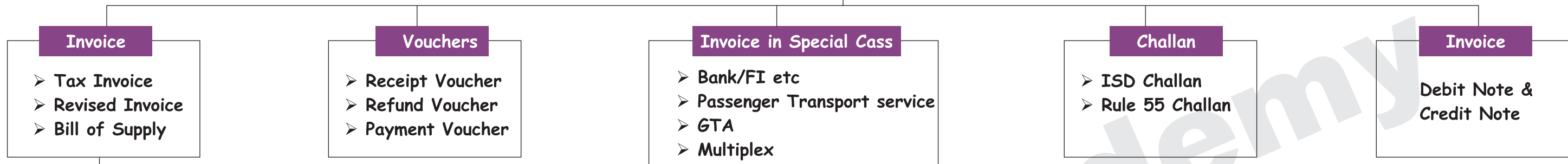


CHAPTER 10 - TAX INVOICE, DEBIT NOTE & CREDIT NOTE



CA Vishal Bhattad

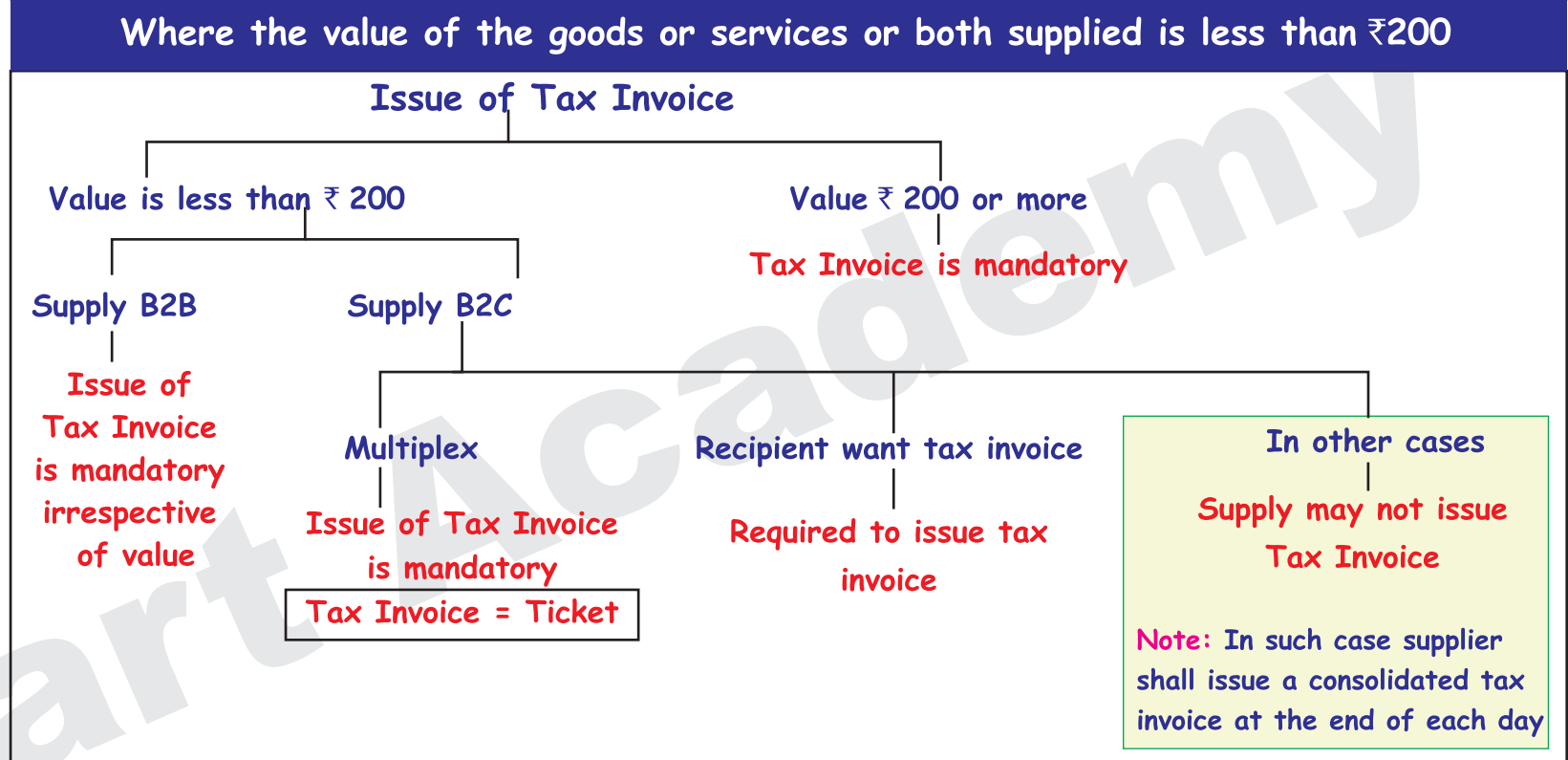


Particular	Tax Invoice : Supply of goods	Tax Invoice : Supply of Service									
Normal case	Invoice shall be issued - On or before	Invoice shall be issued - On or before									
	<table border="1"> <tr> <td>a) If movement involved-</td> <td>At the time of removal for supply</td> </tr> <tr> <td>b) In other case-</td> <td>At the time of delivery or made available</td> </tr> </table>	a) If movement involved-	At the time of removal for supply	b) In other case-	At the time of delivery or made available	<table border="1"> <tr> <td>a) Provision of services</td> <td>within 30 days from Completion</td> </tr> <tr> <td>b) Bank/FI/NBFC/ Insurer</td> <td>within 45 days from Completion</td> </tr> <tr> <td>Insurer/ Bank/ FI/ NBFC/ Telecom/ other notified person</td> <td>where service to DDP, i) When Supplier records in books of A/c ii) Last date of qtr. whichever is earlier</td> </tr> </table>	a) Provision of services	within 30 days from Completion	b) Bank/FI/NBFC/ Insurer	within 45 days from Completion	Insurer/ Bank/ FI/ NBFC/ Telecom/ other notified person
a) If movement involved-	At the time of removal for supply										
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a) Provision of services	within 30 days from Completion										
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Insurer/ Bank/ FI/ NBFC/ Telecom/ other notified person	where service to DDP, i) When Supplier records in books of A/c ii) Last date of qtr. whichever is earlier										
