

Handbook on Invoicing under GST



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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Foreword

India's transition to the Goods and Services Tax (GST) marked a critical turning point in rationalizing and modernizing the nation's indirect tax regime. Unlike direct taxation, which is levied on income or profits, indirect taxation applies to goods and services as they pass through various stages of value addition. The introduction of the Goods and Services Tax (GST) has unified and streamlined this process by replacing multiple indirect taxes thereby simplifying compliance and reducing hurdles. GST has transformed the country's taxation system by empowering both the Central and State Governments the authority to legislate on a single transaction, ensuring a more cohesive tax structure. While its rollout presented initial challenges, they were effectively addressed by the Government. Today, GST contributes to economic growth by fostering a unified tax regime across states, enhancing efficiency, accountability and transparency.

The Institute of Chartered Accountants of India (ICAI) plays a pivotal role in the GST ecosystem of India, since its pre-implementation stage. ICAI through its GST & Indirect Taxes Committee assists the Government in shaping GST policies and procedures by offering technical inputs and suggestions from time to time. It conducts certificate courses, organises seminars, conferences, webcasts, capacity building programmes for Government bodies and has been bringing out valuable technical publications on various aspects of GST to equip the stakeholders with the knowledge of the latest amendments and developments as well as to aid in comprehending the intricacies of the provisions of GST law.

It gives me immense pleasure to recognize the efforts of the GST & Indirect Taxes Committee in releasing the revised edition of its publication, **"Handbook on Invoicing under GST"**. Invoicing plays a critical role under GST regime serving as the foundational document for tax compliance. It enables businesses to claim input tax credit and ensures transparency and traceability in transactions. Accurate and compliant invoicing facilitates effective tax collection and helps curb tax evasion. This Handbook aims to consolidate all provisions related to Invoicing in one place and has been diligently updated with the relevant amendments as of 31st May 2025.

I appreciate the efforts of CA. Rajendra Kumar P, Chairman and CA. Umesh Sharma, Vice- Chairman and other members of the GST and Indirect Taxes

Committee along with those who have contributed in updating and releasing this useful publication for the benefit of the membership & other stakeholders.

I am confident that the professionals would find this publication very useful in carrying out their professional responsibilities and discharging statutory functions in an efficient, accurate and compliant manner.

CA. Charanjot Singh Nanda

President, ICAI

Date: 08.06.2025

Place: New Delhi

Preface

The Goods and Services Tax (GST) represents a significant evolution in tax reform, having been adopted by over 170 countries worldwide. As a form of Value Added Tax (VAT), GST is widely regarded as an efficient and transparent system of indirect taxation, aimed at simplifying tax regimes by consolidating multiple taxes into one. For developing economies like India, the implementation of GST has brought about greater formalization of the economy and boosted Government revenues.

ICAI through its GST & Indirect Taxes Committee played a vital role during implementation of GST in India and continues to support the Government in GST knowledge sharing and capacity building. ICAI being a 'partner in nation building' and the GST & Indirect Taxes Committee being entrusted with the responsibility of 'GST Knowledge Dissemination', it tries its best in providing unstinted support to the Government in implementing the GST law in the best possible manner. When it comes to upskilling its members and other stakeholders in the field of GST, the Committee boasts of 10 editions of "Bare Law on GST Act(s) and Rule(s)" and 35 Technical publications on various aspects of GST, 53 editions of GST Newsletter, 260 GST Updates sent on regular basis to the members registered on the Committee's website, among its other initiatives.

A transaction-based tax like GST cannot operate without a pertinent document called Invoice. A GST-compliant invoice is essential for businesses to claim input tax credit, preventing tax cascading and reducing costs. It gives us immense delight to note that as a part of its revision process, the GST and Indirect Taxes Committee has come up with the third revised edition of 'Handbook on Invoicing under GST' incorporating all the latest amendments related to it upto 31st May, 2025. The structured approach of this book will provide a clear and informative guide on GST invoicing, helping businesses and professionals ensure compliance while optimizing their financial processes.

We are thankful to CA. Charanjot Singh Nanda, President, ICAI and CA. Prasanna Kumar D, Vice-President, ICAI for their unwavering encouragement and support in all the initiatives of the GST & Indirect Taxes Committee. We are grateful to the members of our Committee who have consistently been a part of all our initiatives. We express our profound

gratitude for the untiring efforts of CA. Shankar Narayanan V revising this publication with the latest updates. We would also like to commend the efforts made by CA. Smita Mishra, Secretary to the Committee, CA. Tanya Pandey, CA Ayushi Aggarwal and CA Kapil Kumar Sharma in providing the requisite technical and administrative assistance in revising this publication.

Every effort has been made to ensure accuracy and legitimacy in this Handbook; however, different perspectives may exist on the content discussed. In case any reader comes across any inadvertent errors or omissions, they are encouraged to bring them to our attention. Your valuable feedback is always welcome at **gst@icai.in**. Additionally, we invite you to visit our website <https://idtc.icai.org> to make use of other available technical/educational resources on GST to increase your knowledge base in GST.

CA. Umesh Sharma

Vice-Chairman

GST & Indirect Taxes Committee

CA. Rajendra Kumar P

Chairman

GST & Indirect Taxes Committee

Date: 08.06.2025

Place: New Delhi

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Readers may make note of the following while reading the publication:

- For the sake of brevity, the terms “Central Board of Indirect Taxes and Customs”, “Central Goods and Services Act, 2017”, “Central Goods and Services Tax”, “Central Goods and Services Tax Rules, 2017”, “Goods and Services Tax”, “Income Tax Act, 1961”, “Input Tax Credit”, “Integrated Goods and Services Act, 2017”, “Integrated Goods and Services Tax”, “State Goods and Services Tax”, “Union Territory Goods and Services Tax” and “Reverse Charge Mechanism” have been referred to as “CBIC”, “CGST Act”, “CGST”, “CGST Rules”, “GST”, “IT Act”, “ITC”, “IGST Act”, “IGST”, “SGST”, “UTGST” and “RCM” respectively in this publication.
- Unless otherwise specified, the section numbers and rules referred to in this publication pertain to CGST Act, 2017 and CGST Rules, 2017 respectively.

Invoicing under GST

PART-I

1. Introduction

GST is a document-based regime. Every transaction should be supported by at least one of the documents specified in GST law. The term 'invoice' is synonymously referred as tax invoice in GST law and is also defined as such. In case any supply is done without creating the requisite document, it may lead to penalty and prosecution under sections 122 and 132 respectively of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"). Under GST law, the term 'invoice' typically refers to a tax invoice issued for the supply of taxable goods or services. Other related documents prescribed under GST include debit notes, credit notes, revised invoices, receipt vouchers, payment vouchers, bills of supply, and delivery challans — each serving a specific function distinct from a tax invoice.

The tax invoice is the basic document for the movement of goods, evidence of supply of taxable goods or services or both and also for claiming of Input Tax Credit (hereinafter referred to as "ITC") on receipt of relevant goods or services or ITC availed and utilised or claiming of refunds of tax so paid. Registered persons are required to issue invoice containing the information as prescribed in CGST Act and Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "CGST Rules"). Basic points related to invoicing are:

- Tax invoice is the document issued by a registered person to effect taxable supply of goods or services or both;
- In case there is some amendment in supply transaction then either debit note or credit note is raised;
- Revised tax invoice is permitted to be used only for limited time period in case of new registration;
- In case of exempted supply and supply by composition dealer, bill of supply is issued;
- In case there is a transaction otherwise than by supply, then in such specified situations delivery challan is issued;

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- In case any advance is received for future supply, then receipt voucher is issued;
- in case of refund of advance so received, refund voucher is issued;
- When a registered person receives supplies which are covered under reverse charge mechanism under sub-section (3) or (4) to section 9 from an unregistered person, then such recipient shall raise a 'Self Invoice';
- When a registered person makes a payment to suppliers whose supplies are covered under reverse charge mechanism under sub-section (3) or (4) to section 9, then payment voucher is issued.

An e-way bill is required for movement of goods in specific situations and it should be accompanied with any one of the following documents:

- Tax Invoice
- Bill of Supply
- Delivery Challan, in case of reasons otherwise than for supply
- Bill of Entry in case of Imports

Aforesaid documentation requirement can be tabulated as under:

S. No.	Transaction	Document
1.	Taxable supply other than composition dealer and Input Service Distributor (ISD)	Tax Invoice
2.	Tax distribution by ISD	ISD Invoice
3.	Exempted Supply	Bill of Supply
4.	Supplier of goods opted for Composition scheme	Bill of Supply
5.	Registered persons opting for composition scheme under section 10(2A) / concessional rate of tax under Notification No.2/2019 - Central Tax (Rate)	Bill of Supply
6.	Supply of both Taxable and exempted goods and services to an unregistered person in a single Invoice	Invoice-cum-Bill of Supply

7.	Amendment in Transaction	Debit Note/Credit Note
8.	Advance received for Supply	Receipt voucher
9.	Refund of Advance where Tax invoice is not issued	Refund Voucher
10.	Payment by registered person to suppliers whose supplies are covered under reverse charge mechanism under sub-section (3) or (4) to section 9	Payment Voucher
11.	Specific Transactions like job-work, stock transfer, movement of goods for exhibition etc.,	Delivery Challan
12.	Inward Supplies attracting reverse charge mechanism under sub-section (3) or (4) to Section 9, from an unregistered person	Self-Invoice

Reformation of tax invoice in the form of e-invoice has also been brought in picture and only the registered person having aggregate turnover of more than ₹ 5 crores are required to issue e-invoice for supply of goods or services or both with effect from 1st August 2023.

Tax invoice and other documents are more relevant in audit and assessment proceedings to substantiate underlying transactions.

This Handbook has been written with following objectives: -

- To understand the type of documents specified in the law;
- To understand what document to be issued in which situation;
- To understand what is to be prescribed in the documents;
- To understand the importance of documents to substantiate the ITC claim;
- To understand the importance of documents in case of movement of goods;
- To understand how the information related to documents to be reflected in returns;

- To understand the concept of e-invoicing.

Now we will try to understand the provisions related to tax invoice, e-invoice and other documents and interdependence of these documents with e-way bill in different situations.

1.1 Brief description of the documents

- **Tax Invoice:** All registered persons other than the supplier of exempted goods or services or both and composition dealer shall issue tax invoice for making taxable supply of goods or services or both including zero rated supplies. Tax invoice should contain various particulars as specified in rule 46 and rule 54.
- **Bill of Supply:** A registered person supplying exempted goods or services or both or paying tax under composition scheme shall, instead of a tax invoice, issue a bill of supply. There is no specified format for Bill of supply. Bill of supply should contain the particulars as specified in rule 49.
- **Invoice cum Bill of Supply:** A registered person making supply of goods or services or both to an unregistered person which consist of both taxable and exempted supply, may issue only one document i.e. invoice cum bill of supply for both taxable and exempted supply as specified in rule 46A.
- **Receipt Voucher:** A registered person shall, on receipt of advance payment with respect to any supply of goods or services or both, shall issue a receipt voucher. The receipt voucher should contain various particulars as specified in rule 50.
- **Refund Voucher:** A registered person, on receipt of advance payment with respect to any supply of goods or services or both shall issue a receipt voucher, but subsequently if 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. Refund voucher should contain the particulars as specified in rule 51.
- **Payment Voucher:** A registered person who is liable to pay tax under reverse charge shall issue a payment voucher at the time of making

payment to the supplier. Payment voucher should contain the particulars as specified in rule 52.

- **Debit Note:** Every registered person shall issue debit note where the taxable value or tax charged in respect of supply is more than the taxable value or tax payable mentioned in the tax invoice. Debit note should contain the particulars as specified in rule 53.
- **Credit Note:** Every registered person may issue credit note to the recipient, where the taxable value or tax charged in the tax invoice is found to exceed the taxable value or tax payable in respect of any supply or where the goods are returned or where goods or services or both are found to be deficient. The credit note should contain the particulars as specified in rule 53.
- **Self Invoice:** Section 31(3)(f) states that every registered person shall in respect of inward supplies which are covered under reverse charge mechanism under sub-section (3) or (4) to section 9 from an unregistered person, then such recipient shall raise a 'Self Invoice'. The self-invoice should contain the particulars as specified in rule 46.
- **Delivery Challan:** In case there is movement of goods for the following reasons and no tax invoice/debit note/credit note/bill of supply is being issued then delivery challan can be issued for such situations:
 - ◆ 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;
 - ◆ transportation of goods in a semi-knocked down or completely knocked down condition or in batches or lots; or
 - ◆ such other supplies as may be notified by the Board.

Delivery challan should contain the particulars as specified in rule 55 of CGST Rules.

