurer/Banking company/Financial institution, including NBFC	Where the supplier of taxable service is an insurer or a banking company or a financial institution or NBFC, 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
Goods Transport Agency (GTA) supplying services in relation to transportation of goods by road in a goods carriage	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
Supplier of **passenger transportation service**	Where the supplier of taxable service is supplying passenger transportation service, the said supplier shall issue ✓ 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.

It is important to note here that keeping in view the large number of transactions in banking, insurance and passenger transportation sector, taxpayers need not mention the address of the customer and the serial number in their invoices.

4. Delivery challan For Transporation of Goods without Issue of Invoice [Rule 55]

Nature of supply	Transportation of goods without issue of an invoice can happen in the following cases: 1. Supply of liquid gas, where the quantity at the time of removal from the place of business of the supplier is not known 2. Transportation of goods for job work 3. Transportation of goods for reasons other than supply 4. Any other notified supplies In these cases, the consigner can issue a **delivery challan** in place of an invoice at the time of removal of goods for transportation.
Content of Delivery Challan	The delivery challan, serially numbered should be issued at the time of removal of goods for transportation, containing 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.
Delivery challan to be in triplicate	The original copy must be marked as ORIGINAL FOR CONSIGNEE. The duplicate copy must be marked as DUPLICATE FOR TRANSPORTER. The triplicate copy must be marked as TRIPLICATE FOR CONSIGNER.

Declaration in E-way Bill	Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared in E-WAYBILL
When tax invoice could not be issued at the time of removal	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.
Goods transported in SKD/CKD condition	Where the goods are being transported in a semi knocked down or completely knocked down condition, (a) the supplier shall issue the **complete invoice** before dispatch of the first consignment; (b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice; (c) Copies of the corresponding delivery challan shall accompany each consignment along with a duly certified copy of the invoice; and (d) the original copy of the invoice shall be sent along **with the last consignment.**

5 CREDIT AND DEBIT NOTES [SECTION 34]

Credit Note

Situation in which a credit note to be issued [Sec 34(1)]	A registered person, who has supplied and goods or services or both, may issue to the recipient of the supply a credit note under any of the following situations:- *a. Supplies are returned or found to be deficient by the recipient* When goods supplied are returned by the recipient or goods/services supplied are found to be deficient by the recipient, the supplier should issue a Credit Note. The credit note serves the purpose of reducing the value of the original supply. **For example:** Mohan Apparels in Delhi supplies 100 shirts @ Rs. 1,000 each to Rakesh Garments in Delhi. CGST @ 6% (Rs. 6,000) and SGST @ 6% (Rs. 6,000) are charged. 10 shirts are returned by Rakesh Garments due to the shirts getting damaged during transit. Here, Mohan Apparels should issue Rakesh Garments a credit note for the return of 10 shirts. On the value of shirts returned, i.e. Rs. 10,000 (10 units @ Rs. 1,000 each), CGST @ 6% (Rs. 600) and SGST @ 6% (Rs. 600) is to be reversed. This will result in reduction in the original value of supply, resulting in reduction