	<p>Government may</p> <p>(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.</p> <p>(b) subject to the condition mentioned therein, specify the categories of services in respect of which—</p> <p>(i) any other document deemed to be a tax invoice or</p> <p>(ii) tax invoice may not be issued.</p>										
Continuous Supply of goods / services	Invoice shall be issued before or at the time ➤ each such successive statement or ➤ each such successive payment is received Whichever is earlier	Invoice shall be issued on or before a) Due date of payment by recipient ascertainable in contract-on such date b) If due date not ascertainable - date of payment received c) If completion of event are fixed in contract-Last date of completion of such event									
Supply on sale or return/ Approval basis	Invoice shall be issued a) Before/at the time of supply [i.e. approval given by recipient] b) 6 months from the date of removal, whichever is earlier										
Cessation of SOS		Invoice shall be issued at the time when supply ceases & such invoice only to the extent supply made before such cessation									

Content of Invoice [Rule 46]			
a) Name, Address and GSTIN	f) HSN code	i) Total value	n) Address of delivery
b) Consecutive Number Series	g) Description of SOG/SOS	j) Taxable value	o) If reverse charge applicable
c) Date of Issue	h) Quantity of goods	k) Rate of tax	p) Signature of digital Signature
d) Name of address & GSTIN or UIN of recipient	l) Amount of tax charged	q) Nature of document	r) Quick Response(QR) Code
e) Other details of Unregistered recipient	m) Place of supply		

s) Declaration that not required to prepare an invoice as per rule 48(4)