1.2 Summary of legal provisions related to various documents

Sections & Rules	Details
Sec. – 31	Tax invoice
Sec. – 31A	Facility of digital payment to recipient
Sec. – 32	Prohibition of unauthorized collection of tax
Sec. – 33	Amount of tax to be indicated in tax invoice and other documents
Sec. – 34	Credit and debit notes
Rule – 46	Tax invoice
Rule – 46A	Invoice-cum-bill of supply
Rule – 47	Time limit for issuing tax invoice
Rule – 47A	Time limit for issuing tax invoice in cases where recipient is required to issue invoice
Rule – 48	Manner of issuing invoice
Rule – 49	Bill of supply
Rule – 50	Receipt Voucher
Rule – 51	Refund Voucher
Rule – 52	Payment Voucher
Rule – 53	Revised Tax Invoice and credit or debit notes
Rule – 54	Tax Invoice in special cases
Rule – 55	Transportation of goods without issue of invoice - Delivery Challan
Rule – 55A	Tax invoice or bill of supply to accompany transport of goods

Now we shall discuss in detail the various provisions related to the aforesaid documents.

1.3 Facility of digital payment to recipient [Sec 31A]

With effect from 1st January 2020, the Government on the recommendation of the Council is empowered to prescribe a class of registered person who shall provide prescribed modes of electronic payment to the recipient of supply of goods or services or both made by him and give option to such recipient to make payment accordingly as may be prescribed in rules.

1.4 Prohibition of unauthorized collection of tax [Sec 32]

Only a registered person shall collect tax in respect of supply of goods or services or both in accordance with the provisions of the GST Law.

This provision is quite exhaustive because even a supplier who collects tax in excess due to a classification mistake seems to be attracted in this provision as the law is silent as to what is construed to be unauthorised collection of tax.

2. Tax Invoice

One of the basic canons of indirect tax law is time of supply. Time of the supply is the point when the taxable event triggers the liability to pay tax on the taxable person. Issue of tax invoice is one of the factors to determine the time of supply. There are separate provisions for issue of tax invoice for goods and for services. Though GST law is applicable both for goods and services, there are fundamental differences in timing, content and manner of raising tax invoice for goods as well as for services. Fundamentally following steps must be undertaken before raising of tax invoice so that there is no conceptual error and consequential penal actions can be avoided for such errors:

1. Determine whether the transaction undertaken is supply;
2. Whether such supply is taxable or exempted;
3. Whether such supply consists of single supply or more than one supply;
4. If it is more than one supply then whether it is composite or mixed supply;
5. Whether it is supply of goods or services.

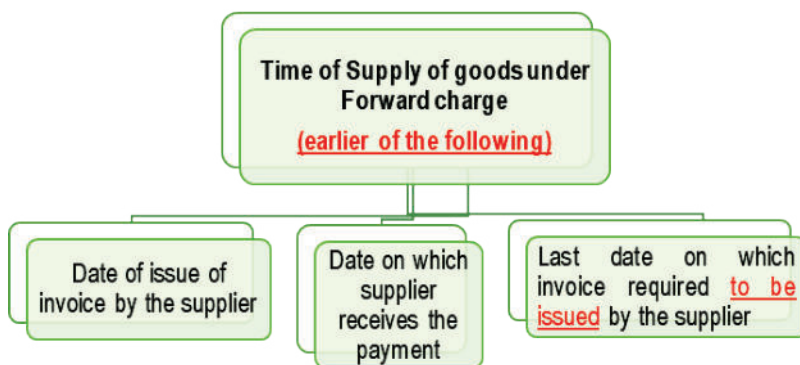
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Now we shall discuss various aspects with respect to issue of tax invoice for goods and services under following headings:

- 2.1 Time limit to issue tax invoice for both goods and services and its impact on time of supply.
- 2.2 Manner of issuing tax invoice for both goods and services.
- 2.3 Tax invoice and ITC.
- 2.4 Content required on tax invoice covering few specific transactions viz. Exports, SEZ supply, ISD invoice, Banks, GTA and Passenger Transport Services and exhibition of Cinematographic Film services.
- 2.5 Signature requirements on tax invoice.
- 2.6 Tax Invoice and its disclosures in GST returns.
- 2.7 HSN Code requirement on tax invoice.
- 2.8 Tax Invoice and bill of supply for supply less than ₹ 200/-.
- 2.9 Offence and Penalty relating to non-compliance of provisions relating to tax invoice.
- 2.10 Retention of tax invoice and other related documents.

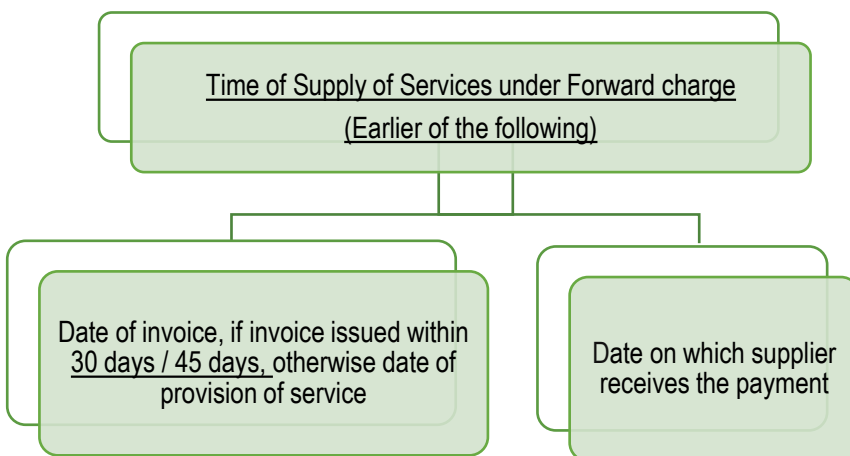
2.1 Time Limit of Issuing Invoice

As discussed, time of supply is dependent on tax invoice. Provisions related to time of supply have been shown in charts below for better understanding of the provisions and issues related to tax invoice:



However, it may be noted that, there is no liability for a registered person, to pay tax against receipt of advance payment for supply of goods except for

composition dealer other than the registered person making supply of specified actionable claims as defined in clause (102A) of section 2 of the said Act vide *Notification No. 66/2017-CT dated 15.11.2017* as amended by *Notification No. 50/2023 - Central Tax dated 29-9-2023*.



When date cannot be determined as above then “Date of Entry in books of account of the recipient of services”-

Tax Invoice is one of the important parameter to determine the time of supply. Section 31 of the CGST Act read with Rule 47 of CGST Rules, deals with the timing for issue of invoice for goods and services. There are different rules for issue of invoice for goods and services. Further there can be different scenarios for supply of goods or services.

2.1.1 Issue of Tax Invoice for Goods - Time Limit

Time to issue invoice for supply of taxable goods will be as follows:

(A) **General Rule [Sec 31(1)]**

- Before or at the time of removal of goods, where supply involves movement of goods; or
- Before or at the time of delivery of goods or making available to the recipient, where supply does not involve movement of goods.

‘Removal’ here means the movement of goods arises only at the time of supply and not otherwise.

As per section 2(96), ‘removal of goods’ means, when goods are:

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- despatched by supplier or any person acting in his behalf; or
- collected by recipient or any person acting in his behalf.

Export of goods involves movement of goods and thus tax invoice should be raised before or at the time of removal of goods.

The phrase “delivery” is not defined in GST Law, but as per Sale of Goods Act, 1930, ‘delivery’ means a voluntary transfer of possession from one person to another. Mere possession of goods does not amount to delivery of goods. Thus, delivery may be in the form of physical or symbolic or constructive.

Illustration: Mr. A of Kolkata is a dealer of Mobile phones, supplied 10,000 mobiles to Mr. C of Delhi on 15th February. Mr. C gave order for mobile phones on 01st February and on that day Mr. A agreed to deliver mobiles by 17th February. What will be the date as per GST provisions for issuance of invoice?

Answer: As per the general rule mentioned above, invoice must be issued on or before or at the time of removal of goods in case of movement. Hence, invoice must be issued on or before 15th February the date when the mobile phones were dispatched for delivery.

(B) Continuous Supply of Goods [Sec 31(4)]

In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued earliest of the following time:

- when each statement is issued;
- when each such payment is received.

As per section 2(32), ‘continuous supply of goods’ means supply of goods which is provided or agreed to be provided:

- continuously or on recurrent basis;
- under a contract;
- it may or may not be by means of a wire, cable, pipeline or other conduit;
- the supplier sends invoice to the recipient on regular or a periodic basis as notified.

Examples of Continuous supply of goods:

XYZ Construction Company regularly receives river sand and bricks from its suppliers. Successive statements of accounts are issued by the suppliers fortnightly. Invoice is to be raised before or at the time of issuance of statement of accounts by the suppliers.

Other examples are regular supply of water cans to business premises, continuous supply of printing and stationery items to business places etc., where in successive statement of accounts are issued on weekly or fortnightly basis.

(C) Goods Sent on Approval for Sale or Return [Sec 31(7)]

In case goods are sent on approval basis for sale or return, the tax invoice shall be issued at the earliest of the following:

- Time when it becomes known that supply has taken place; or
- Six months from the date of removal.

Rule 55(1)(c) provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transaction is for reasons other than by way of supply. Also, rule 55(4) permits the supplier of goods to issue invoice after delivery of goods in case he is not able to raise the invoice at the time of supply.

As per Circular No. 10/10/2017 dated 18-10-2017, goods which are sent on approval basis can be moved on delivery challan along with e-way bill wherever applicable and the invoice can be issued at the time of delivery of goods. Hence, the person delivering the goods can carry invoice book with him to issue invoice as and when the supply is fructified.

(D) Tax Invoice by Recipient of supply of Goods - Reverse Charge [Sec 31(3)(f)]

As per section 2(98), “reverse charge” means when the liability to pay tax is on recipient of goods or services or both, instead of the supplier, it is covered under:

- Sec.9(3) or Sec.9(4) of CGST Act;
- Sec.5(3) or Sec.5(4) of IGST Act.

The supplier of such goods on which the recipient is liable to pay tax under RCM may be either registered or unregistered under GST. In case of registered supplier, the tax invoice is to be issued by the supplier even

though his supplies are covered by reverse charge mechanism under section 9(3). While issuing invoice, as per rule 46(p), he has to specifically mention the fact that the said supply is covered by reverse charge mechanism. However, tax invoice needs to be issued by the recipient in case the supplier is not registered in GST whether supplies are covered by section 9(3) or 9(4) and the time limit, as laid out by rule 47A, for raising such tax invoice by the recipient shall be within 30 days from the date of receipt of goods. Such tax invoices raised by the recipient are popularly called as “Self-generated Tax Invoice” or “Self Invoice”.

Document for the purpose of taking ITC in case of RCM supplies

When supply is received from an unregistered person subject to RCM then the recipient would take ITC based on invoice (self-tax invoice) issued under section 31(3)(f) read with rule 36(1)(b). However, if the supply is received from registered person subject to RCM then the recipient would take ITC based on invoice issued by the supplier under section 31 and rule 36(1)(a).

In case where recipient issues tax invoice for RCM, time of supply is not directly linked with date of tax invoice but it is linked with date of receipt of goods or date of payment entered in the books of account by the recipient.

In case tax is paid under reverse charge, the time of supply of goods shall be earlier of the following dates:

- Date of receipt of goods; or
- Date of payment as entered in the books of recipient or date of debit in bank account of the recipient, whichever is earlier, or
- 31st day from the date of issue of invoice or any other document by supplier.

However, when time of supply of goods cannot be determined as above the date of entry in books of accounts of the recipient of supply shall become the time of supply.

(E) Issue of Delivery Challan

In case of movement of Goods for Job Work [Rule 55(1)(b)]

In case of job work, as provided in section 143, if a registered person sends any inputs or capital goods without payment of tax to a job worker for job work and from there subsequently send to another job worker, they have to comply with the following condition:

- Such registered person has to bring back inputs within a period of one year or capital goods within a period of three years after completion of job work to any of his place of business.

In case the principal wants to send the processed inputs within 1 year from the date of dispatch or capital goods within 3 years from the date of dispatch from the premises of job worker to customer directly, then he has to ensure that the job worker is a registered person. In case he is unregistered, the principal can supply the goods within India on payment of taxes or for export with or without payment of taxes from the premises of job worker only after including job worker's premises as his (principal's) additional place of business.

The period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding one year and two years respectively.

In case of movement of goods between the principal and the job worker and vice versa, the parties involved shall move goods by way of delivery challan as provided in rule 55(1), since such movement is otherwise than by way of supply.

As per *Circular 38/12/2018 dated 26-03-2018*, if the inputs or capital goods are neither returned nor supplied from the job worker's place of business / premises within the specified time period, the principal would issue an invoice for the same and declare such supplies in his return for that particular month in which the time period of one year / three years has expired. However, interest has to be paid from the date on which such inputs or capital goods were initially sent for Job work.

