**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 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 invoice include commercial invoice, consular invoice, customs invoice, and proforma invoice. It is also called a 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 issuance of invoice or a bill of supply for every supply of goods or services or both. It is necessary for a person supplying goods or services or both to issue 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 supplies, 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 composition scheme (composition dealer), then such registered person needs to issue a bill of supply in lieu of tax invoice. The invoice should contain description, quantity and value & such other prescribed particulars under rule 46 of CGST Rules, 2017. 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.

**Bill of Sale or Contract of Sale.**

**Importance of Tax Invoice under GST**

Under GST a tax invoice is an important document. It not only evidences supply of goods or services or both, 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 is the date of issuance of invoice and the time of supply of services is the date of issuance of invoice or receipt of payment, whichever is earlier.

Thus the importance of invoice under GST cannot be over-emphasised. Suffice it to say, the tax invoice is the primary document evidencing the supply by the supplier and vital for availing input tax credit by the recipient.

**When a Tax Invoice or a Bill of Supply should be issued by a Registered Person**

**Goods**

The time for issuing 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 that have been prescribed in the CGST 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 following fields (only applicable field are to be filled):
GST (GOODS AND SERVICES TAX)

Tax Invoice and other such instruments in GST

(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 hyphen or dash and slash symbolised as “-” and “/”, respectively, and any combination thereof, unique for a financial year;
(c) Date of its issue;
(d) Name, address and GSTIN or UIN, if registered, of the recipient;
(e) Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered and where the value of taxable supply is fifty thousand rupees or more;
(f) HSN code of goods or Accounting Code of services;
(g) Description of goods or services;
(h) Total value of supply of goods or services or both;
(i) Taxable value of supply of goods or services or both taking into account discount or abatement, if any;
(j) Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
(k) Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
(l) Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
(m) Address of delivery where the same is different from the place of supply;
(n) Whether the tax is payable on reverse charge basis; and
(o) Signature or digital signature of the supplier or his authorized representative.

Invoice-cum-bill of supply: 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.

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 has been 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, invoice has to be issued before or after provision of services. If the invoice is issued after 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

Every registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him, may issue revised tax invoices in respect of taxable supplies effected during the period starting from the effective date of registration till the date of the issuance of the certificate of registration. 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 issuance of a revised invoice, so that ITC can be availed by the recipient on such supplies.

A revised tax invoice has to contain the following particulars:

(a) The word “Revised Invoice”, wherever applicable, indicated prominently;
(b) Name, address and GSTIN of the supplier;
(c) A consecutive serial number containing alphabets or numerals or special characters -hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
(d) Date of issue of the document;
(e) Name, address and GSTIN or UIN, if registered, of the recipient;
(f) 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;
(g) Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply; and
(h) Signature or digital signature of the supplier or his authorised representative.

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 has been prescribed in the CGSTRules, evidencing receipt of such payment. It may be noted that GST is payable on receipt of advance in case of services only.

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 -hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
(c) Date of its issue;
(d) Name, address and GSTIN or UIN, if registered, of the recipient;
(e) Description of goods or services;
(f) Amount of advance taken;
(g) Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
(h) Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
(i) Place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;
(j) Whether the tax is payable on reverse charge basis; and
(k) Signature or digital signature of the supplier or his authorised representative. It has also been provided in the CGSTRules that if at the time of receipt of advance,

(i) The rate of tax is not determinable; the tax may be paid @18%;
(ii) The nature of supply is not determinable, the same shall be treated as inter-State supply.

Invoice and Payment Voucher by a Person Liable to Pay Tax under Reverse Charge
A registered person liable to pay tax under reverse charge (for supplies on which tax is payable under reverse charge mechanism) 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 ascertainable from the contract; the invoice shall be issued on or before the due date of payment;
(b) 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) 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.

Prepared by: National Academy of Customs, Indirect Taxes & Narcotics
Issue of Invoice

In case where Supply of Service Ceases under a Contract before 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.