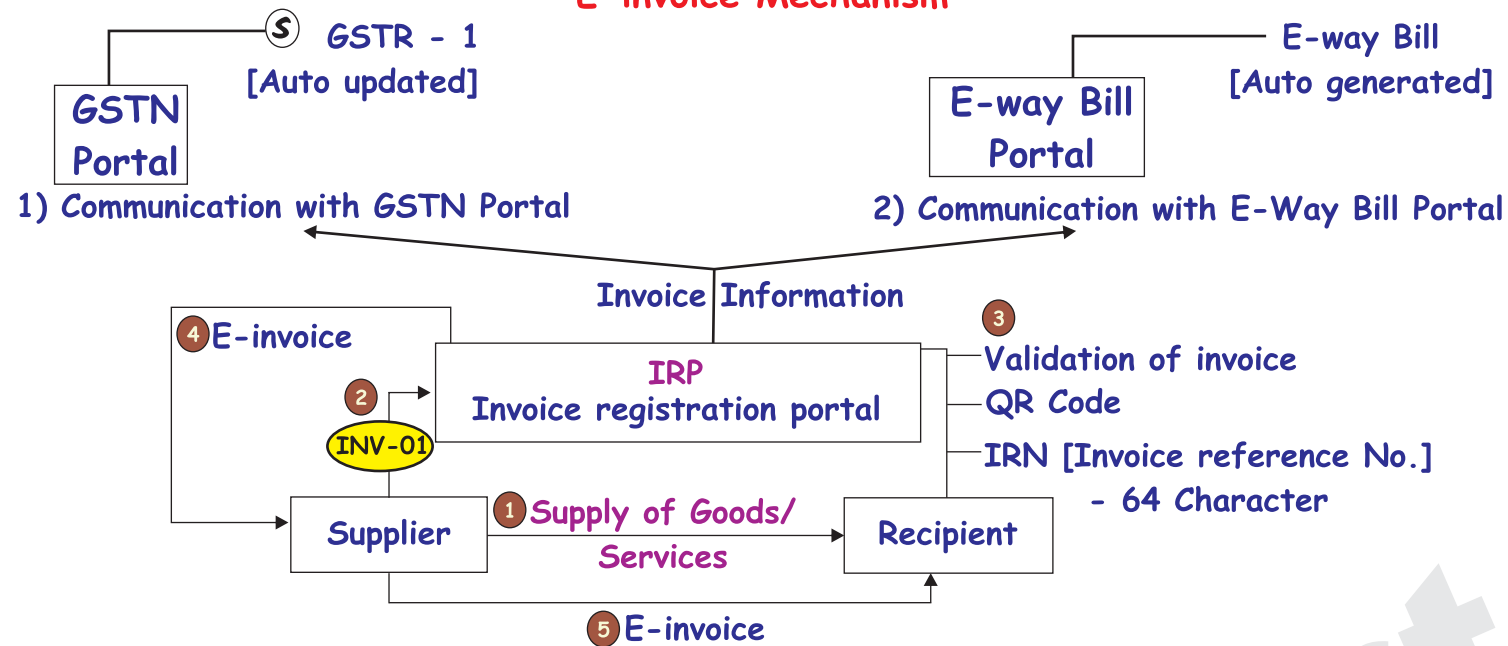
Notes : 1) Consecutive serial number shall not exceed 16 characters for tax Invoice in one/multiple series shall be maintained same for a F.Y.



Manner of issuing Tax Invoice Rule 48:-	
Normal Invoice	1) In case of taxable SOG Invoice shall be prepared in Triplicate 2) In case of taxable SOS Invoice shall be prepared in Duplicate 3) Serial number of invoices issued during a tax period shall be furnished electronically in GSTR - 1/ 1A
E-Invoice	1) Notified classes of person obtaining invoice reference no. from E-invoice portal 2) Invoice void, if invoice reference no. not quoted 3) Does not require to issue Duplicate or Triplicate copy