(F) Tax Invoice by Artist - [Rule 55 (1)(c)]

In the course of supply of art work by an Artist who being a registered person as a general trade practice will either supply such art work on approval basis or through a gallery by exhibiting the same in such gallery. At the initial movement of such art work, being goods, tax invoice cannot be issued but instead delivery challan as provided in Rule 55(1)(c) may be issued. Detailed guidelines were provided in *Circular No. 22/2017 dated 21-12-2017* which areas under:

- Art work for supply on approval basis can be moved from the place of business of the registered person (artist) to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of actual supply of art work.
- In case of supply by artists through galleries, there is no consideration flowing from the gallery to the artist when the art works are sent to the gallery for exhibition and therefore, the same is not a supply and hence such art works will be moved on a delivery challan as provided above. It is only when the buyer selects a particular artwork displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply, hence tax invoice will be issued only at that time.

2.1.2 Issue of Tax Invoice for Services -Time limit

(A) General Rule [Sec 31(2)]

A taxable person supplying services can issue an invoice before or after the provision of services but within the time prescribed in section 31 read with rule 47. As per rule 47, the prescribed time limit for issuing the invoices is 30 days from the date of supply of services.

The Government may by Notification -

- 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;
- b) subject to the condition mentioned therein, specify the categories of services in respect of which
 - any other documents issued in relation to the supply shall be deemed to be a tax invoice, or
 - tax invoice may not be issued

(B) Issuance of Tax invoice in case of continuous supply of services

As per section 2(33), "Continuous supply of services" 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 as mentioned in the contract; and
- includes other supply of services as notified.

In case of continuous supply of services, issuance of tax invoice is dependent upon the nature of contract and other terms and conditions in contract viz., due date of payment, actual date of payment and completion of such event which is the billing milestone. Thus, tax invoice in case of such continuous supply of services shall be issued -

- (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 which is considered as billing milestone.

Example 1:- Some instances of continuous supply of service would be construction services, interior decoration services, security services, supply of manpower services, rental services etc.

Example 2:- ACE Ltd. enters into a contract with Mr. Rajnish for construction service for a period of one year to complete the project. It was agreed that in each month Mr. Rajnish will pay ₹ 100,000/- on 15th of every month. What will be the date for issuance of tax invoice in this case by Mr. Rajnish?

Answer: As per the provision mentioned above, in case of continuous supply of service when the due date of payment is ascertainable from the contract, invoice must be issued on or before the due date of payment. Hence, Mr. Rajnish shall issue invoice on or before 15th of every month for ₹ 1,00,000/-.

Example 3: A Ltd. enters into a contract with Mr. B on 01-04-2024 for construction service for a period of one year to complete the project without any predetermined date for payment of service. Mr. B receives lump sum amount of ₹ 100,000/- on 10-09-2024. What will be the date for issuance of invoice in this case by Mr. B?

Answer: As per the provision mentioned above in case of continuous supply

of service if the due date for payment is not ascertainable from the contract then the invoice shall be issued before or at the time when the supplier of service receives payment i.e. 10-09-2024.

(C) Tax Invoice by Recipient of supply of services - Reverse Charge

As per section 2(98) “reverse charge” means when the liability to pay tax is on the recipient of goods or services or both instead of the supplier, it is covered under:

- Section 9(3) or Sec.9(4) of CGST Act;
- Section 5(3) or Sec.5(4) of IGST Act.

The supplier of such services on which the recipient is liable to pay tax under RCM may be either registered or unregistered in GST. In case of registered supplier, invoice is issued by the supplier even though his supplies are covered by reverse charge mechanism under section 9(3). While issuing invoice, as per rule 46(p), he has to specifically mention the fact that the said supply is covered by reverse charge mechanism.

However, in case of unregistered supplier, the tax invoice needs to be generated by the recipient which is popularly called as “self-generated tax invoice”. Time limit for generating such invoice, as laid out by rule 47A, by the recipient shall be within 30 days from the date of receipt of services. Here, unregistered supplier shall include the supplier who is registered solely for the purpose of deduction of tax under section 51

In case the recipient issues self-generated tax invoice for RCM, the time of supply is not directly linked with date of tax invoice issued by the supplier, but it is linked with other dates mentioned below. Thus, in case, tax is paid under Reverse charge, time of supply of services will be earlier of the following dates:

- Date on which payment entered in books of accounts of recipient of service or date on which payment is debited in bank accounts of recipient of service; or
- Date following 60 days (61st day) from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier, in cases where invoice is required to be issued by the supplier; or
- Date of issue of invoice by the recipient, in cases where invoice is required to be issued by the recipient.

However, when the date cannot be determined as above, then the residual option would be the date of entry in books of account of the recipient of service shall become the time of supply.

If the supplier of service happens to be an 'associated enterprise' in terms of section 92A of the Income Tax Act, the time of supply will be earliest of the following:

- Date of entry in the books of accounts of the recipient; or
- Date of payment.

(D) Tax Invoice for incomplete services due to Cessation [Sec 31(6)]

In a case where the supply of services ceases under a contract before the completion of such service, 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. Tax due on such services shall also be remitted.

(E) Tax Invoice for Banking and Insurance Company [Proviso to Rule 47]

In case the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, the time limit for issue of tax invoice for such services shall be 45 days from the date of supply of such service.

In case the above insurance company or a banking company or a financial institution or a non-banking financial company or a telecom operator or any other notified class of supplier of services are engaged in supply of taxable services in the capacity of distinct persons as provided in section 25, then the time limit for issue of such services shall be the date on which such services are entered in the books of accounts of the supplier or before the expiry of quarter in which such supply was made.

For example, M/s. Bharath Sanchar Nigam Limited, Telangana has raised an invoice against M/s. Bharat Sanchar Nigam Limited, Tamil Nadu for SMS services provided to the customers in Tamil Nadu. Since both Telangana and Tamil Nadu units of BSNL are registered as distinct persons under section 25 of the CGST Act, this transaction is treated as a supply between distinct persons. As per the second proviso to rule 47, the time limit for issuance of the tax invoice in such a case shall be on or before the date the services are

recorded in the books of accounts of the supplier (BSNL Telangana) or before the expiry of the quarter in which such supply was made, whichever is earlier.

2.2 Manner of Issuance of Tax Invoice

2.2.1 Manner of Issuance of Tax Invoice for Goods [Rule 48]

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.

The serial number of invoices issued during every tax period shall be updated in Table 13 of Form GSTR -1 or in FORM GSTR-1A, if any.

In terms of rule 48(4), notified classes of persons while preparing the invoice shall include such particulars contained in Form GST INV – 01 after obtaining an Invoice Reference Number from the common portal specified for this purpose. In case invoice is prepared without including such prescribed particulars then such invoice shall not be treated as an invoice. However, the E-Invoicing Scheme has come into effect from 1st October 2020.

As per rule 55(5), where the goods are being transported in a semi knocked down or completely knocked down condition or in batches or lots, then-

- 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;
- each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
- the original copy of the invoice shall be sent along with the last consignment.

Further, the person-in charge of the conveyance transporting the goods 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 where such person is not required to carry an e-way bill under these rules.

2.2.2 Manner of Issuance of Tax Invoice for Services

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.

2.2.3 Manner of Issuance of E-Invoice

In case of e-invoice, there is no requirement of issuing multiple copies of invoices as invoice is being issued digitally. E-Invoice related issues and provisions have been discussed in Part II of the book.

2.3 Tax Invoice and ITC

Input tax credit (ITC) is an important and inherent aspect in GST. System of ITC embedded in GST is essential to remove cascading effects of taxes in the distribution channel. Though the benefit ITC in GST is a Constitutional objective and not a concession, still it is considered only as an entitlement on mandatory fulfillment of certain pre and post conditions as specified in Sec 16. As such one of the basic conditions to avail ITC as per section 16(2)(a) read with rule 36(1) is possession of tax invoice or such other documents as detailed below:

- a. Tax invoice issued by the supplier of goods or services or both as per section 31;
- b. Self-generated tax invoice prepared by the recipient of goods or services or both as per section 31(3)(f) where the tax liability is discharged by him under reverse charge as per Sec 9(3) and Sec 9(4) along with the proof payment of such tax;
- c. Debit note issued by a supplier of goods or services or both as per section 34;
- d. A bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports;

- e. An input service distributor invoice or input service distributor credit note or any document issued by an input service distributor as per rule 54(1).

It is not only enough to have one of the aforesaid documents, but these documents should contain all particulars as specified in rules 46 or 53 or 54 depending upon the document on the basis of which ITC is claimed. All requirements in the aforesaid rules have been explained in ensuing paragraphs. Thus, it is important to ensure that the tax invoice and other documents contain all particulars specified in law. In the absence of any particular, the recipient of supply may suffer due to denial of ITC and consequential interest and penalty as specified in section 50, section 122 and section 132 of CGST Act. It must also be noted that demand against such denial can be raised under section 73 or section 74 or section 74A, as the case may be.

However, w.e.f. 4th September 2018 vide *Notification No. 39/2018-CT dated 04.09.2018*, one relaxation has been given under rule 36. As per proviso to rule 36(2), where the particulars as mandated in rule 46 are not available, ITC may be availed based on the information contained in following fields in the tax invoice:

- a. details of the amount of tax charged;
- b. description of goods or services;
- c. total value of supply of goods or services or both;
- d. GSTIN of the supplier and recipient; and
- e. place of supply in case of inter-State supply;

Despite such relaxation, it is advisable to have all contents as required in rules 46, 53 or 54 to avoid litigation which may result in cash loss.

Section 17(5)(i) restricts the registered person to avail input tax credit in case tax has been paid under section 74 in respect of any period up to Financial Year 2023-24. In consonance with this provision, rule 53(3) provides that any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of section 74 or section 129 or section 130 shall prominently contain the words – INPUT TAX CREDIT NOT ADMISSIBLE.

Thus, for the purpose of the entitlement of ITC the registered person shall possess various documents in the form of tax invoice, debit note, bill of entry, etc. as those documents are *prima facie* evidence for availment of such ITC.

2.4 Content Required on Tax Invoice

Content required on tax invoice covers few specific transactions viz. Exports, SEZ supply, ISD invoice, Banks, GTA, Passenger Transport Services and services by way of admission to exhibition of cinematograph films to multiplex or other screen.

GST laws do not prescribe the format of tax invoice. Rather CGST/SGST rules prescribe for the content of invoice. Exports, SEZ supply, ISD invoice, Banks, GTA, passenger transport services and services by way of admission to exhibition of cinematograph films to multiplex or other screen are some of the specific transactions requiring mention in the tax invoice. Following is the summary of relevant CGST rules pertaining to content of tax invoice:

Rule No.	Rule
46	Tax invoice
54	Tax invoice in special cases

2.4.1 Rule 46 – Contents of Tax Invoice

Name, address and GSTIN of the supplier

Invoice Number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of issue of Invoice

Name, address and GSTIN, if registered, of the receiver

Name and address of receiver and address of delivery, along with the name of the State and its code if such recipient is un-registered & value of the taxable supply is fifty thousand rupees or more. In case value is less than Rs.50,000/- then furnish the above details based on the request of the recipient.

Harmonised System of Nomenclature code for goods or services;

Description of goods or services;

Quantity in case of goods and unit or Unique Quantity Code thereof;

Total value of supply of goods or services or both;

Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess)

Taxable Value of supply of goods or services or both, discount or abatement, if any;

Amount of tax charged in respect of taxable goods or services;

Place of supply along with the name of the State, in case of Inter-State transaction

Address of delivery where the same is different from the place of supply

Whether the tax is payable on reverse charge basis

Signature or digital signature of the supplier or his authorised representative

Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48

a declaration as below, that invoice is not required to be issued in the manner specified under sub-rule (4) of rule 48, in all cases where an invoice is issued, other than in the manner so specified under the said sub-rule (4) of rule 48, by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under the said sub-rule (4) of rule 48- "I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48 , we are not required to prepare an invoice in terms of the provisions of the said sub-rule."

If tax is payable as per section 74 or section 129 or section 130, the words to be mentioned is INPUT TAX CREDIT NOT ADMISSIBLE ..

Provided that in cases involving supply of online money gaming or in cases where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name of the state of the recipient and the same shall be deemed to be the address on record of the recipient.

In case of voluminous B2C supplies like big malls, super markets, textile shops, it may not be practically possible to issue tax invoice with all the contents as specified in rule 46. Hence, it is provided in rule 46(f) that wherever the recipient has not specifically requested, tax invoice may be issued without mentioning the name, address of the recipient and place of delivery along with name of the State and its code provided value of the taxable supply is less than fifty thousand rupees.

Circular No. 90/09/2019-GST dated 18th February 2019 has instructed that all registered persons making supply of goods or services or both in the course of inter-State trade or commerce shall specify the place of supply along with the name of the State in the tax invoice. The provisions of sections 10 and 12 of the Integrated Goods and Services Tax Act, 2017 may be referred to in order to determine the place of supply in case of supply of goods and services respectively. Contravention of any of the provisions of the Act or the

rules made there under attracts penal action under the provisions of sections 122 or 125 of the CGST Act.

