Introduction

Generally speaking, an invoice is a commercial instrument issued by a seller to a buyer. It identifies both the trading parties, and lists, describes, and quantifies the items sold, shows the date of shipment and mode of transport, prices and discounts, if any, and the delivery and payment terms.

In certain cases, (especially when it is signed by the seller or seller’s agent), an invoice serves as a demand for payment and becomes a document of title when paid in full. Types of invoices include:

- Bill of Sale or Contract of Sale.
- Invoice under GST

Under the GST regime, an “invoice” or “tax invoice” means the tax invoice referred to in section 31 of the CGST Act, 2017. This section mandates the issuance of an invoice or a bill of supply for every supply of goods or services. It is not necessary that only a person supplying goods or services needs to issue an invoice. The GST law mandates that any registered person buying goods or services from an unregistered person needs to issue a payment voucher as well as a tax invoice. The type of invoice to be issued depends upon the category of registered person making the supply. For example, if a registered person is making or receiving supplies (from unregistered persons), then a tax invoice needs to be issued by such registered person. However, if a registered person is dealing only in exempted supplies or is availing the composition scheme (composition dealer), then such a registered person needs to issue a bill of supply in lieu of invoice. The invoice should contain description, quantity and value & such other prescribed particulars (in case of supply of goods), and the description and value & such other prescribed particulars (in case of supply of services). An invoice or a bill of supply need not be issued if the value of the supply is less than Rs. 200/, subject to specified conditions.

Importance of tax invoice under GST

Under GST, a tax invoice is an important document. It not only evidences the supply of goods or services, but is also an essential document for the recipient to avail Input Tax Credit (ITC). A registered person cannot avail Input Tax Credit unless he is in possession of a tax invoice or a debit note.

GST is chargeable at the time of supply. Invoice is an important indicator of the time of supply. Broadly speaking, the time of supply of goods or services is the date of issuance of an invoice or receipt of payment, whichever is earlier.

Thus the importance of an invoice under GST cannot be over-emphasised. Suffice it to say, the tax invoice is the primary document evidencing the supply and vital for availing Input Tax Credit.
When should a tax invoice or a bill of supply be issued by a registered person

Goods
The time for issuing an invoice would depend on the nature of supply viz. whether it is a supply of goods or services. A registered person supplying taxable goods shall, before or at the time of removal of goods (where supply involves movement of goods) or delivery or making available thereof to the recipient, issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as prescribed in the Invoice Rules.

The Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.

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

(a) Name, address and GSTIN of the supplier
(b) A consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters like hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination there of, unique for a financial year
(c) Date of its issue
(d) Name, address and GSTIN or UIN, if registered, of the recipient
(e) Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered and where the value of taxable supply is fifty thousand rupees or more
(f) HSN code of goods or Accounting Code of Services

(g) Description of goods or services
(h) Quantity in case of goods and unit or Unique Quantity Code there of
(i) Total value of supply of goods or services or both
(j) Taxable value of supply of goods or services or both, taking into account the discount or abatement, if any
(k) Rate of tax (Central tax, State tax, Integrated tax, union territory tax or cess)
(l) Amount of tax charged in respect of taxable goods or services (Central tax, State tax, Integrated tax, union territory tax or cess)
(m) Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce
(n) Address of delivery where the same is different from the place of supply
(o) Whether the tax is payable on reverse charge basis
(p) Signature or digital signature of the supplier or his authorized representative

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

(a) Name, address and GSTIN of the supplier
(b) A consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters like hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination there of, unique for a financial year
(c) Date of its issue
(d) Name, address and GSTIN or UIN, if registered, of the recipient

(e) HSN Code of goods or Accounting Code for Services

(f) Description of goods or services or both

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

(h) Signature or digital signature of the supplier or his authorized representative

**Services**

A registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as prescribed in the Invoice Rules.

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

(a) Any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(b) Tax invoice may not be issued.

Thus, it can be seen that in case of goods, an invoice has to be issued before or at the time of supply. In case of services, however, an invoice has to be issued before or after the provision of services. If the invoice is issued after the provision of service, it has to be done within the specified period of 30 days from the date of supply of service, as per invoice rules.

**Revised Invoice**

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, 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 of becoming liable for registration. 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 the issuance of a revised invoice, so that ITC can be availed by the recipient on such supplies.

**Receipt Voucher/Refund voucher on receipt of advance payment**

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

Where any such receipt voucher is issued, but subsequently no supply is made and no tax invoice is issued, the registered person who has received the advance payment can issue a refund voucher against such payment.

A receipt voucher needs to contain the following particulars:

(a) Name, address and GSTIN of the supplier

(b) A consecutive serial number containing alphabets or numerals or special characters like hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year

(c) Date of its issue

(d) Name, address and GSTIN or UIN, if registered, of the recipient

(e) Description of goods or services

(f) Amount of advance taken

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(g) Rate of tax (Central tax, State tax, Integrated tax, Union territory tax or cess)

(h) Amount of tax charged in respect of taxable goods or services (Central tax, State tax, Integrated tax, union territory tax or cess);

(i) Place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce

(j) Whether the tax is payable on reverse charge basis

(k) Signature or digital signature of the supplier or his authorized representative

It has also been provided in the Invoice Rules that if at the time of receipt of advance,

(i) He rate of tax is not determinable, the tax may be paid @18%;

(ii) The nature of supply is not determinable, the same shall be treated as inter-State supply.