Rule 48(4) : E-invoicing

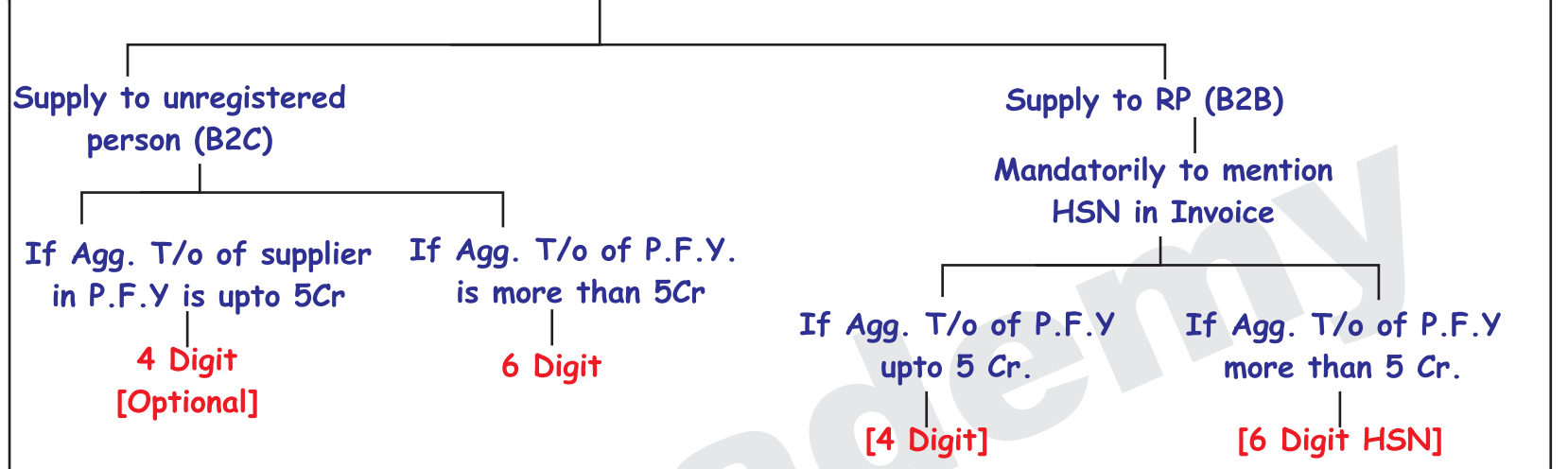
E-invoice Mechanism



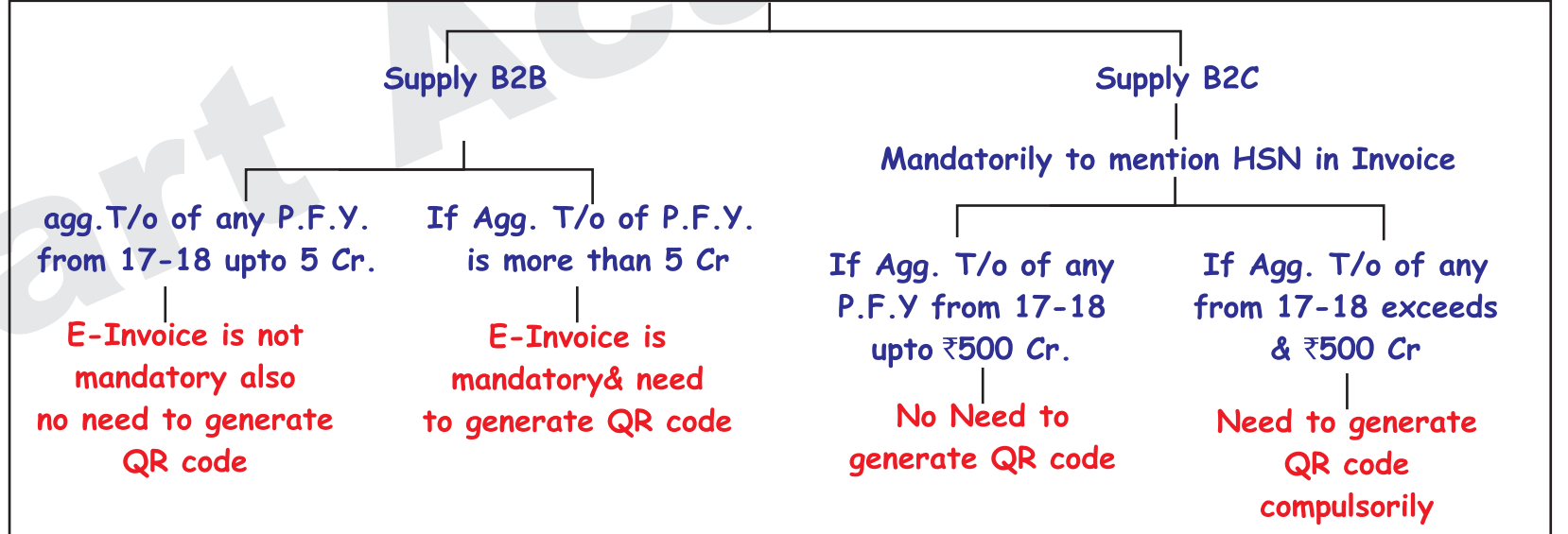
7	Non-applicability of provision of normal invoice	<ul style="list-style-type: none"> Normal Invoice or computer generated invoice applies in any manner shall not be treated as an invoice (if provision of E-invoice is applicable). 3 copies of invoices is not required in case of E-invoice. Digital signature also not required in case of E-invoice.
8	Amendment/cancellation of e-invoices	<ul style="list-style-type: none"> Cancellation need to be reported into the IRN Portal within 24 hours. After 24 hrs should be manually cancelled on the GST portal before the returns are filed. Once an IRN is cancelled, the same invoice number cannot be used again. Any amendments to an e-invoice can be made only on the GST Portal.
9	Circular No. 198/10/2023	E-invoices must be issued for supplies to registered Government Departments / agencies / LA by RP surpassing the turnover threshold of ₹5 CR.