Rule 54(2) states that following types of suppliers are entitled to issue a consolidated tax invoice for the supply of services made during a month at the end of the month, with or without a serial number and with or without address of the recipient of taxable service. The option is given to these suppliers to exclude serial number and address of the recipient only and other fields as required in rule 46 are mandatory.

- a. Insurance company;
- b. Banking company,
- c. Financial institution including a non-banking financial company.

2.4.2 Additional information required when tax invoice is issued by an exporter or supplier to SEZ unit

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.

Name and address of the recipient, address for delivery and name of the country of destination

The above are the additional contents whereas other contents are the same as applicable for tax invoice as per Rule 46

In case of domestic supply, option of not mentioning the name and address of the recipient and address of delivery for supplies less than fifty thousand rupees is given to supplier. However, in case of an exporter and supply to SEZ unit or developer for authorized operations, this option is not available. Irrespective of value of supply, the exporter has to mention these details.

2.4.3 Information required when tax invoice is issued by an Input Service Distributor (ISD) – [Rule 54(1)]

Name, address and GSTIN of the ISD

Invoice Number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of issue of Invoice

Name, address and GSTIN of the recipient to whom the credit is distributed

Amount of credit distributed

Signature or digital signature of the supplier or his authorised representative

2.4.4 When an Input Service Distributor (ISD) is an office of a banking company or a financial institution, including a NBFC

Where an ISD is an office of a banking company or a financial institution, including a NBFC, a tax invoice shall include any document in lieu thereof, whether or not serially numbered but shall contain the information as mentioned in Rule 54(1).

2.4.5 Transfer of Common credit to ISD Registration [Rule 54(1A)]

There may be chances that the vendor raises the invoice for common services on normal GSTIN instead of ISD GSTIN. This error leads to incorrect flow of expense into the GSTR 6A and mismatch with credit distributed in GSTR 6. Rule 54(1A) vide *CGST Notification No. 03/2018 dated 23-01-2018* has been introduced to transfer any common credit by a unit of the company to its ISD registration, provided both are registered in the same State. It is important to note that this transfer can be

done only when ISD is registered in the same State where common credit has been received in normal registration. With the introduction of rule 39(1A), for situations covered under this rule, issue of Invoice under rule 54(1A) has become mandatory. Generally, common credit in the nature of RCM will fall within the ambit of these two rules.

Following are the required particulars on invoice/debit note/credit for transfer of common input tax credit:

Name, address and GSTIN of the registered person having the same PAN and same State code as ISD

ISD Invoice Number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of issue of invoice

GSTIN of the supplier of common service, along with original invoice no. whose credit is sought to be transferred to the ISD

Name, address and GSTIN of the ISD

Taxable value (value of common services), rate and amount of the credit to be transferred

Signature or digital signature of the registered person or his authorised representative

2.4.6 Contents of Tax Invoice issued by a Banking company / NBFC / Financial Institution – [Rule 54(2)]

Invoice serial no - Optional

Address of the recipient - Optional

Other contents are the same as applicable for tax invoice as per Rule 46

The supplier of taxable service being banking company or a financial institution including a non-banking financial company may issue a consolidated tax invoice at the end of the month whether physically or electronically with respect

The signature or digital signature of the supplier or his authorized representative shall not be required in case of a consolidated tax invoice in accordance with the provisions of the Information Technology Act, 2000.

2.4.7 Contents of Tax Invoice issued by a Goods Transport Agency - [Rule 54(3)]

Gross weight of the consignment

Name of the consignor and the consignee

Registration no. of goods carriage used for transportation of goods

Details of goods transported

Details of place of origin & destination;

GSTIN of person liable for paying tax i.e. either consignor or consignee or GTA himself

The above are the additional contents whereas other contents are the same as applicable for tax invoice as per Rule 46

2.4.8 Contents of Tax Invoice issued by a supplier of Passenger transport service [Rule 54(4)]

Invoice serial no. - Optional

Address of the recipient - Optional

The above information are optional whereas other contents are the same as applicable for tax invoice as per Rule 46

The signature or digital signature of the supplier or his authorized representative shall not be required in case of issuance of ticket in accordance with the provisions of the Information Technology Act, 2000.

2.4.9 Contents of Tax Invoice issued by a supplier of services by way of admission to exhibition of cinematograph film in multiplex Screens or other screen [Rule 54(4A)]

Details of the recipient - Optional

Other contents are the same as applicable for tax invoice as per Rule 46

The supplier of such services has to issue only the electronic ticket and such electronic ticket shall be deemed to be the tax invoice.

Further, the supplier of such service in a screen other than multiplex screens may, at his option follow the above procedure.

2.5 Signature on Tax Invoice and Other Documents

Initially there were two methods of authenticating the invoice i.e. (i) actual signature on the invoice or (ii) signing the document with the digital signature either by supplier or his authorised representative. However, with effect from 31st December 2018, electronic invoice issued in accordance with provisions of The Information Technology Act, 2000 has also been allowed. Instead of traditional or actual signature or digital signature, a taxpayer may use electronic signature in the tax invoice in terms of section 3A of the

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Information Technology (Amendment) Act, 2008. As per the said Act, an electronic signature means authentication of any electronic record by a subscriber by means of the electronic technique specified in the Second Schedule and includes a Digital signature.

As per section 3A(2) of the Information Technology Act, an electronic signature shall be considered reliable if it fulfils the following requirements:

- a. the signature creation data or the authentication data are within the context in which they are used, linked to the signatory or as the case may be, the authenticator and of no other person;
- b. the signature creation data or the authentication data were, at the time of signing, under the control of the signatory or, as the case may be, the authenticator and of no other person;
- c. any alteration to the electronic signature made after affixing such signature is detectable;
- d. any alteration to the information made after its authentication by electronic signature is detectable;
- e. such other conditions which may be prescribed.

The following Table sets out the documents and how they need to be signed:

S. No.	Document	Permitted Ways to sign
1.	Tax Invoice	• Signature / Digital Signature of supplier or his authorised representative, or • Signature or Digital Signature by supplier or his authorized representative is not required if electronic invoice issued in accordance with provisions of the Information Technology Act 2000. (This option is available w.e.f. 31st Dec 2018).
2.	ISD Invoice	• Signature / Digital Signature of by ISD or his authorised representative
3.	Bill of Supply	• Signature / Digital Signature of supplier or his authorised representative, or • Signature or Digital Signature by supplier or his authorized representative

S. No.	Document	Permitted Ways to sign
		is not required if electronic bill of supply is issued in accordance with provisions of the Information Technology Act 2000. (This option is available w.e.f. 31 st Dec 2018).
4.	Invoice cum Bill of Supply	Not Specified. Rules applicable to tax invoice or bill of supply may be applied.
5.	Debit Note/Credit Note	Signature / Digital Signature of supplier or his authorised representative
6.	Receipt Voucher	Signature / Digital Signature of supplier or his authorised representative
7.	Refund Voucher	Signature / Digital Signature of supplier or his authorised representative
8.	Payment Voucher	Signature / Digital Signature of supplier or his authorised representative
9.	Delivery Challan	Signature of supplier or his authorised representative.

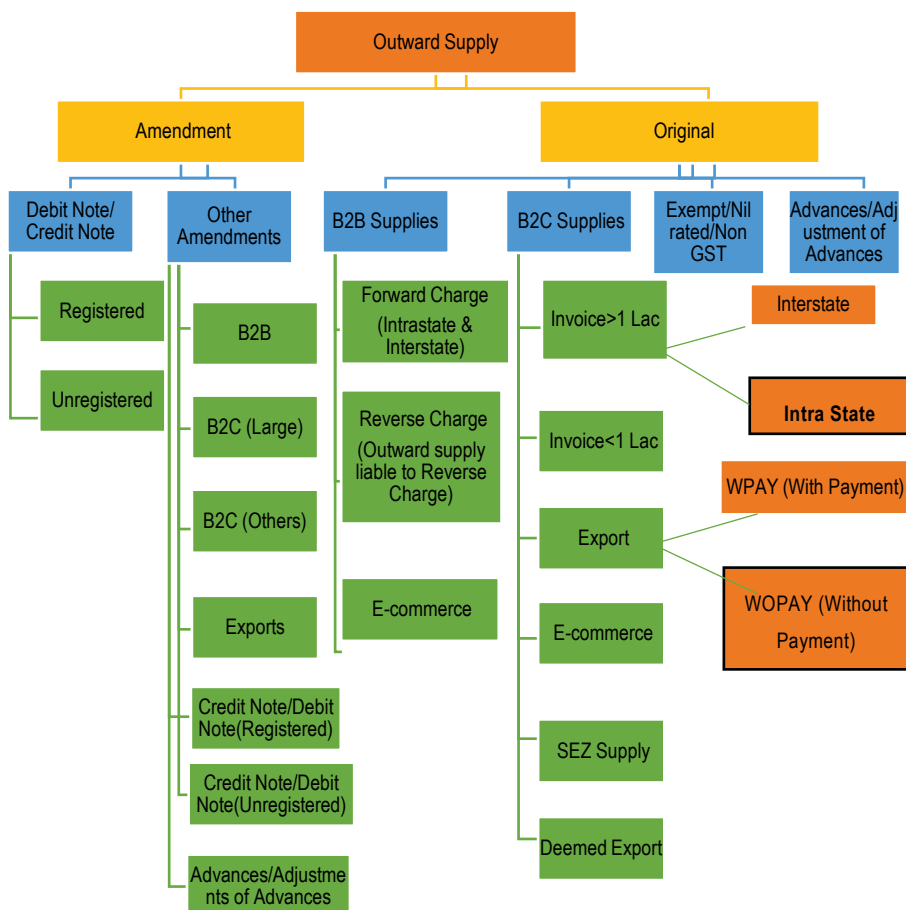
2.6 Tax Invoice and its Disclosure in Form GSTR - 1

Form GSTR-1 is a Statement of Outward Supplies which is required to be filed by every registered taxpayer including casual taxable person except:

- a. An input service distributor (ISD);
- b. a non-resident taxable person, (NRTP);
- c. a person paying tax under the provisions of Section 10 i.e. Composition Scheme;
- d. a person paying tax under the provisions of Section 51 i.e. person deducting tax at source;
- e. a person paying tax under the provisions of Section 52 i.e. person collecting tax at source i.e. e-commerce operator (ECO), not being an agent;
- f. a supplier of online information and database access or retrieval services (OIDAR). The above excluded persons have to file special returns.

Details of outward supply can be categorized in the following manner:

2.6.1 Categorisation of Outward Supply in terms of Form GSTR-1



There is also a requirement to furnish invoice wise details of outward supply in GSTR-1 according to the categorisation mentioned in the above chart. Details of documents issued with respect to series of invoice number, credit note, debit note, refund voucher, etc. has to be furnished in Table 13 of GSTR 1. Hence, the accounting system needs to be configured in such a way that details can be extracted easily for filing the return.

2.7 HSN Code Requirement on Tax Invoice

As per CGST Notification No. 12/2017 dated 28.06.2017 amended by Notification No. 78/2020 CT dated 15th Oct 2020, HSN codes are required to

be shown on tax invoice as follows, with effect from:

Sl. No.	<i>Annual Aggregate Turnover in the preceding Financial Year</i>	<i>Number of Digits of HSN Code</i>
1	Up to ₹ 5 Crores	4
2	More than ₹ 5 Crores	6

A registered person having aggregate turnover up to five crores rupees in the previous financial year may not mention the number of digits of HSN Code, as specified in the corresponding entry in column (3) of the above Table in a tax invoice issued by him in respect of supplies made to unregistered persons.

2.8 Tax Invoice and Bill of Supply if Value of Supply is Less Than ₹ 200

2.8.1 Tax Invoice - Value of Supply less than ₹ 200 [Sec 31(3)(b)]

A registered person may not issue tax invoice if the value of supply is less than 200, subject to the following conditions:

- a. Recipient is not a registered person;
- b. Recipient does not require such invoice.

However, a consolidated tax invoice for such supplies shall be issued at the close of each day in respect of all such supplies.

However, this relief is not available in case of supply of services by way of admission to exhibition of cinematograph films in multiplex screens.

2.8.2 Bill of Supply - Supply less than ₹ 200 [Sec 31(3)(c)]

A registered person may not issue bill of supply if the value of supply is less than ₹ 200 and subject to the following conditions:

- a. Recipient is not a registered person;
- b. Recipient does not require such invoice.

However, a consolidated tax invoice for such supplies shall be issued at the close of each day in respect of all such supplies.