	in the tax applicable on the supply. *b.Decrease in taxable value* When a supplier requires to decrease the taxable value of a supply, he/she has to issue a credit note to the recipient. **For example:** Mohan Apparels in Delhi supplies 100 shirts @ Rs. 1,000 each to Rakesh Garments in Delhi. CGST @ 6% (Rs. 6,000) and SGST @ 6% (Rs. 6,000) are charged. On a later date, Mohan Apparels informs Rakesh Garments that if they make the payment for the supply in cash, they will give them a discount of 1% on the value of the shirts. Accordingly, Rakesh Garments makes the payment in cash. Here, to record the discount given to Rakesh Garments after the supply, Mohan Apparels will issue a credit note. The credit note will be for the discount of Rs. 1,000 (1% on total value of Rs. 1,00,000). On Rs. 1,000, CGST @ 6% (Rs. 60) and SGST @ 6% (Rs. 60) will be reversed. *c. Decrease in GST charged in invoice* When a supplier requires to decrease the rate or value of GST charged in an invoice, he/she has to issue a credit note to the recipient. **For example:** Mohan Apparels in Delhi supplies 100 shirts @ Rs. 1,000 each to Rakesh Garments in Delhi. Due to a mistake in data entry, Mohan Apparels charges CGST @ 9% (Rs. 9,000) and SGST @ 9% (Rs. 9,000) on the supply. They later realise that tax has been charged in excess in the invoice and CGST & SGST @ 6% each was applicable on the supply. Here, Mohan Apparels will issue a credit note to Rakesh Garments. The credit note will be for the amount of tax charged in excess, i.e. CGST of Rs. 3,000 and SGST of Rs. 3,000.
Declaration of details of Credit Note in the return [Sec. 34(2)]	A supplier can issue a credit note against a Tax Invoice on or before 30th September of the next financial year or the date of filing of annual return pertaining to the Tax Invoice, whichever is earlier. The tax liability shall be adjusted in such manner as may be prescribed. However, no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person. **Example** Super Cars Ltd sells spare parts worth Rs. 6,00,000 to its dealer Ravindra Automobiles on 1st November '17. On 2nd November '17, Ravindra Automobiles returned spare parts worth Rs 1,00,000, being damaged goods. Super Cars Ltd wants to raise a credit note for the goods returned. Let us ascertain the last date by when Super Cars Ltd must issue the credit

note using 2 scenarios-

Scenario 1- They file annual return of the Financial Year 17-18 on 1st December '18

Scenario 2- They file annual return of the Financial Year 17-18 on 31st May '18.

Scenario	Date of original supply	Annual return filing date	Condition for determining last date to issue credit note	Last date for issuing credit note
Scenario 1	1st November 2017	1st December '18	30th September following the end of the financial year in which the supply was made or the date of filing annual return, whichever is earlier	30th September '18
Scenario 2		31st May '18		31st May '18

Debit Note

<table>
<tr>
<td>Situation in which a Debit note to be issued [Sec 34(3)]</td>
<td>
A registered person, who has supplied and goods or services or both, may issue to the recipient of the supply a debit note under any of the following situations:-

a. Increase in taxable value

When a supplier requires to increase the taxable value of a supply, he/she has to issue debit note to the recipient.

For example: Ram Electronics in Karnataka supplies 10 mobile phones @ Rs. 10,000 each to Shyam Electronics in Maharashtra. IGST @ 12% on total value of Rs. 1,00,000, which is Rs. 12,000, is charged. After the supply, it is realized that the price of each mobile phone is Rs. 11,000.

Here, Ram Electronics can issue debit note to Shyam Electronics, for the increase in price of each mobile phone by Rs. 1,000. IGST @ 12% on the debit note value of Rs. 10,000 (10 mobile phones*Rs. 1,000), which is Rs. 1,200, is charged.

b. Increase in GST charged in invoice

When a supplier requires to increase the rate or value of GST charged in an
</td>
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</table>

	invoice, he/she has to issue debit note to the recipient. **For example:** Ram Electronics in Karnataka supplies 10 laptops @ Rs. 10,000 each to Shyam Electronics in Maharashtra. IGST @ 18% on the total value of Rs. 1,00,000, which is Rs. 18,000, is applicable on the supply. However, due to a mistake in calculation, Mr. Ram charges IGST @ 12% in the invoice, of Rs. 12,000. Here, Ram Electronics can issue debit note to Shyam Electronics for the increase in GST charged in the invoice by Rs. 6,000.
Declaration of details of Debit Note in the return [Sec. 34(4)]	Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has been issued. Further the tax liability shall be adjusted in the prescribed manner.

Appendix-1

In the case of Intrastate transactions, CGST and SGST will be charged. The format of your tax invoice for intrastate transactions is as follows –

Tax Invoice

Ganeshji Pvt Ltd AMR Tech Park Hosur Main Road Bangalore Karnataka GSTIN/UIN: 29ANXPE1234A1Z1	Invoice No. **11**	Dated **1-Jul-2017**
	Delivery Note	Mode/Terms of Payment
	Supplier's Ref.	Other Reference(s)
Buyer **Pioneer Electronics** A-2, MG Road Bangalore Karnataka, Code : 29 GSTIN/UIN:29ANXPD1234A1Z1 Place of Supply : Karnataka	Buyer's Order No.	Dated
	Despatch Document No.	Delivery Note Date
	Despatched through	Destination
	Terms of Delivery	

Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	**Software**	85238020	18 %	**1 nos**	20,000.00	nos	**20,000.00**
	CGST						**1,800.00**
	SGST						**1,800.00**
	Total			**1 nos**			**₹ 23,600.00**

Amount Chargeable (in words) *E. & O.E*

INR Twenty Three Thousand Six Hundred Only

HSN/SAC	Taxable Value	Central Tax		State Tax	
		Rate	Amount	Rate	Amount
85238020	20,000.00	9%	1,800.00	9%	1,800.00
Total	**20,000.00**		**1,800.00**		**1,800.00**

Tax Amount (in words) : **INR Three Thousand Six Hundred Only**

Declaration
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Ganeshji Pvt Ltd

Authorised Signatory

This is a Computer Generated Invoice

Appendix-2

In the case of Interstate transactions, IGST will be charged. The format of your tax invoice for inter-state transactions is as follows –

Tax Invoice

Ganeshji Pvt Ltd AMR Tech Park Hosur Main Road Bangalore Karnataka GSTIN/UIN: 29ANXPE1234A1Z1	Invoice No. **12**	Dated **1-Jul-2017**
	Delivery Note	Mode/Terms of Payment
	Supplier's Ref.	Other Reference(s)
Buyer **Mohan Electronics** A-204, Marine Drive Chennai Tamil Nadu, Code : 33 GSTIN/UIN:33ANXPC1234A1Z1 Place of Supply : Tamil Nadu	Buyer's Order No.	Dated
	Despatch Document No.	Delivery Note Date
	Despatched through	Destination
	Terms of Delivery	

Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	**Software**	85238020	18 %	**1 nos**	20,000.00	nos	**20,000.00**
	IGST						**3,600.00**
	Total			**1 nos**			**₹ 23,600.00**

Amount Chargeable (in words) *E. & O.E*

INR Twenty Three Thousand Six Hundred Only

HSN/SAC	Taxable Value	Integrated Tax	
		Rate	Amount
85238020	20,000.00	18%	3,600.00
Total	**20,000.00**		**3,600.00**

Tax Amount (in words) : **INR Three Thousand Six Hundred Only**

Declaration
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Ganeshji Pvt Ltd

Authorised Signatory

This is a Computer Generated Invoice

Appendix-3

In the case where the material is sent to the consignee on 3rd party's instruction, a Bill-To-Ship-To scenario will arise. If the 3rd party is in the same state, CGST and SGST will be charged, though the material is shipped to another state.

Tax Invoice

Ganeshji Pvt Ltd AMR Tech Park Hosur Main Road Bangalore Karnataka GSTIN/UIN: 29ANXPE1234A1Z1	Invoice No. **14**	Dated **1-Jul-2017**
	Delivery Note	Mode/Terms of Payment
	Supplier's Ref.	Other Reference(s)
Consignee **Mr. Ram Mohan** B-3, Residency Road Bangalore Karnataka	Buyer's Order No.	Dated
	Despatch Document No.	Delivery Note Date
	Despatched through	Destination
Buyer (if other than consignee) **Pioneer Electronics** A-2, MG Road Bangalore Karnataka, Code : 29 GSTIN/UIN:29ANXPD1234A1Z1 Place of Supply : Karnataka	Terms of Delivery	

Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	**Software**	85238020	18 %	**1 nos**	20,000.00	nos	**20,000.00**
	CGST						**1,800.00**
	SGST						**1,800.00**
	Total			**1 nos**			**₹ 23,600.00**

Amount Chargeable (in words) *E. & O.E*

INR Twenty Three Thousand Six Hundred Only

HSN/SAC	Taxable Value	Central Tax		State Tax	
		Rate	Amount	Rate	Amount
85238020	20,000.00	9%	1,800.00	9%	1,800.00
Total	**20,000.00**		**1,800.00**		**1,800.00**

Tax Amount (in words) : **INR Three Thousand Six Hundred Only**

Declaration
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Ganeshji Pvt Ltd

Authorised Signatory

This is a Computer Generated Invoice

Appendix-4

In the case of a registered person purchasing from an 'unregistered dealer', the tax is paid by the recipient, and the recipient must issue an invoice on the date of receipt of goods or services.