HSN & QR Code in Invoice

Required of HSN invoice



Applicability of QR Code



1	What is E-Invoicing?	An E-invoice refers to the requirement for businesses to generate and issue invoices electronically through the government's IRP (Invoice registration portal).
2	Applicability	RP with an Agg. T/o exceeds ₹5 crores in Any P.F.Y. from 2017-18 onwards are required to issue e-invoices for > B2B transactions > exports Supply > Debit Note & Credit note.
3	Non-Applicability	<ol style="list-style-type: none"> for B2C invoices RP with an Agg. T/o below / upto ₹5 crores in all F.Y. from 2017-18, Input Service Distributors (ISD), Import of goods, Government, LA, SEZ units, insurers, banks, NBFCs, GTA, suppliers of passenger transportation & Multiplexes. Certain reverse charge scenarios (explain later). Exempt Supply (nil rate + wholly exempt + non-taxable)
4	Advantages of E-Invoicing	<ul style="list-style-type: none"> Efficiency: Automates reporting of invoices in GST returns and e-way bill generation. Accuracy: Reduces transcription errors & facilitates reconciliation with purchase orders. Tax Compliance: Helps in matching ITC with output tax, reducing tax evasion. Fraud Prevention: Curbs fake invoicing and fraudulent ITC claims.
5	Important Notes for SEZ	<ul style="list-style-type: none"> SEZ Units vs. Developers: Only SEZ units are exempt from E-invoicing & not SEZ developers i.e. provision of E-invoice applicable to SEZ Developer. Entity-Wide Exemption: The exemption applies to the entire entity of SEZ unit, regardless of the nature of the supply.
6	E-Invoice incase of Reverse Charge	<p>E-invoicing mandates are primarily directed at suppliers based on their annual turnover thresholds</p> <ul style="list-style-type: none"> If supplier is RP (u/s 9(3)): Supplier required to generate an E-invoice for taxable supplies (for B2B), regardless of whether the transaction is under RCM or not. If supply from URP to RP (u/s 9(3)/(4)): Since the supplier is unregistered, they are not required to generate an e-invoice. <p>Note:- Although the recipient is responsible for paying GST under RCM, they are not required to generate an e-invoice as the responsibility of e-invoicing rests solely with the registered suppliers who meet the turnover criteria, and this does not extend to recipients under RCM.</p>