2.9 Tax Invoice- Offences and Penalty

As per section 122 of the CGST Act, following are the offences related to tax invoice:

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1. Supplies any goods or services or both without any invoice. Example – non-accounting of supply transactions.
2. Issues a false invoice for supply of any goods or services or both. Example – Product X is taxed at 18% and Product Y is taxed at 5%. A supplier issues invoice mentioning supply of product Y whereas he actually supplies product X.
3. Issues any invoice or bill without supply of goods or services or both in violation of the provisions of GST Act or Rules. Example – Fake bill transactions.
4. Issues any invoice or document using the registration number of another registered person. Example – Mr. A actually supplies goods to Mr. B. However, Mr. A invoices Mr. C though he has not purchased from Mr. A. Mr. B does not account this transaction and Mr. C takes input tax credit without receipt of goods. Here, all three are subject to penalty and prosecution provisions of section 122 and 132 respectively.

The offending taxable person is liable for penalty as under:

Section	Offence	Penalty
Sec.122(1)	Offences as specified above	Higher of the following: ➤ 100% of tax evaded, or ➤ ₹ 10,000

Further, as per section 122(3), any person who aids or abets any of the offences specified as above with respect to issue of invoice or fails to issue invoice in accordance with the provisions of the GST Act or Rules, then such person is liable to a penalty of up to ₹ 25,000/-.

With effect from 1st January, 2021, sub-section (1A) has been inserted in section 122 by Finance Act 2020, according to which any person who retains the benefit of above transactions shall also be liable to a penalty equivalent to tax evaded or ITC availed of or passed on.

The demand and penalty provisions in respect of transactions involving fake invoices, has been clarified in *Circular No. 171/03/2022-GST dated 6th July, 2022*. The fundamental principles that have been delineated in the scenarios stated out in the Circular may be adopted to decide the nature of demand and penal action that could be taken against a person for such unscrupulous

activity of fake invoicing. Any person who has retained the benefit of transactions specified under sub-section (1A) of section 122, and at whose instance such transactions are conducted, shall also be liable for penal action under the provisions of the said sub-section. It may also be noted that in cases of issuance of invoices without supply of goods or services or both, leading to wrongful availment or utilization of input tax credit or refund of tax, provisions of section 132 of the CGST Act may also be invocable, subject to conditions specified therein, based on facts and circumstances of each case.

Punishment for certain Offences related to Invoice [Sec 132]

Any person who commits or causes to commit and retain the benefits arising out of following offences shall be liable with a punishment which may extend to fine and prosecution:

- (a) Supplies any goods or services or both without issue of any invoice in violation of the provisions of the GST Act / Rules with the intention to evade tax;
- (b) Issues any invoice without supply of goods or services or both in violation of the provisions of the GST Act / Rules leading to wrong availment or utilization of Input Tax Credit or refund of tax;
- (c) Avails fraudulently Input tax credit without any invoice or availed input tax credit based on the invoice issued in violation of the provisions of the GST Act / Rules.

Punishment for the above Offences in the nature of tax evaded or ITC wrongly availed or utilized or refund wrongly taken will be as under:

Sl. No.	Amount of Offence	Imprisonment & Fine
1	More than ₹ 5 Crore (in case of a, b & c above)	5 years with Fine
2	More than ₹ 2 Crore but upto ₹ 5 Crore (in case of a & c above)	3 years with Fine
3	More than ₹ 1 Crore but upto ₹ 2 Crore (in case of b above)	1 year with Fine

2.10 Tax Invoice- Retention of Records

2.10.1 Period of Retention of Accounts under GST

As per section 36, books of account or other records shall be retained by every registered person for a period of 72 months from the due date of furnishing of Annual Return for the year pertaining to such accounts and records.

As per rule 56, accounts and records maintained by the registered person shall include all the invoices, bills of supply, credit and debit notes, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers and shall be preserved for a period of 72 months from the due date of furnishing of Annual Return for the year pertaining to such accounts and records. For instance, with respect to the Financial Year 2024-25 we have to maintain the accounts and records of that financial year upto 2031.

Further, where such accounts and documents are maintained manually, the said accounts and documents shall be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business where such accounts and documents are maintained digitally.

2.10.2 Period of Retention in case Books of Account etc. pertains to an Appeal or Revision or any other Proceeding

If a registered person is party to an appeal or revision or any other proceedings before any Appellate Authority or Revisional Authority or Appellate Tribunal or Court or is under investigation for an offence or penalty under Chapter XIX of the CGST / SGST Act, then it shall be obligatory on its part to retain the books of account and other records pertaining to subject matter of such appeal or revision or proceeding or investigation for a period later of the following:

- (d) One year after final disposal of such appeal or revision or proceedings or investigation; or
- (e) 72 months from the due date of filing of Annual Return for the year pertaining to such accounts and records.

3. Bill of Supply

Bill of supply is a document that is issued *in lieu* of tax invoice in the following instances:

- (a) Registered person supplying exempt goods or services or both;
- (b) Registered person who has opted to pay tax under composition scheme under section 10 of the CGST Act is required to issue bill of supply;
- (c) Registered person opting to pay tax under composition scheme under *Notification No.2/2019 - Central Tax (Rate) dated 07.03.2019* or section 10(2A).

Since section 31(3)(c) uses the word 'registered person', any person who is not registered and supplies wholly exempted goods or services, is not required to issue bill of supply.

Example: Mr Ravi wants to convert his GST registration into the composition scheme in FY 2020-21. In the Financial Year 2023-24, he was under regular scheme. He opted for composition scheme for FY 2024-25. Is Mr. Ravi liable to issue tax invoice in FY 2024-25?

Answer: As per the provision mentioned above, Mr. Ravi has entered into a composition scheme in the FY 2024-25 and hence he is now liable to issue bill of supply instead of tax invoice.

3.1 Contents of Bill of Supply– [Rule – 49]

Name, address and GSTIN of the supplier

Bill of Supply No. - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of issue of Bill of Supply

Name, address and GSTIN or UIN of the registered recipient

Harmonised System of Nomenclature code for goods or services;

Description of goods or services

Value of supply of goods or services or both taking into account discount or abatement, if any

Signature or digital signature of the supplier or his authorised representative

shall mention the words "composition taxable person, not eligible to collect tax on supplies"

All other rules as applicable to tax invoice as per Rule 46 shall apply to bill of supply also.

Further, if the bill of supply is issued electronically then signature or digital signature of the supplier or his authorised representative is not required.

4. Invoice cum Bill of Supply [Rule 46A]

Section 31 of the CGST Act enumerates the situations when tax invoice or bill of supply can be issued. There is no condition envisaged in GST law where a supplier may issue both taxable and exempted goods to same recipient. This situation is quite common in grocery stores where same customer generally purchases both taxable and exempted items. In the absence of any specific documents in such situation there was no alternative

but to issue two documents, tax invoice for taxable items and bill of supply for exempted items.

However, the concept of invoice cum bill of supply was introduced w.e.f. 13th Oct 2017 by way of insertion of Rule 46A. As per rule 46A, 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.

There are no separate rules for invoice cum bill of supply providing for content, manner of issuance and authentication via signature. Rules as applicable to tax invoice and bill of supply need to be applied to invoice cum bill of supply too. Hence, it shall contain the particulars as specified in rule 46 or rule 54, as the case may be, and rule 49.

5. Revised Tax Invoice [Rule 53]

In case any correction is required for already issued tax invoice then either debit note or credit note can be issued as explained in para head 6 below as no provision is available for revision of invoices in such situations. The concept of revised invoice is limited for new registrations only. A registered person may, within one month from the date of issuance of certificate of registration and in such manner as prescribed in the Invoice Rules, shall issue a revised invoice against the invoice already issued during the period beginning with the effective date of registration till the date of issuance of certificate of registration to him. This provision is necessary as a person who becomes liable for registration has to apply for registration within 30 days from the date on which he becomes so liable. When such an application is made within the time period and registration is granted, the effective date of registration is the date on which the person became liable for registration. Thus, there would be a time lag between the date of grant of certificate of registration and the effective date of registration. For supplies made by such person during this intervening period, the law enables issuance of a revised invoice, so that ITC can be availed by the recipient on such supplies.

A consolidated revised tax invoice may be issued in respect of all taxable supplies made to a recipient who is not registered for the period for which revised invoice is required to be issued.

In case of inter-State supplies, where the value of a supply does not exceed ₹ 2,50,000, a consolidated revised invoice may be issued separately in respect of all unregistered recipients located in a State.

Illustration: PQR Ltd. of Mumbai is a company engaged in business of spare parts of machinery. They crossed the limit of ₹ 40 lakhs on 03-03-2025. They applied for registration on 15-03-2025 and got GST registration certificate from department on 22-03-2025. What kind of document can PQR Ltd. issue from the period of 03-03-2025 to 22-03-2025?

Answer: PQR Ltd. became liable for registration on 03-03-2025 and as per the law an applicant shall submit the application for registration within 30 days from the date he became liable for registration. Hence, PQR Ltd. became liable on 03-03-2025, has to issue revised tax invoice in respect of taxable supplies from 03-03-2025 till 22-03-2025, the date he got registration.

Rule 53 of CGST Rules provides for the contents of revised tax invoice.

5.1 Contents of Revised Tax Invoice [Rule 53(1)]

The word - Revised Invoice, wherever applicable should be indicated prominently

Name, address and GSTIN of the supplier

Invoice Number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of issue of revised invoice

Name, address and GSTIN or UID, of the registered recipient

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

Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply

Signature or digital signature of the supplier or his authorised representative.

6. Amendment in Transaction – Debit Note and Credit Note [Rule 53(1A)]

A credit note or debit note serves the purpose of accounting adjustment to settle the correct amount of value and tax for any invoice already issued in the same or earlier period. Credit notes or debit notes could be issued only if tax invoices have been issued. The law does not talk about financial credit note or commercial credit note. However, in real business scenario and even few circulars have used the word financial credit note. When we say only credit note, it means a document specified in section 34 of the CGST Act having some financial and tax impact but financial credit note means some document for financial adjustment, without tax impact and not issued in terms of section 34 of the CGST Act. Financial debit note will not be of much relevance as limitations to take credit exists but as such no such limitations exist for payment of tax. One particular important aspect of debit and credit note is that section 34 permits only supplier to issue debit or credit note. Recipient of the supply cannot issue either debit note or credit note.

Now we shall discuss important aspects of debit note and credit notes in following para:

6.1 Debit Note

As per section 34(3), one or more debit note shall be issued by the registered person where a tax invoice or invoices has/have been issued for supply of goods or services or both in the following instances –

- The value declared in the invoice or invoices is less than the actual value of the goods or services provided; or
- The rate of GST or tax amount charged is at a lower rate than what is applicable for the goods or services supplied.

The details of debit note shall be declared in the return for the month during which debit note is issued and tax liability shall be adjusted accordingly. The debit note shall include a supplementary invoice.

Liability of taxpayer to pay additional tax arises in case of issuance of debit note. Debit note is one of the documents specified in rule 36(1) read with section 16(2)(a) on the basis of which input tax credit can be claimed.

Section 17(5) of the CGST Act restricts the entitlement to avail input tax credit in case tax has been paid under section 74 in respect of any period up to Financial Year 2023-24. In consonance with this provision, rule 53(3)

provides that any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of section 74 or section 129 or section 130, shall, prominently contain the words – "INPUT TAX CREDIT NOT ADMISSIBLE".

No time limit has been set for issue of debit note as per section 34 because the Government will not restrict a registered person to pay incremental tax.

The CGST (Amendment) Act, 2018 has amended section 34 to issue single debit note linked to more than one invoice. For instance, taxable value in Invoice nos. 233 and 234 have been shortly shown by ₹ 10000 and ₹ 5000 respectively. Single debit note can be raised for ₹ 15000, but invoice numbers 233 and 234 shall be mentioned in the debit note.

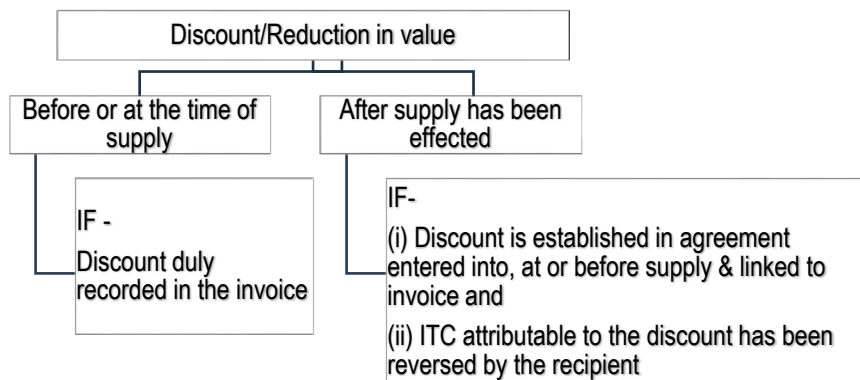
6.2 Credit Note

As per Section 34(1), credit note shall be issued by the registered person where a tax invoice or invoices has/have been issued for supply of goods or services or both, in the following instances

- the value declared in the invoice or invoices is more than the actual value of the goods or services provided; or
- the rate of GST or tax amount charged is at a higher rate than what is applicable the goods or services supplied; or
- the quantity received by the recipient is less than what is mentioned in the tax invoice; or
- the goods supplied are returned by the recipient;
- deficiency in supply of goods or services.