Amount of Tax to be Indicated in Invoice

Where any supply is made for a consideration, every person who is liable to pay tax for such supply shall prominently indicate in all documents relating to assessment, tax invoice and other like documents, the amount of tax which shall form part of the price at which such supply is made.

Credit and Debit Notes

In cases where tax invoice has been issued for supply of any goods or services or both 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 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 supply of any goods or services or both, 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 manner as may be prescribed.

A Credit or Debit notes shall contain the following particulars, namely:

(a) Name, address and Goods and Services Tax Identification Number of the supplier;
(b) Nature of the document;
(c) A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolised as “-“ and “/” respectively, and any combination thereof, unique for a financial year;
(d) Date of issue of the document;
(e) Name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
(f) 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;
(g) Serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply;
(h) Value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and
(i) Signature or digital signature of the supplier or his authorised 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; and
(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; and
(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 GST-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 ‘hyphen or dash and slash symbolised as “-”, “/”, respectively, and any combination thereof, unique for a financial year;
(c) Date of its issue;
(d) Name, address and GSTIN of the recipient to whom the credit is distributed;
(e) Amount of the credit distributed; and
(f) Signature or digital signature of the Input Service Distributor or his authorised representative.

**Tax Invoice by a Registered Person having same PAN and State code as an ISD**

A registered person, having the same PAN and State code as an ISD, may issue an invoice or, as the case may be, a credit or debit note to transfer the credit of common input services to the ISD, which shall contain the following details:

(a) Name, address and GSTIN of the registered person having the same PAN and same State code as the ISD;
(b) A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters ‘hyphen or dash and slash symbolised as “-”, “/”, respectively, and any combination thereof, unique for a financial year;
(c) Date of its issue;
(d) GSTIN of supplier of common service and original invoice number whose credit is sought to be transferred to the ISD;
(e) Name, address and GSTIN of the ISD;
(f) Taxable value, rate and amount of the credit to be transferred; and
(g) Signature or digital signature of the registered person or his authorised representative.

The taxable value in the invoice issued shall be the same as the value of the common services.

**Tax Invoice in Special Cases**

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 may issue a consolidated tax invoice or any other document in lieu thereof, by whatever name called, for the supply of services made during a month at the end of the month, whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as prescribed under rule 46.

Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the gross weight of the consignment, name of the consignor and the consignee, registration number of goods carriage in which the goods are transported, details of goods transported, details of place of origin and destination, GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency, and also containing other information as prescribed under rule 46.

A registered person, other than the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens, may not issue a tax invoice in accordance with the provisions of clause (b) of sub-section (3) of section 31 subject to the following conditions, namely;

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

A registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens shall be required to issue an electronic ticket and the said electronic ticket shall be deemed to be a tax invoice for all purposes of the Act, even if such ticket does not contain the details of the recipient of service but contains the other information as mentioned under rule 46:

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

**Transportation of Goods without an Invoice**

In the following cases it is permissible for the consigner 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; or
(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; and
(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; and
(c) The triplicate copy being marked as TRIPlicate FOR CONSIGNER.

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

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

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

Invoice Issued to UINs:
Complaints have been received from Foreign Diplomatic Missions / UN Organizations regarding unwillingness of vendors / suppliers / E-commerce websites to record the UIN (Unique Identify Number) while making sales to such Embassies / Missions / Consulates or UN organizations.

Recording of UIN while making such supplies by the suppliers will enable Foreign Diplomatic Missions / UN Organizations to claim refund of the taxes paid by them in India. Therefore, it is advised that suppliers should record the UIN of the Embassies / Missions / Consulates or UN organizations on the tax invoice.

Circular No. 43/17/2018-GST dated 13th April 2018 which provides that recording of UIN on the invoice is a necessary condition under rule 46(d) of the CGST Rules, 2017. If suppliers / vendors are not recording the UINs, action may be initiated against them under the provisions of the CGST Act, 2017.

Tax Invoice or Bill of Supply to accompany Transport of Goods

The person-incharge of the conveyance shall carry a copy of the tax invoice or the bill of supply issued in accordance with the provisions of rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under these rules.