Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

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Update on Revised Draft Invoice Rules

- CBEC has issued Revised Draft Invoice Rules on 02.04.2017.

- The aforesaid rules explain the contents, time limit and manner for issuance of tax invoice, and also provide for bill of supply and receipt voucher to be issued in certain cases.

- The rules also specify the requirements for issuance of credit/debit notes and tax invoices to be issued in case of Input Service Distributor.

Tax invoice

- *Tax invoice is to be issued by a registered person supplying taxable goods or taxable services*

- Tax invoice shall mention 16 particulars (***Annexure*-1**) relating to supplier, recipient (billed to), consignee (shipped to), goods or services (including HSN code of goods or Accounting Code of services), taxable and total value, rate of tax, tax charged, reverse charge applicability, signature etc.

- In case the value of goods/services is less than INR 200, a tax invoice may not be issued if recipient is not a registered person and the recipient does not require such invoice. A consolidated tax invoice at the end of each day shall be issued.

- Tax invoice for services is to be issued within 30 days from date of supply (45 days in case of insurance company, banking company or a financial institution including NBFC)

Tax invoice (cont'd…)

- Export supplies will be marked as "SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST" or "SUPPLY MEANT FOR EXPORT UNDER BOND WITHOUT PAYMENT OF IGST", as applicable. Besides name and address of recipient and address of delivery, the country of destination and date of application for removal for export shall also be mentioned.

- Supply of services between distinct persons in case of insurance/banking company, financial institution (including NBFC), telecom operator or other notified class of suppliers may issue invoice before or at the time the supplier records in his account books or before expiry of the quarter during which supply was made

- Invoice for supply of goods shall be in triplicate and for services in duplicate. Original shall be for recipient. Duplicate (in case of supply of goods) shall be for transporter. Triplicate (goods) and duplicate (services) copy shall be for supplier.

Bill of Supply

- Bill of supply is issued in place of tax invoice in case of a registered person supplying exempted goods or services, or paying tax under the Composition scheme

- In case the value of goods/services is less than INR 200, a bill or supply may not be issued if recipient is not a registered person and the recipient does not require such bill. A consolidated bill of supply at the end of each day shall be issued.

- Details to be mentioned in the Bill of Supply -
  - Name, Address & GSTIN of supplier
  - Consecutive Serial Number
  - Date of Issue of Invoice
  - Name, address and GSTIN/UIN, if registered, of recipient
  - HSN code of goods/ Accounting code for services
  - Description and value of goods & services
  - Value of goods/services
  - Signature/ Digital Signature of the supplier or his authorised representative

Receipt Voucher

- A registered person shall issue a receipt voucher on receipt of any advance payment with respect to any supply of goods or services or both containing the following details:
  - Name, address and GSTIN of the supplier
  - Consecutive serial number
  - Name, address and GSTIN or UIN, if registered, of the recipient
  - Description of goods or services
  - Amount of advance taken
  - Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
  - Amount of tax charged in respect of taxable goods or services
  - Place of supply along with the name of State and its code, in case of inter-State trade
  - Whether the tax is payable on reverse charge basis
  - Signature/ Digital Signature of the supplier or his authorised representative

Supplementary Tax Invoice

- The supplementary tax invoice or debit/credit note shall include the similar details as mentioned in case of bill of supply and –
  - Reference of original invoice number and date
  - The word “ Revised Invoice” indicated prominently

- A consolidated revised tax invoice can be issued in respect of taxable supplies made to unregistered recipient.

- In case of interstate supplies, where value of supply does not exceed INR 2,50,000, a consolidated revised invoice may be issued in respect of all unregistered recipients located in a state.

Debit / Credit Notes

- Invoice or debit note issued where tax is payable in accordance with provisions providing for:
  - Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized by reason of fraud or wilful misstatement or suppression of facts
  - Detention, seizure and release of goods and conveyances in transit
  - Confiscation of goods or conveyances

shall prominently contain the words
"INPUT TAX CREDIT NOT ADMISSIBLE"

Invoicing in Special Cases

- The Rules also contain special provisions relating to:
  - Export
  - Supplementary tax invoice
  - Credit/Debit note
  - Receipt Voucher
  - Tax invoice issued by Input Service Distributor (ISD)
  - Insurance/Banking company or financial institution (including NBFC)
  - Goods transportation agency
  - Passenger transportation service
  - Transportation of goods without issue of invoice

Invoicing in Special Cases (Cont'd…)

- **Goods Transport Agent** - Where the supplier is a goods transport agency supplying services in relation to transportation of goods by road in a carriage, tax invoice shall include any document in lieu thereof and shall contain the following details:

  – Gross weight of the consignment
  – Name of consignor and the consignee
  – Registration number of the goods carriage
  – Details of goods transported
  – Details of place of origin and destination
  – GSTIN of the person liable for paying tax whether as consignor/consignee/GTA
  – All other details as mentioned for tax invoice

Invoicing in Special Cases (Cont'd…)

- **Input Service Distributor** - The tax invoice issued by ISD shall contain the following details –

  - Name, Address and GSTIN of ISD
  - Consecutive serial number
  - Date of Issue
  - Name, Address and GSTIN of the supplier of services, the credit in respect of which is being distributed and the serial number and date of invoice issued by such supplier
  - Name, Address and GSTIN of recipient to whom the credit is being distributed
  - Amount of credit distributed
  - Signature or Digital signature of the supplier or his authorised representative.

Transportation of goods without issue of invoice

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

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

- The consigner may issue a delivery challan, serially numbered, in lieu of invoice at the time of removal of goods for transportation in the following cases, namely :-

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

Transportation of goods without issue of invoice (Cont'd)

The delivery challan shall contain the following details : -

- Date and number of the delivery challan,
- Name, address and GSTIN of the consigner, if registered,
- Name, address and GSTIN or UIN of the consignee, if registered,
- HSN code and description of goods,
- Quantity (provisional, where the exact quantity being supplied is not known)
- Taxable value,
- 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,
- Place of supply, in case of inter-State movement
- Signature.

The delivery challan shall be prepared in triplicate, in case of supply of goods

Transportation of goods in CKD/SKD condition

The following procedure shall be applicable for transportation of goods in CKD and SKD condition :-

- A complete invoice to be issued before dispatch of the first consignment;
- A delivery challan shall be issued for each of the subsequent consignments, giving reference of the invoice;
- Each consignment is to 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.

Details to be mentioned in Invoice

Name, Address and GSTIN of Supplier	Consecutive Serial Number (Unique for a FY)	Date of Issuance of Invoice	Place of Supply (State name & code - In case of interstate supply)
HSN Code of goods	Accounting Code of services	Description of goods or services	Quantity in case of goods
Total value of goods / services	Taxable value of goods / services (after discount or abatement)	Rate of tax (CGST, SGST, IGST,UTGST and Cess)	Amount of tax charged (CGST, SGST IGST,UTGST and Cess)
Place of Delivery (if different from Place of Supply)	Indication if tax payable under reverse charge	Signature / Digital Sign. of the supplier	Recipient Details. Name/Address + State/code for B2C if taxable value ≥ 50,000/-

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