Then the registered person, who has supplied such goods or services or both, shall issue a credit note to the recipient.

It must be noted that reduction in value should be within the permitted parameters of section 15 of the CGST Act. Section 15(3) permits reduction in value in the form of discount only in following two scenarios:



Liability of the taxpayer to pay tax on outward supply reduces in case of issuance of credit note and corresponding ITC of the recipient of the supply also got reduced.

As per section 34(2), any registered person who issues a credit note shall declare the details of such credit note in the return/statement furnished up to:

- 30th November following the end of the financial year in which such supply was made; or
- the date of furnishing of relevant Annual Return.

whichever is earlier, and the tax liability shall be adjusted in prescribed manner.

The CGST (Amendment) Act, 2018 has amended section 34(1) enabling the issue of a single credit note linked to more than one invoice or issue of one or more credit notes for supplies made in a financial year against one or more invoices. For instance, taxable value in Invoice no 233 and 234 have been excessively shown by ₹ 10000 and ₹ 5000 respectively. Single credit note can be raised for ₹ 15000 but invoice numbers 233 and 234 shall be mentioned in the credit note.

6.3 Financial Credit Note

In general trade practice, the suppliers will be granting incentives or price protection or post sale discount in the form of financial credit notes or commercial credit note. Such credit notes are issued as an accounting or financial adjustment not governed by the provisions of GST law. As discussed above, there is time limit of issuing credit note under section 34,

whereas for such financial credit there is no such time limit. In this regard, the trade raised a question, as to “can there be a bar to issue credit note beyond the time specified in section 34 of CGST Act.” In response to the same, the Board vide *Circular No. 72/46/2018-GST dated 26th October 2018* has clarified that in pharmaceutical sector as a common trade practice the wholesaler or retailer shall return the time expired drugs and for which credit note can be issued even the time limit mentioned in Sec 34 (2) has lapsed because the tax liability is not adjusted and such credit note need be disclosed in the common portal. Time limit for issue of credit note as per Sec 34(2) shall apply only when we are adjusting the tax corresponding to the value mentioned in credit note.

Further, CGST *Circular No. 92/11/2019-GST dated 7th March 2019* enumerated various possibilities related to discounts, its impact on ITC and documentation of such transactions. In this circular, first time the word ‘commercial’ or ‘financial credit note’ has been used. Relevant para has been reproduced below:

“Representations have been received from the trade and industry that whether credit notes(s) under sub-section (1) of section 34 of the said Act can be issued in such cases even if the conditions laid down in clause (b) of sub-section (3) of section 15 of the said Act are not satisfied. It is hereby clarified that financial / commercial credit note(s) can be issued by the supplier even if the conditions mentioned in clause (b) of sub-section (3) of section 15 of the said Act are not satisfied. In other words, credit note(s) can be issued as a commercial transaction between the two contracting parties. “

Thus, when credit note under section 34 cannot be issued by a taxable person, he may issue a credit note reducing the value of original supply without tax attributable to the reduction claimed. Such credit notes are referred as ‘financial credit notes’.

Following is the summary of aforesaid circulars:

Circular No.	Date of issue	Particulars	Relevant Section
72/46/2018-GST	26/10/2018	Circular to clarify the procedure in respect of return of time expired drugs or medicines	Sections 16, 34(1), 34(2) of CGST Act
92/11/2019	07/03/2019	Clarification for taxability and ITC for free samples and gifts, buy one get one free offer, staggered discount, & secondary discounts.	Section 7(1)(a), read with section 17 (5)(h) & Section 34(1) of CGST Act.

When credit note cannot be issued in terms of section 34 of the CGST Act, financial credit note can be issued to reflect financial impact of the transaction. Financial credit note would not be declared in the returns under the GST law. Following are the situations which may give rise to issue of financial credit note:

Situations under which the financial credit notes are issued:

1. **Discounts offered post supply:** The discount issued by the supplier after effecting supply of goods and / or services if not in terms of the provisions as specified under section 15(3)(b) of the CGST Act, the supplier cannot claim the reduction in the output tax.
2. **Credit notes issued after expiry of the time limit specified under the GST law:** In terms of section 34 of the CGST 2017, a supplier cannot declare credit note any time after either of the following 2 events:
 - Annual return has been filed for the FY in which the original tax invoice was issued; or
 - Return / statement furnished after 30th November of the FY immediately succeeding the FY in which the original tax invoice was issued. (i.e., for a tax invoice issued in April 2021 as well as a tax invoice issued in March 2022, the relevant credit note

cannot be declared in the return / statement filed after 30th November 2022)

Further Circular No. 137/07/2020-GST dated 13th April 2020 has also clarified few aspects related to credit note and its impact on GST refund. Following is the relevant extract from the said Circular:

Issue: *An advance is received by a supplier for a Service contract which subsequently got cancelled. The supplier has issued the invoice before supply of service and paid the GST thereon. Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?*

Suggestion: *In case GST is paid by the supplier on advances received for a future event which got cancelled subsequently and for which invoice is issued before supply of service, the supplier is required to issue a “credit note” in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim. However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.*

Rule 53(1A) of the CGST Rules contains the details required on debit note and credit note. Till 31st Jan 2019 there was common rule for revised invoice, debit and credit note.

6.4 Contents of Debit Note/Credit Note – Rule 53(1A)

Name, address and GSTIN of the supplier

Nature of the document

Debit Note / Credit Note No - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of issue of the document

Name, address and GSTIN or UID, if registered, of the recipient

Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is unregistered

Serial number and date of the corresponding tax invoice or invoices or bill or bills of supply

Value of taxable supply of goods or services, rate of tax and the amount of the tax credited or debited to the recipient and

Signature or digital signature of the supplier or his authorised representative.

In case of debit note, if tax is being payable as per section 74 or section 129 or section 130, the words to be mentioned in debit note are "INPUT TAX CREDIT NOT ADMISSIBLE"

7. Advance for Supply – Receipt Voucher [Sec 31(3)(d)]

A registered person shall, on receipt of advance payment with respect to any supply of goods or services or both, issue a receipt voucher or any other document, containing such particulars prescribed in Rule 50 of CGST Rules, evidencing receipt of such payment.

In case the rate of tax or nature of supply is not determinable at the time of receiving advance payment for any supply of goods or services or both, then as per the Proviso to Rule 50, the tax shall be paid at the rate of 18% and the

same shall be treated as Inter-State supply and IGST should be paid accordingly.

The receipt voucher shall contain the particulars as contained in Rule 50 which are as follows:

7.1 Contents of Receipt Voucher – [Rule 50]

Name, address and GSTIN of the supplier

Receipt voucher number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of its issue

Name, address and GSTIN, if registered, of the recipient

Description of goods or services

Amount of advance taken

Rate of tax (CGST, SGST/UTGST, IGST, CESS)

Amount of tax charged in respect of taxable goods or services (CGST, SGST/UTGST, IGST, CESS)

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

Whether the tax is payable on reverse charge basis

Signature or digital signature of the supplier or his authorised representative.

8. Refund of Advance – Refund Voucher [Sec 31(3)(e)]

Once an advance payment has been received and a receipt voucher has also been issued, there may arise situations whereby the supply is not subsequently made, and the amount of advance has to be refunded subject to the condition that no tax invoice was issued till date. In such a case a refund voucher needs to be issued for refund of such advance.

Circular No. 137/07/2020-GST dated 13th April 2020 has also clarified few aspects related to refund voucher and its impact on GST refund. Following is the relevant extract from said Circular:

Issue: *An advance is received by a supplier for a service contract which got cancelled subsequently. The supplier has issued receipt voucher and paid the GST on such advance received. Whether he can claim refund of tax paid on advance or he is required to adjust his tax liability in his returns?*

Suggestion: *In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued in terms of section 31(2) of the CGST Act, he is required to issue a “refund voucher” in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules.*

The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category “Refund of excess payment of tax”.

8.1. Contents of Refund Voucher– [Rule 51]

The refund voucher shall be as per rule 51 of the CGST Rules and shall contain following particulars:

Name, address and GSTIN of the supplier

Refund voucher number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of its issue

Name, address and GSTIN or UID, if registered, of the recipient

Number and date of receipt voucher issued in accordance with the provisions of rule 50

Description of goods or services in respect of which refund is made

Amount of refund made

Rate of tax (CGST, SGST, IGST or CESS)

Amount of tax paid in respect of such goods or services (CGST, SGST, IGST or CESS)

Whether the tax is payable on reverse charge basis, and

Signature or digital signature of the supplier or his authorised representative.

9. Delivery Challan in Special Situations [Rule 55(1)]

The following are the instances when delivery challan can be issued for transportation of goods without an invoice:

- 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 as per Sec 143;
- Transportation of goods for reasons other than by way of supply viz., Branch transfer within the State, goods remove for line sales, goods sent on approval basis, movement of goods in case of supply of services like works contract, pandal shamiana, etc., goods given as free samples, gifts, goods moved by artists for display in an exhibition, etc;
- Other supplies as notified by the Board.

In case, the goods are being transported on a delivery challan instead of invoice, the same shall be declared as specified in Rule 138.

Initially, the supplier has transported the goods without invoice at the time of removal for the purpose of supply but such supplier has to issue a tax invoice on delivery of goods.

Issue of Delivery Challan in case of goods sent for Job Work

Normally when the goods are removed from the place of business of a principal who is registered, for purpose of job work, GST has to be paid, but by virtue of Sec 143 of CGST Act, the principal can remove such goods for Job work without payment of tax subject to fulfillment of certain conditions mentioned therein.

Detailed procedure to be followed by a principal as well as the job worker has been laid down in *Circular No. 38/12/2018 dated 26th March 2018*.

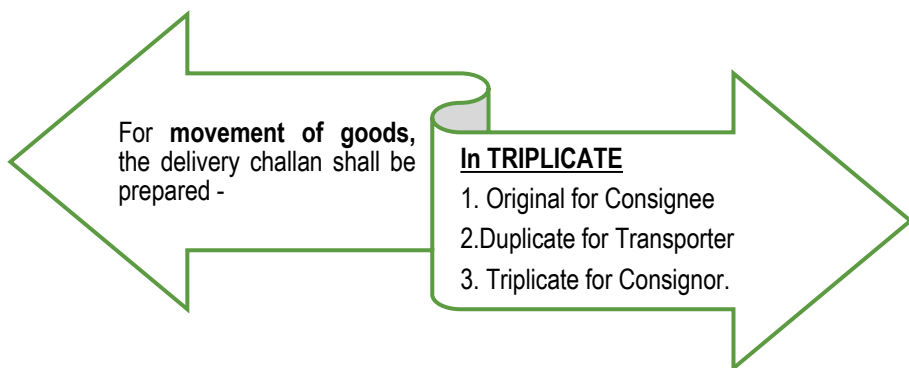
Issue of Delivery Challan in case of movement of goods for Job Work

Form GST ITC – 04 which has to be furnished by all principals who are registered, showing the details of inputs or capital goods dispatched or received from a job worker during a particular quarter. Such Form GST ITC – 04 shall serve as an intimation as envisaged in Sec 143 of CGST Act.

The following are the four major types of transactions which require issuance of delivery challan and furnishing of intimation Form GST ITC-04 on a quarterly basis:

- Inputs or capital goods dispatched by the principal to the job workers;
- Inputs or capital goods received back from job workers by the principal;
- Inputs or capital goods sent from one job worker to another job worker;
- Inputs or capital goods supplied from the premises of job workers.

Issue of Delivery Challan in case of movement of Goods:



9.1 Contents of Delivery Challan – Rule 55(1)

The consigner may issue a **delivery Challan**, serially numbered not exceeding 16 characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation, 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 UID 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, IGST or CESS, where the transportation is for supply to the consignee
Place of supply, in case of inter-state movement and
Signature

10. Payment Voucher [Sec 31(3)(g)]

When a recipient is a registered person, who is liable to pay tax under reverse charge mechanism as per Sec 9(3) or Sec 9(4), then such recipient is required to issue a payment voucher to the supplier at the time of making payment to such supplier for the supply of goods or services.