Student Notes:-

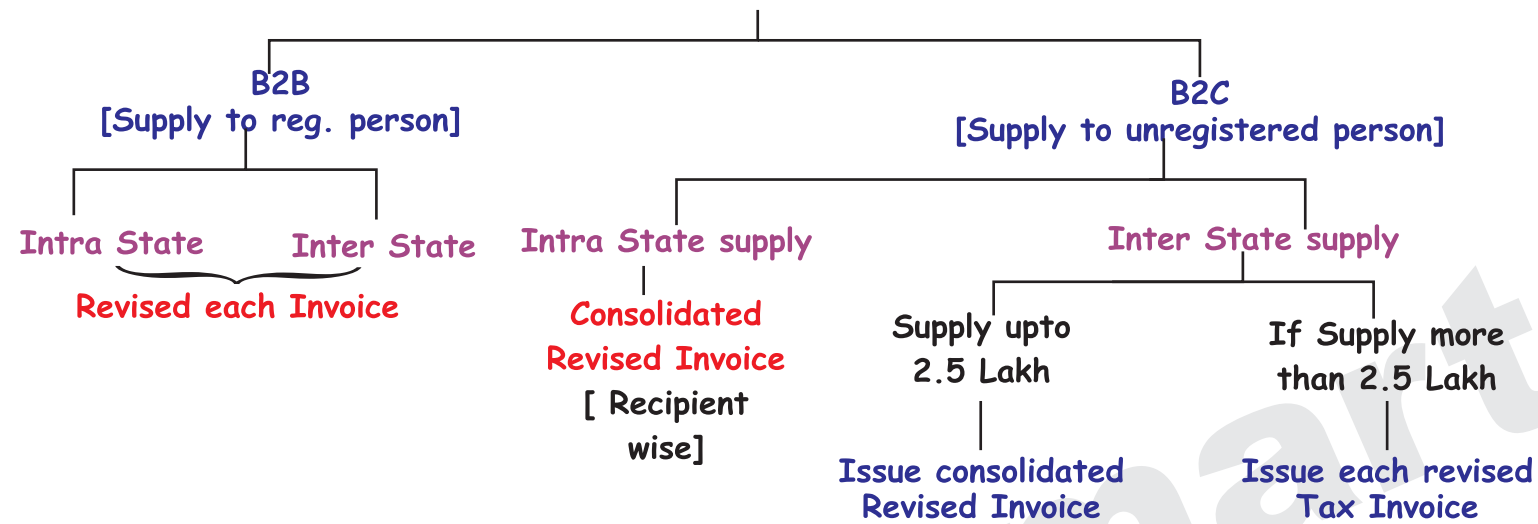
Revised Invoice :-

Revised Invoice to be issued from effective date of registration till the date of issuance of RC within 1 month from the date of issuance of RC.

Consolidated revised tax invoice:- RP may issue a consolidated revised tax invoice

1. in respect of all taxable supplies made to a recipient who is URP
2. In the case of inter-State supplies, where the VOS does not exceed ₹ 2.5 Lakhs to URP

Revised Tax Invoice



Bill of Supply:-

1. On Supply of **Exempt** Goods or Services
2. Paying tax under **Composition Scheme**.

Endorsement for Export Invoice:-

Condition	Declaration in invoice	Required Details
Payment of Integrated Tax	"Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations on payment of integrated tax"	(i) Name and address of the recipient (ii) Address of delivery (iii) Name of the country of destination
Without Payment of Integrated Tax	"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"	(i) Name and address of the recipient (ii) Address of delivery (iii) Name of the country of destination

Invoice-cum-bill of supply

Person is supplying taxable as well as exempted supply a single "Invoice-cum-bill of supply" may be issued for all such supplies.

Student notes

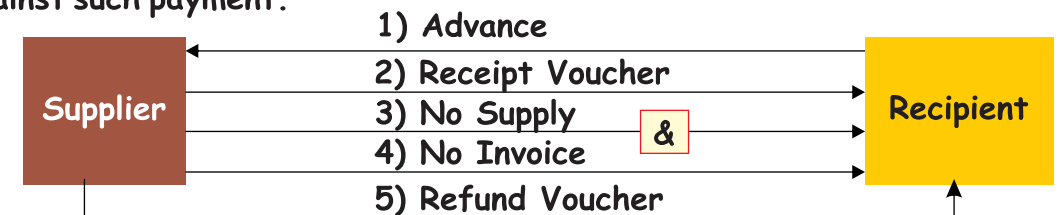


VOUCHERS

Receipt Voucher Sec 31 (3)(d) A RP shall, on receipt of advance payment with respect to any supply of goods or services, issue a Receipt Voucher evidencing receipt of such payment. **if, at the time of receipt of advance, rate of tax/nature of supply is not determinable**

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

Refund Voucher Sec 31 (3)(e) Where on receipt of advance payment with respect to any supply of goods or services the RP 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.