INVOICE

Ramesh Enterprises A-204, Bommasandra Bangalore Karnataka, Code : 29	Invoice No. **4**	Dated **1-Jul-2017**
	Supplier's Ref.	Other Reference(s)
Consignee **Ganeshji Pvt Ltd** AMR Tech Park Hosur Main Road Bangalore Karnataka GSTIN/UIN: 29ANXPE1234A1Z1		

Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	**Printer Ribbon**	96121010	18 %	**1 nos**	10,000.00	nos	**10,000.00**
	Total			**1 nos**			**₹ 10,000.00**

Amount Chargeable (in words) *E. & O.E*

INR Ten Thousand Only

HSN/SAC	Taxable Value	Central Tax		State Tax	
		Rate	Amount	Rate	Amount
96121010	10,000.00	9%	900.00	9%	900.00
Total	**10,000.00**		**900.00**		**900.00**

Tax Amount (in words) : **INR One Thousand Eight Hundred Only**

Amount of tax subject to Reverse Charge

Company's GSTIN/UIN :

for Ramesh Enterprises

Authorised Signatory

Appendix-5

In the case of a registered dealer receiving an advance payment for a supply, the dealer should issue a receipt voucher for the advance paid by the recipient.

Advance Receipt

Ganeshji Pvt Ltd
AMR Tech Park
Hosur Main Road
Bangalore
Karnataka
GSTIN/UIN : 29ANXPE1234A1Z1

Party : **Pioneer Electronics** Address : A-2, MG Road Bangalore GSTIN No. 29ANXPD1234A1Z1	Invoice No. : **1** Invoice Date : **01/07/2017**

Sl No.	Particulars		Rate	per	Amount
	Software	10,000.00			**10,000.00**
		CGST			**900.00**
		SGST			**900.00**
					₹ 11,800.00

Amount received (in words)
INR Eleven Thousand Eight Hundred Only

HSN/SAC	Taxable Value	Central Tax Rate	Central Tax Amount	State Tax Rate	State Tax Amount
85238020	10,000.00	9%	900.00	9%	900.00
Total	**10,000.00**		**900.00**		**900.00**

Tax Amount (in words) : **INR One Thousand Eight Hundred Only**

E. & O.E

for Ganeshji Pvt Ltd

Prepared by Verified by Authorised Signatory

Appendix-6

An export invoice must, in addition to the details required in a tax invoice, contain the following details:

- Must have the words '"Supply meant for export on payment of IGST" or "Supply meant for export under bond or letter of undertaking without payment of IGST"
- Name and address of the recipient
- Name of the destination country
- Delivery address

Tax Invoice

(SUPPLY MEANT FOR EXPORT UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF IGST)

Ganeshji Pvt Ltd AMR Tech Park Hosur Main Road Bangalore Karnataka GSTIN/UIN: 29ANXPE1234A1Z1	Invoice No. **15**	Dated **1-Jul-2017**
	Supplier's Ref.	Other Reference(s)
	Buyer's Order No.	Dated
Buyer **Travis Electronics** 5th Avenue New York United States of America	Vessel/Flight No. **12-089**	Place of receipt by shipper: **Mumbai**
	City/Port of Loading **Mumbai**	City/Port of Discharge **New York**
	Country **United States of America**	

Sl No.	Marks & Nos/ Container No.	No. & Kind of Pkgs.	Description of Goods	HSN/SAC	Quantity	Rate	per	Amount
1		1	**Software**	85238020	**1 nos**	$310.00	nos	**$310.00**
			Total		**1 nos**			**$310.00**

Amount Chargeable (in words) *E. & O.E*

Dollars Three Hundred Ten Only

HSN/SAC	Taxable Value
85238020	20,150.00
Total	**20,150.00**

Tax Amount (in words) : **NIL**

Declaration

We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Ganeshji Pvt Ltd

Authorised Signatory

This is a Computer Generated Invoice

Appendix-7

Delivery Challan can be issued in some special business cases, such as –

- Supply of liquid gas, where the quantity at the time of removal from the place of business of the supplier is not known
- Transportation of goods for job work
- Transportation of goods for reasons other than supply
- Any other notified supplies