Invoice and payment voucher by a person liable to pay tax under reverse charge

A registered person liable to pay tax under reverse charge (both for supplies on which the tax is payable under reverse charge mechanism and supplies received from unregistered persons) has to issue an invoice in respect of goods or service or both received by him. Such a registered person in respect of such supplies also has to issue a payment voucher at the time of making payment to the supplier.

Invoice in case of continuous supply of goods

In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.

Invoice in case of continuous supply of services

In case of continuous supply of services, where:

(a) The due date of payment is as certainable from the contract, the invoice shall be issued on or before the due date of payment.

(b) The due date of payment is not as certainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment.

(c) 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.

Issue of invoice in case, where supply of service ceases under a contract before the completion of supply

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

Sale on approval basis

Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier.

Credit and Debit Notes

In cases where tax invoice has been issued for a supply and subsequently it is found that the value or tax charged in that invoice is more than what is actually payable/chargeable or where the recipient has returned the goods, the supplier can issue a credit note to the recipient. A registered person who issues such a credit note has to declare details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made or the date of furnishing of the relevant annual return, whichever is earlier. The tax liability of
the registered person will be adjusted in accordance with the credit note issued, however no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

In cases where tax invoice has been issued for a supply and subsequently it is found that the value or tax charged in that invoice is less than what is actually payable/chargeable, the supplier can issue a debit note to the recipient.

Any registered person who issues a debit note in relation to a supply of goods or services or both, shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manners as may be prescribed.

A revised tax invoice and credit or debit note has to contain the following particulars:

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

(b) Name, address and GSTIN of the supplier

(c) Nature of the document

(d) A consecutive serial number containing alphabets or numerals or special characters like hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year

(e) Date of issue of the document

(f) Name, address and GSTIN or UIN, if registered, of the recipient

(g) Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered

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

(i) Value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient.

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

Manner of issuing invoice

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

(c) The triplicate copy being marked as TRIPLICATE FOR SUPPLIER

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

(b) The duplicate copy being marked as DUPLICATE FOR SUPPLIER

The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in Form GSTR-1.
Tax invoice in Special Cases

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

(a) Name, address and GSTIN of the Input Service Distributor
(b) A consecutive serial number containing alphabets or numerals or special characters like hyphen or dash and slash symbolised as ‘-‘, ‘-‘, ‘/‘, respectively, and any combination thereof, unique for a financial year
(c) Date of its issue
(d) Name, address and GSTIN of the recipient to whom the credit is distributed
(e) Amount of the credit distributed
(f) Signature or digital signature of the Input Service Distributor or his authorized representative

Tax Invoice in special cases

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

Where the supplier of taxable service is an insurer or a banking company or a financial institution, including a non-banking financial company, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, whether or not containing the address of the recipient of service but containing other information as prescribed under rule 1 of Invoice Rules.

Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the gross weight of the consignment, name of the consignor and the consignee, registration number of goods carriage in which the goods are transported, details of goods transported, details of place of origin and destination, GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency, and also containing other information as prescribed under rule 1 of Invoice Rules.

Transportation of goods without an invoice

In the following cases it is permissible for the consignor to issue a delivery challan in lieu of invoice at the time of removal of goods:

(a) Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known
(b) Transportation of goods for job work
(c) Transportation of goods for reasons other than by way of supply
(d) Such other supplies as may be notified by the Board

The delivery challan, serially numbered not exceeding 16 characters, in one or multiple series, shall contain the following details:

(i) Date and number of the delivery challan
(ii) Name, address and GSTIN of the consigner, if registered
(iii) Name, address and GSTIN or UIN of the consignee, if registered

(iv) HSN code and description of goods

(v) Quantity (provisional, where the exact quantity being supplied is not known)

(vi) Taxable value

(vii) Tax rate and tax amount – Central tax, State tax, Integrated tax, Union territory tax or cess, where the transportation is for supply to the consignee

(viii) Place of supply, in case of inter-State movement

(ix) Signature

The delivery challan shall be prepared in triplicate, in case of supply of goods, in the following manner:

(a) The original copy being marked as ORIGINAL FOR CONSIGNEE

(b) The duplicate copy being marked as DUPLICATE FOR TRANSPORTER

(c) The triplicate copy being marked as TRIPLICATE FOR CONSIGNER

Where the goods are being transported in a semi knocked down or completely knocked down condition:

(a) The supplier shall issue the complete invoice before dispatch of the first consignment

(b) The supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice

(c) Each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice

(d) The original copy of the invoice shall be sent along with the last consignment

Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared in FORM [WAYBILL].

Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after the delivery of goods.

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