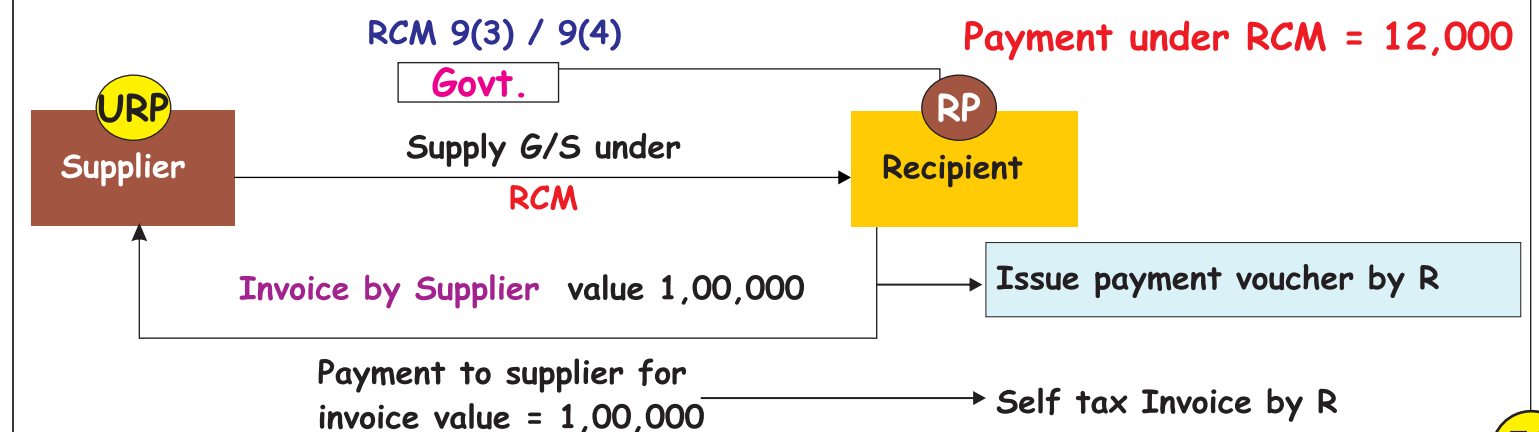
When to issue refund voucher

Analysis:-

Supply is made but no Invoice is given	Invoice is made but no supply is done	Supply is not made & also no Invoice is issued
Refund voucher not allowed Note:- GST is payable on supply	Refund voucher not allowed Note:- In that case supplier can issue credit note & claim the adjustment in output tax	Refund voucher is allowed Note:- supplier can claim GST refund of advance [In case of refund voucher only refund is allowed]

Payment Voucher & Self Invoice Sec 31 (3)(g) A RP 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 SOG/SOS or both received by him from the supplier who is not registered on the date of receipt of SOG/SOS or both.

Thus, a recipient liable to pay tax by virtue of sec 9(3) has to issue invoice only when supplies have been received from an unregistered supplier or supplier u/s 51.



Tax invoices in Special Cases (Rule 54)

Supplier of taxable service	Document in lieu of the tax invoice	
	Optional information	Mandatory information
Insurer/Banking/ FI/ NBFC	<ul style="list-style-type: none"> Serial number Address of the recipient 	Information for a Tax Invoice, u/r 46
		Such document may be required
	The said supplier may issue a consolidated tax invoice for SOS made during a month at the end month.	
Supplier of passenger transportation service	<ul style="list-style-type: none"> Serial number Address of the recipient 	Information for a tax invoice, u/r 46
		Tax invoice = ticket
Admission to Exhibition of cinematography films in multiplex screens	Tax Invoice = E-Ticket	
	Other information as prescribed for a tax invoice, u/r 46	

Delivery Challan/ Invoice for Transportation of Goods (Rule 55)