As per rule 52 of CGST Rules, payment voucher should contain following information:

10.1 Contents of Payment Voucher – [Rule 52]

Name, address and GSTIN of the supplier, if registered;

Payment voucher number - Consecutively numbered not exceeding sixteen characters, in one or multiple series - Alphabets / Numbers / special characters allowed

Date of its issue

Name, address and GSTIN of the recipient

Description of goods or services

Amount paid

Rate of tax (CGST, SGST, IGST or CESS);

Amount of tax payable in respect of taxable goods or services (CGST, SGST, IGST or CESS)

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

Signature or digital signature of the supplier or his authorised representative

PART-II

1. E-Invoice - Introduction

The GST Council approved the standard of e-invoice in its 37th Meeting held on 20th Sept 2019 and accordingly, on 13th Dec 2019 the Government issued *Notification No 68/2019 CT to 72/2019 CT*, laying down the legal roadmap for e-invoicing and QR code. Earlier, e-invoicing was going to be applicable on voluntary basis from January 2020 and was made mandatory from April 2020 to some class of persons. Subsequently, the Government had come up with a new *Notification No. 13/2020* and *Notification No.14/2020* issued on 21-03-2020 stating that the dates for implementation of e-invoicing to be extended till 01.10.2020. The timeline of e-Invoicing coverage is traced below:

Notification Ref (CGST)	Effective Date	Turnover limit for coverage under E-Invoicing
13/2020 dt. 21 st March 2020 read with 61/2020 dt. 30 th July 2020	1 st October 2020	above ₹ 500 crores
14/2020 dt. 21 st March 2020 (For QR Code)	1 st October 2020	above ₹ 500 crores
71/2020 dt. 30 th September 2020 (For QR Code)	1 st December 2020	above ₹ 500 crores
88/2020 dt. 10 th November 2020	1 st January 2021	above ₹ 100 crores
05/2021 dt. 08 th March 2021	1 st April 2021	above ₹ 50 crores
01/2022 dt. 24 th February 2022	1 st April 2022	above ₹ 20 crores
17/2022 dt. 01 st August 2022	1 st October 2022	above ₹ 10 crores
10/2023 dt. 10 th May 2023	1 st August 2023	above ₹ 5 crores

The basic objectives for bringing e-invoice system from GST perspective is to provide better services to the taxpayer, reduction of tax evasion and bringing efficiency in tax administration.

There is a myth among the trade that generation of e-invoice in GST means the generation of invoice in GSTN portal, but it is not so. The registered

persons can generate invoice in their own accounting or billing software but what has been introduced to bring uniformity in trade is to upload specified particulars of invoice in Form GST INV-01 on Invoice Registration Portal (IRP) and will then generate an unique Invoice Reference Number (IRN) and quick response code. This system of e-invoicing will only be applicable to those whose aggregate turnover is above the prescribed limit.

2. E-Invoice - Concept

E- Invoicing will be applicable in following cases:

<i>Threshold Limit</i>	<i>Type of invoice to be issued as e-invoice</i>
5 cr < Aggregate Turnover < 500 Cr	B2B and exports
Aggregate Turnover > 500 Cr	All i.e. B2B and exports + B2C*

* Dynamic QR Code for B2C transactions

GSTN's e-invoice will contain the following parts:

- **E-invoice scheme:** As per a paper published by the GSTN, India has adopted the SIMPoL (Standard Invoice Messaging Protocol) standard for flow of information during the e-invoice generation process. The scheme was separately adopted. It consists of the technical field name, description of each field, whether it is mandatory or not, and has a few sample values along with explanatory notes.
 - ◆ Some mandatory fields are invoice type, invoice no., date, bill to, GSTIN, State code, address, item, taxable value, advance adjusted, total invoice value, GST rate, tax amounts etc.
 - ◆ Some of the optional fields are supplier email, phone no., batch details, pre-tax details, payee name, mode of payment etc.
- **Masters:** Masters will specify the set of inputs for certain fields, that are pre-defined by GSTN itself. It includes fields like UQC, State Code, invoice type, supply type, etc.
- **E-invoice template:** The template is as per the GST Rules and enables the reader to correlate the terms used in other sheets. The mandatory fields are marked in green and optional fields are marked in yellow.

1. Businesses are required to generate an electronic invoice on every sale on their respective ERPs. Creating an e-invoice is the prior responsibility of the taxpayer (dealer);
2. The standard invoice format is pre-fixed by authorities for every business so that proper details are extracted;
3. The e-invoice thus generated needs to be reported to the Invoice Registration Portal (IRP) of GST;
4. On the portal, the Invoice Reference Number (IRN) will be generated and the invoice will be signed digitally;
5. Then a QR code will be generated. The code contains all the vital information related to the invoices which will be re-directed to the taxpayer who filed the invoices;
6. The IRP will send a copy of the signed invoices to the provided email id of the recipient of the document as provided in the e-invoice.

In the concept paper on e-invoicing system issued by GSTN portal, the word 'Invoice' is used in the name of e-invoice, and the concept paper has also intended to include all other documents issued by a supplier to be reported in IRP viz., debit note, credit note, bill of supply or any other document referred as required to be reported by the creator of the document. But the amendment brought in rule 48 provides only for the manner of issue of tax invoice and not covering the manner of issue of debit note, credit note or bill of supply or all other documents mentioned in the law. Hopefully the law maker will make all such amendments in due course to cover all documents issued by a registered person in B2B transaction.

3. E-Invoice - Process

Registered persons can create e-invoice through any of the following modes based on their preferences:

- Web based
- API based
- SMS based
- Mobile App based

- Offline tool based
- GSP based

Stage-1 – Generation of JSON through invoice

- Generation of the invoice by the seller in his own accounting or billing system (it can be any software utility/ERP that generates invoice);
- The invoice must confirm to the e-invoice (standards). Supplier should have a feature in his ERP that will create an output of invoice data in JSON format;
- Those who do not use any accounting or billing software or any IT tool to generate the invoice, will be provided an offline tool to key-in data of invoice and then submit the same;
- The supplier's software should be capable to generate a JSON of the final invoice that is ready to be uploaded to the IRP. The IRP will only recognise JSON file.

Stage-2 – Uploading of JSON on Invoice Registration Portal (IRP)

- Seller to upload the JSON of the e-invoice into the IRP;
- The JSON may be uploaded directly on the IRP or through GSPs or through third party provided Apps.

30-Day E-Invoice Rule:

The Goods and Services Tax Network (GSTN) through an advisory dated November 5, 2024, announced that effective April 1, 2025, the 30-day time limit for reporting e-invoices on the Invoice Registration Portal (IRP) will also apply to businesses with an Annual Aggregate Turnover (AATO) of ₹10 crore or more. This extends the existing rule—previously applicable only to businesses with an AATO of ₹100 crore or more—to a wider range of taxpayers.

Stage-3 – Data validation/approval by IRP

- If IRN is not generated, then IRP will generate IRN, based on JSON uploaded;
- If IRN is generated, then IRP will validate the IRN, (Based on JSON uploaded) from Central Registry of GST System to ensure that the same invoice from the same supplier pertaining to same Financial Year is not being uploaded again;

- On receipt of confirmation from Central Registry, IRP will add its signature on the invoice data as well as a QR code to the JSON.

Stage-4 – E- invoice generation and sharing

- Sharing the signed e-invoice data along with IRN to seller;
- Sharing the signed e-invoice data along with IRN to the GST System as well as to E-Way bill system;
- The IRP will sign the e-invoice and the e-invoice signed by the IRP will be a valid e-invoice and will be used by GST/E-Way bill system.

Stage-5 – Providing digitally signed E- invoice back to the Taxpayer

- Returning the digitally signed JSON with IRN back to the seller along with a QR Code;
- The registered invoice will also be sent to the seller and buyer on their mail ids as provided in the invoice.

4. E-Invoice - IRP and QR Code

IRP – Invoice Registration Portal allows invoice registration on the GST system through API mode in addition to other modes.

- IRP helps to integrate its e-invoicing system to the taxpayer's business invoicing system;
- The portal even helps the taxpayer to get the credentials through which he can access APIs. Registration for API access is complete once the OTP sent on the verified mobile number and email id is entered;
- RP provides details related to integrating the business systems to their e-invoice systems through APIs;
- Code extracts and master data are provided to have proper knowledge of logic and concepts;
- With the help of the portal, developers can improve the performance of APIs by understanding and testing the API methods.

QR Code- The QR code will enable quick view, validation and access of the invoices from the GST system. It will be generated by IRP after uploading JSON of invoices. The QR code will consist of the following e-invoice parameters:

1. GSTIN of supplier

2. GSTIN of recipient
3. Invoice number as given by supplier
4. Date of generation of invoice
5. Invoice value (taxable value and gross tax)
6. Number of line items
7. HSN Code of main item (the line item having highest taxable value)
8. Unique Invoice Reference Number (hash)

5. E-Invoice - Implementation

The 39th GST council meeting came up with a decision to implement GST e-invoicing of bills and applicability of QR codes from 1st October 2020 and from 1st August 2023 onwards E-Invoicing covers all taxpayers with aggregate turnover above ₹ 5 crores.

6. E-Invoice - Exclusions

Following are excluded from generation of E-Invoice:

- Special Economic Zone unit - *Notification No. 61/2020 CT dated 30th July 2020*
- Government department or a local authority - *Notification No. 23/2021-Central Tax dated 1-6 2021*
- Insurer or a Banking company or a financial institution, including a non-banking financial company
- Goods Transport Agency
- Passenger Transport Service provider
- Multiplexes issuing electronic ticket

7. E-Invoicing - Clarifications

(A) Whether carrying physical copy of invoice is compulsory during movement of goods in cases where suppliers have issued e-invoices?

Circular No. 160/16/2021-GST dated 20.09.2021 has clarified that there is no need to carry the physical copy of tax invoice in cases where invoice has

been generated by the supplier in the manner prescribed under rule 48(4) of the CGST Rules and production of the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification by the proper officer, would suffice.

(B) Applicability of E-Invoicing on Entity as a whole

Circular No. 186/18/2022-GST dated 27.12.2022 has clarified that the said exemption from generation of e-invoices is for the entity as a whole and is not restricted by the nature of supply being made by the said entity.

(C) Whether e-invoicing is applicable for supplies made to Government Departments or establishments/ Government agencies/ local authorities/ PSUs registered solely for the purpose of deduction of tax at source as per section 51?

Circular No. 198/10/2023-GST dated 17th July, 2023 has clarified on issue w.r.t supplies made by a registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, to Government Departments or establishments/ Government agencies/ local authorities/ PSUs registered solely for the purpose of deduction of tax at source as per provisions of section 51.

As per the Circular, Government Departments or establishments/ Government agencies/ local authorities/ PSUs, which are required to deduct tax at source as per provisions of section 51 of the CGST/SGST Act, are liable for compulsory registration in accordance with section 24(vi) of the CGST Act. Therefore, they are to be treated as registered persons under the GST law as per provisions of clause (94) of section 2. Hence, e-invoice is required to be generated by them when making such supplies.

8. E-Invoice – Legal Framework

Notification No.	Details of Notification
68/2019 CT dated 13th Dec 2019	As per the said notification, registered person to whom e-invoice is applicable: • Should ensure that, his invoice contains details as mentioned in Form GST INV – 01; • obtain Invoice Reference Number (IRN) after furnishing required information on

	common portal; Valid tax invoice means e – invoice only. Normal invoice prepared currently (In three copies – original/duplicate/triplicate) will not be considered as compliance of law.
69/2019 CT dated 13th Dec 2019	For the purpose of preparation of e-invoice the following are the notified common portals recognized as Invoice Registration Portal: ➤ www.einvoice1.gst.gov.in; ➤ www.einvoice2.gst.gov.in; ➤ www.einvoice3.gst.gov.in; ➤ www.einvoice4.gst.gov.in; ➤ www.einvoice5.gst.gov.in; ➤ www.einvoice6.gst.gov.in; ➤ www.einvoice7.gst.gov.in; ➤ www.einvoice8.gst.gov.in; ➤ www.einvoice9.gst.gov.in; ➤ www.einvoice10.gst.gov.in. - Considering the load on website, the Government has provided 10 portals as mentioned above.
70/2019 CT dated 13th Dec 2019	- E invoice is applicable to registered person, whose aggregate turnover in a financial year exceeds ₹ 100 Crore (Now Rs. 5 Crore). - Said person should prepare e-invoice in respect of supply of goods or services or both to registered person (B2B), from 1st April 2020 mandatorily. - B2B transaction includes Exports as clarified by <i>Circular No. 146/02/2021-GST dated 23rd February 2021</i>. Note: The applicability of e-invoicing was

	extended to 1 st October 2020 via NN: 13/2020 CT dated 21 st March 2020.
13/2020 CT dated 21 st Mar 2020	Exempted following registered persons from e-invoicing and was expected to be implemented from 01.10.2020 when turnover exceeded ₹ 100 Crores: • an insurance company or a banking company or a financial institution, including a non-banking financial company; • goods transport agency supplying services in relation to transportation of goods by road in a goods carriage; • passenger transportation service; • services by way of admission to exhibition of cinematograph films in multiplex screens by issuing electronic ticket.
61/2020 CT dated 30 th July 2020	• Limit for e-invoice increased from ₹ 100 Crores to ₹ 500 Crores and special economic zone unit has been added in exclusion list.
Note: E-invoicing applicable originally with effect from 01st October 2020 in case where turnover exceeds ₹ 500 Crores. (NN 70/2019 & 13/2020 read with 61/2020 - CT)	
88/2020 CT dated 10 th Nov 2020	• Reduced the turnover limit for being covered under e-invoicing compliance, from ₹ 500 crores to taxpayers having turnover exceeding ₹ 100 crores from 01st January 2021.
05/2021 CT dated 08 th Mar 2021	• Reduced the turnover limit for being covered under e-invoicing compliance, from ₹ 100 crores to taxpayers having turnover exceeding ₹ 50 crores from 01st April 2021.