Tax Invoice

DELIVERY NOTE

Ganeshji Pvt Ltd AMR Tech Park Hosur Main Road Bangalore Karnataka GSTIN/UIN: 29ANXPE1234A1Z1	Delivery Note No. **4**	Dated **1-Jul-2017**
		Mode/Terms of Payment
	Supplier's Ref.	Other Reference(s)
Buyer **Rajesh Painters** A-101, SP Road Bangalore Karnataka, Code : 29 Place of Supply : Karnataka	Buyer's Order No.	Dated
	Despatch Document No.	
	Despatched through	Destination
	Terms of Delivery	

Sl No	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	**Printer Ribbon**	96121010	18 %	**10 nos**	1,000.00	nos	**10,000.00**
	Total			**10 nos**			**₹ 10,000.00**

Amount Chargeable (in words) *E. & O.E*

INR Ten Thousand Only

HSN/SAC	Taxable Value
96121010	10,000.00
Total	10,000.00

Tax Amount (in words) : **NIL**

Recd. in Good Condition	for Ganeshji Pvt Ltd Authorised Signatory

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Appendix -8

Bill of Supply is to be issued by a registered supplier in the following cases:

- Supply of exempted goods or services
- Supplier is paying tax under composition scheme

Similar to tax invoice, a bill of supply need not be issued when the value of goods or services supplied is less than INR 200, unless the receiver insists for the bill. However, a consolidated bill of supply should be prepared at the end of the business day for all such supplies for which the bill of supply is not issued.

Invoice No. **16** Dated **1-Jul-2017**
Ref. No.

Ganeshji Pvt Ltd
AMR Tech Park
Hosur Main Road
Bangalore
Karnataka
GSTIN/UIN: 29ANXPE1234A1Z1

Bill of Supply

Party : **Ramesh Book Stall**
C-101, Bommanahalli
Bangalore
GSTIN/UIN : 29ANDPE1234A1Z1
State Name: Karnataka, Code : 29

Sl No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Amount
1	**GST Colouring Book**	4903	**10 nos**	1,000.00	nos	**10,000.00**
	Total		**10 nos**			**₹ 10,000.00**

Amount Chargeable (in words) *E. & O.E*
INR Ten Thousand Only

HSN/SAC	Taxable Value
4903	10,000.00
Total	**10,000.00**

Tax Amount (in words) : **NIL**

Declaration
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Ganeshji Pvt Ltd

Authorised Signatory

This is a Computer Generated Invoice

Appendix-9

A Credit note format sample is shown below.

Credit Note

Mohan Apparels A-404, Lajpat Nagar Delhi GSTIN/UIN: 07ANDEP2345Q1Z1	Credit Note No. **1**	Dated **1-Nov-2017**
	Buyer's Ref. **230 dt. 31-Oct-2017**	Other Reference(s)
Party : **Rakesh Garments** B-42, Sarojini Nagar, Delhi State Name : Delhi, Code : 07 GSTIN/UIN : 07ANSPE1234A1Z1 Place of Supply : Delhi		

Sl No.	Particulars	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	**CGST** *For CGST Charged @9% Instead of 6% in Invoice N.230*						**3,000.00**
2	**SGST** *For SGST Charged @9%Instead of 6% in Invoice N.230*						**3,000.00**
	Total						**6,000.00**

Amount Chargeable (in words) *E & O.E*

INR Six Thousand Only

for Mohan Apparels

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Appendix-10

A debit note format sample is shown below.

Debit Note

Ram Electronics A-23, Shivaji Nagar Bangalore GSTIN/UIN: 29ANDEP2345Q1Z1	Debit Note No. **1**	Dated **1-Oct-2017**
	Supplier's Ref. **200 dt. 1-Oct-2017**	Other Reference(s)
Party : **Shyam Electronics** W-231, Andheri East, Mumbai State Name : Maharashtra, Code : 27 GSTIN/UIN : 27ANXPO1234Q1Z1		

Sl No.	Particulars	Amount
1	**IGST** *For IGST Charged @12% Instead of 18% in Inv No.200*	**6,000.00**
	Total	**6,000.00**

Amount Chargeable (in words) *E & O.E*

INR Six Thousand Only

for Ram Electronics

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