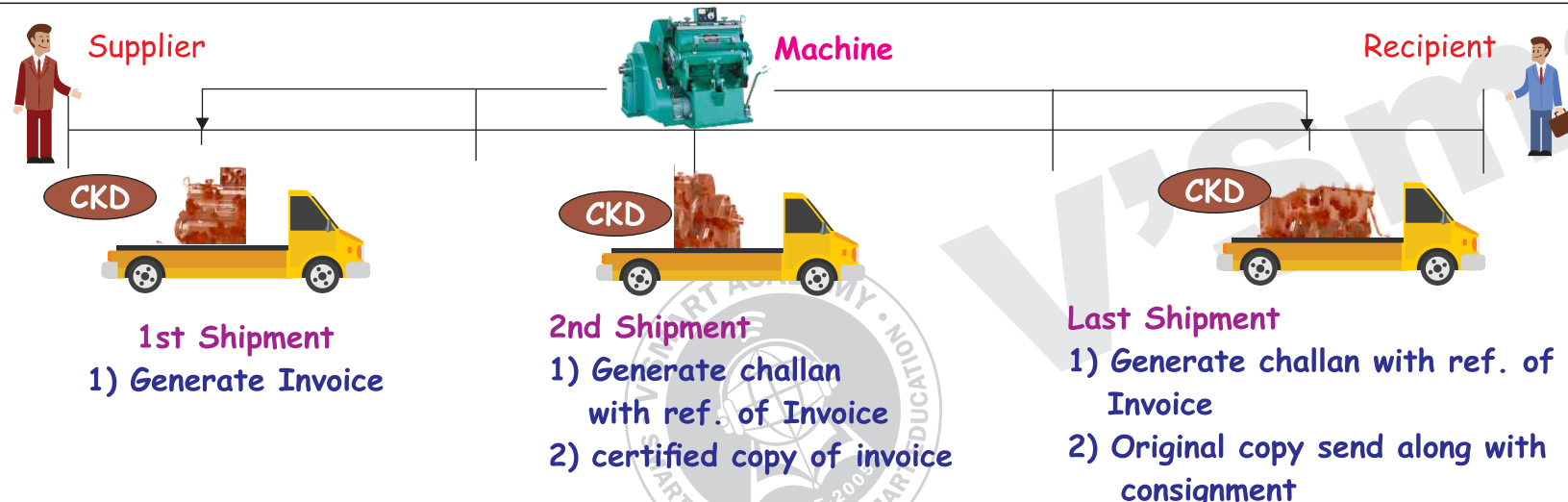
Nature of supply

- 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 by way of supply, or
- Such other supplies as may be notified by the Board

Supply of goods in SKD/CKD/batches/lots:-

Where the goods are being transported in a semi knocked down (SKD) or completely knocked down condition (CKD) or in batches or lots,

- the supplier shall issue the complete invoice before dispatch of the first consignment;
- the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
- Copies of the corresponding delivery challan shall accompany each consignment along with a duly certified copy of the invoice; and
- the original copy of the invoice shall be sent along with the last consignment.



Sec 34 - Credit Note & Debit Note

Credit Note :-

Circumstances of Issuance of Credit Note	<ul style="list-style-type: none"> 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, the goods supplied are returned by recipient, the goods &/or services supplied are found to be deficient, the goods or services don't meet the recipient's quality expectations. Any other similar reasons.
Reducing Tax Liability	<ul style="list-style-type: none"> Issuing a credit note decreases the supplier's tax liability. Correspondingly, the recipient's Input Tax Credit also reduces.
Restrictions on Credit Notes	<p>Exceptions: GST credit note can not be issued</p> <ul style="list-style-type: none"> Not allowed for secondary discounts which is not agreed at the time of supply. Financial/commercial credit notes can be issued but won't affect Tax Liability.

Debit Note:-

Circumstances of Issuance of Debit Note	<ul style="list-style-type: none"> 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 quantity received by recipient is more than what is declared in tax invoice, or any other similar reasons.
Additional Tax Liability	<ul style="list-style-type: none"> A debit note/supplementary invoice creates additional tax liability ("Debit note" = supplementary invoice). Treatment of a debit note/ supplementary invoice is identical to that of a tax invoice for returns and payment purposes.

Details of Debit Note/Credit Note to be declared in return

Time limit to declare details of Credit note issued & other relevant pts.	<ul style="list-style-type: none"> Declaration in Returns: Must be declared in the tax return of the month when the credit note is issued. Deadline for Declaration: Earlier of two dates: <ul style="list-style-type: none"> 30th November following the end of F.Y. in which such supply was made or Date of furnishing of the relevant annual return. Adjustment of Tax Liability: Tax liability to be reduced in the month in which credit note is issued. Restriction: No reduction in output tax liability if incidence of tax and interest have been passed to another person or ITC is not reversed by recipient. Flexibility: A single credit can address multiple invoices.
Time limit to declare details of Debit note issued	<ul style="list-style-type: none"> Declaration Timing: In the tax return for the month when the debit note is issued. Tax Liability Adjustment: added in tax liability in which debit is issued. Flexibility: Single debit note can address multiple invoices <p>Note:- There is no time limit for issue of Debit note.</p>

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