23/2021 – CT dated 1 st Jun 2021 (amended Notification 13/2020 supra)	• Government Department and Local Authority have been excluded for e-Invoicing requirement.
01/2022 CT dated 24 th Feb 2022	• Reduced the turnover limit for being covered under e-invoicing compliance, from ₹ 50 crores to taxpayers having turnover exceeding ₹ 20 crores from 01st April 2022.
17/2022 CT dated 01 st Aug 2022	• Reduced the turnover limit for being covered under e-invoicing compliance, from ₹ 20 crores to taxpayers having turnover exceeding ₹ 10 crores from 01st October 2022.
10/2023 CT dated 10 th May 2023	• Reduced the turnover limit for being covered under e-invoicing compliance, from ₹ 10 crores to taxpayers having turnover exceeding ₹ 5 crores from 01st August 2023.

9. E-Invoice – QR Code for B2C Invoice

A QR code (short for "quick response" code) is a type of barcode that contains a matrix of dots. It can be scanned using a QR scanner or a smartphone with built-in camera. Once scanned, software on the device converts the dots within the code into numbers or a string of characters.

Dynamic QR Code

A dynamic QR code is a type of QR code that is editable, as opposed to a static QR code which isn't editable. Dynamic QR codes also allow for additional features like scan analytics, password protection, device-based redirection and access management.

CBIC has notified through *Notification No.72/2019 CT dated 13th Dec 2019* that the B2C GST invoice issued by the registered person, whose aggregate turnover in a financial year is beyond ₹ 500 crores, to an unregistered person (URD), must have a Quick Response (QR) code implying that a separate QR

code will be generated for each B2C invoice by the supplier himself and not by the IRP. Possibly it has been done to reduce the time needed to generate an e-invoice and prevent long waiting periods by the end customers.

71/2019 CT dated 13 th Dec 2019 read with 31/2019 CT dated 28 th June 2019	QR Code has been made mandatory on tax invoice, from 1 st April 2020, on supply to unregistered person (B2C). It is not applicable for supply to registered person.
72/2019 CT dated 13 th Dec 2019	QR Code is applicable to registered persons whose aggregate turnover in a financial year exceeds ₹ 500 Crore, when such registered person issues Tax Invoice to an unregistered person [B2C].
14/2020 CT dated 21 st Mar 2020	Exempts following registered persons from mentioning Dynamic Quick Response (QR) Code, effective from 01.10.2020: • an insurance company or a banking company or a financial institution, including a non-banking financial company; • goods transport agency supplying services in relation to transportation of goods by road in a goods carriage; • passenger transportation service; • services by way of admission to exhibition of cinematograph films in multiplex screens by issuing electronic ticket; • online information and database access or retrieval services.
71/2020 CT dated 30 th Sep 2020	The applicability of QR code was deferred from 01 st October 2020 to 01 st December 2020.
89/2020 CT dated 29 th November 2020	Penalty payable u/s 125 for the non-compliance between the period 01 st

	December 2020 to 31 st March 2021 was waived.
06/2021 CT dated 30 th March 2021	Waiver of penalty further extended till 30 th June 2021 subject to compliance from 1 st April 2021.
28/2021 CT dated 30 th June 2021	In supersession of the above conditional waiver of penalty, this notification waived penalty for the period 01.12.2020 to 30.09.2021 unconditionally (without attaching any condition towards subsequent compliance).

Accordingly, any non-compliance of provisions related to QR code would attract penalty of Rs. 50,000 (CGST plus SGST or IGST) with effect from 1st October, 2021.

10. Clarifications on QR Code

Circular No. 146/02/2021-GST dated 23rd February 2021-Clarification in respect of applicability of Dynamic QR code on B2C invoices and compliance of Notification No. 14/2020-CT dt. 21st March, 2020

Issue 1: To which invoice is Notification No 14/2020- Central Tax dated 21st March, 2020 applicable? Would this requirement be applicable on invoices issued for supplies made for Exports?

Clarification 1: This notification is applicable to a tax invoice issued to an unregistered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds 500 Cr rupees in any of the financial years from 2017-18 onwards. However, the said notification is not applicable to an invoice issued in following cases: I. II. Where the supplier of taxable service is: a) an insurer or a banking company or a financial institution, including a non banking financial company; b) a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage; c) supplying passenger transportation service; d) supplying services by way of admission to exhibition of cinematograph in films in multiplex screens OIDAR supplies made by any registered person, who has obtained registration under section 14 of the IGST Act 2017, to an unregistered person. As regards the supplies made for exports, though such supplies are made by a registered person to an unregistered person, however, as e-invoices are required to be

issued in respect of supplies for exports, in terms of Notification no. 13/2020 Central Tax, dated 21st March, 2020 treating them as Business to Business (B2B) supplies, Notification no. 14/2020- Central Tax dated 21st March, 2020 will not be applicable to them.

Issue 2: What parameters/ details are required to be captured in the Quick Response (QR) Code?

Clarification 2: Dynamic QR Code, in terms of Notification No. 14/2020- Central Tax, dated 21st March, 2020 is required, inter-alia, to contain the following information:

- a. Supplier GSTIN number
- b. Supplier UPI ID
- c. Payee's Bank A/C number and IFSC
- d. Invoice number & invoice date
- e. Total Invoice Value and vi. GST amount along with breakup i.e., CGST, SGST, IGST, CESS, etc.
- f. Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.

Issue 3: If a supplier provides/ displays Dynamic QR Code, but the customer opts to make payment without using Dynamic QR Code, then will the cross reference of such payment, made without use of Dynamic QR Code, on the invoice, be considered as compliance of Dynamic QR Code on the invoice?

Clarification 3: If the supplier has issued invoice having Dynamic QR Code for payment, the said invoice shall be deemed to have complied with Dynamic QR Code requirements. In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice: - I. II. Using any mode like UPI, credit/ debit card or online banking or cash or combination of various modes of payment, with or without using Dynamic QR Code, and the supplier provides a cross reference of the payment (transaction id along with date, time and amount of payment, mode of payment like UPI, Credit card, Debit card, online banking etc.) on the invoice; or In cash, without using Dynamic QR Code and the supplier provides a cross reference of the amount paid in cash, along with date of such payment on the invoice; The said invoice shall be deemed to have complied with the requirement of having Dynamic QR Code.

Issue 4: If the supplier makes available to customers an electronic mode of payment like UPI Collect, UPI Intent or similar other modes of payment, through mobile applications or computer-based applications, where though Dynamic QR Code is not displayed, but the details of merchant as well as transaction are displayed/ captured otherwise, how can the requirement of Dynamic QR Code as per this notification be complied with?

Clarification 4: In such cases, if the cross reference of the payment made using such electronic modes of payment is made on the invoice, the invoice shall be deemed to comply with the requirement of Dynamic QR Code. However, if payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

Issue 5: Is generation/ printing of Dynamic QR Code on B2C invoices mandatory for pre- paid invoices i.e., where payment has been made before issuance of the invoice?

Clarification 5: If cross reference of the payment received either through electronic mode or through cash or combination thereof is made on the invoice, then the invoice would be deemed to have complied with the requirement of Dynamic QR Code. In cases other than pre-paid supply i.e., where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

Issue 6: Once the E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements, will the suppliers using such e-commerce portal or application for supplies still be required to comply with the requirement of Dynamic QR Code?

Clarification 6: The provisions of the notification shall apply to each supplier/registered person separately if such person is liable to issue invoices with Dynamic QR Code for B2C supplies as per the said notification. In case, the supplier is making supply through the E-commerce portal or application, and the said supplier gives cross references of the payment received in respect of the said supply on the invoice, then such invoices would be deemed to have complied with the requirements of Dynamic QR Code. In cases other than pre-paid supply i.e., where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

Circular No. 156/12/2021-GST dated 21st June 2021 - Circular No. 146/2/2021-GST, dated 23.02.2021 stands modified to this extent.

Issue 1: Whether Dynamic QR Code is to be provided on an invoice, issued to a person, who has obtained a Unique Identity Number as per the provisions of sub section 9 of section 25 of CGST Act 2017?

Clarification 1: Any person, who has obtained a Unique Identity Number (UIN) as per the provisions of sub-section 9 of section 25 of CGST Act 2017, is not a “registered person” as per the definition of registered person provided in section 2(94) of the CGST Act 2017. Therefore, any invoice, issued to such person having a UIN, shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of Dynamic QR Code.

Issue 2: UPI ID is linked to the bank account of the payee/ person collecting money. Whether bank account and IFSC details also need to be provided separately in the Dynamic QR Code along with UPI ID?

Clarification 2: Given that UPI ID is linked to a specific bank account of the payee/ person collecting money, separate details of bank account and IFSC may not be provided in the Dynamic QR Code.

Issue 3: In cases where the payment is collected by some person other than the supplier (ECO or any other person authorized by the supplier on his/ her behalf), whether in such cases, in place of UPI ID of the supplier, the UPI ID of such person, who is authorized to collect the payment on behalf of the supplier, may be provided?

Clarification 3: Yes. In such cases where the payment is collected by some person, authorized by the supplier on his/ her behalf, the UPI ID of such person may be provided in the Dynamic QR Code, instead of UPI ID of the supplier.

Issue 4: (As modified by Circular No. 165/21/2021-GST dt. 17.11.2021)

In cases, where receiver of services is located outside India, and payment is being received by the supplier of services ,through RBI approved modes of payment, but as per provisions of the IGST Act 2017, the place of supply of such services is in India, then such supply of services is not considered as export of services as per the IGST Act 2017; whether in such cases, the Dynamic QR Code is required on the invoice issued, for such supply of services, to such recipient located outside India?

Clarification 4: No. Wherever an invoice is issued to a recipient located outside India, for supply of services, for which the place of supply is in India, as per the provisions of IGST Act 2017, and the payment is received by the supplier, in convertible foreign exchange or in Indian Rupees wherever permitted by the RBI, such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier.

Issue 5: In some instances of retail sales over the counter, the payment from the customer is received on the payment counter by displaying dynamic QR code on digital display, whereas the invoice, along with invoice number, is generated on the processing system being used by supplier/ merchant after receiving the payment. In such cases, it may not be possible for the merchant/ supplier to provide details of invoice number in the dynamic QR code displayed to the customer on payment counter. However, each transaction i.e., receipt of payment from a customer is having a unique Order ID/ sales reference number, which is linked with the invoice for the said transaction. Whether in such cases, the order ID/ reference number of such transaction can be provided in the dynamic QR code displayed digitally, instead of invoice number.

Clarification 5: In such cases, where the invoice number is not available at the time of digital display of dynamic QR code in case of over the counter sales and the invoice number and invoices are generated after receipt of payment, the unique order ID/ unique sales reference number, which is uniquely linked to the invoice issued for the said transaction, may be provided in the Dynamic QR Code for digital display, as long as the details of such unique order ID/ sales reference number linkage with the invoice are available on the processing system of the merchant/ supplier and the cross reference of such payment along with unique order ID/ sales reference number are also provided on the invoice.

Issue 6: When part-payment has already been received by the merchant/ supplier, either in advance or by adjustment (e.g., using a voucher, discount coupon etc), before the dynamic QR Code is generated, what amount should be provided in the Dynamic QR Code for “invoice value”?

Clarification 6: The purpose of dynamic QR Code is to enable the recipient/ customer to scan and pay the amount to be paid to the merchant/ supplier in respect of the said supply. When the part-payment for any supply has

already been received from the customer/ recipient, in form of either advance or adjustment through voucher/ discount coupon etc., then the dynamic QR code may provide only the remaining amount payable by the customer/ recipient against “invoice value”. The details of total invoice value, along with details/ cross reference of the part payment/ advance/ adjustment done, and the remaining amount to be paid, should be provided on the invoice.

Few Advisories issued with regard to E-Invoicing:

- Effective 1st June 2025, the IRP (Invoice Reporting Portal) would treat invoice/document numbers as case-insensitive for the purpose of IRN generation.
- At least 6-digit HSN is mandatory in e-Invoices, for taxpayers whose AATO (Aggregate Annual Turnover) is 5 Cr and above from 15th of December 2023.
- The taxpayers, notified for generation of e-invoices and supplying to government departments / agencies, need to generate B2B e-Invoices with the GSTIN of the Government department / agency.
- 2-Factor Authentication for all taxpayers with AATO above Rs 20 Cr is mandatory from 20.11. 2023.
- The time limit for reporting invoices on the Invoice Registration Portal (IRP) for taxpayers with an AATO of ₹10 crores or more is 30-days with effect from April 1, 2025.

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