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Introduction

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. A registered person cannot avail input tax credit unless he is in possession of a tax invoice or a debit note.

The provisions relating to tax invoices, debit and credit notes are contained in
Chapter VII – Tax Invoice, Credit and Debit Notes [Sec 31 to 34] of the CGST Act
Chapter VI – Tax Invoice, Credit and Debit Notes [Rules 46 to 55A] of the CGST(Rules), 2017

Tax Invoice – Sec 31

Sec 31(1) A registered person supplying taxable goods shall, before or at the time of,—

(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or

(b) delivery of goods or making available thereof to the recipient, in any other case, issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:

Provided that 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.

Sec 31(2) 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 may be prescribed:

Provided that the Government may, on the recommendations of the Council, 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];**[Inserted by The Finance Act, 2020, w.e.f. 1-1-2021]**

(b) subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—

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

(ii) tax invoice may not be issued.**[Rule 54]**

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

Rule 46 - Subject to rule 54, a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars, namely,-

1. Invoice Number* and Date
2. Name, address and GSTIN of the supplier;
3. Name, address and GSTIN or UIN, if registered**, of the recipient;
4. Place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
5. Address of delivery where the same is different from the place of supply;

*a consecutive serial number not exceeding 16 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;

** if such recipient is un-registered and where the value of the taxable supply is more than ₹ 50,000;

- name and address of the recipient and
- the address of delivery,
- the name of the State and its code,

** if such recipient is un-registered and where the value of the taxable supply is less than ₹ 50,000 and the recipient requests that such details be recorded in the tax invoice;

- name and address of the recipient and
- the address of delivery,
- the name of the State and its code,

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

** Where any taxable service is supplied by or through an electronic commerce operator (**ECO**) or by a supplier of online information and database access or retrieval (**OIDAR**) services in cases involving online gaming or otherwise to a recipient who is unregistered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the

~~name and address of the recipient along with~~

~~its PIN code and~~

the name of the State of recipient and

the said address shall be deemed to be the address on record of the recipient. **[Proviso Inserted vide NN 26/2022-CT, dated 26-12-2022, w.e.f. 26-12-2022 and substituted vide NN 38/2023-CT, w.e.f. 4-8-2023 and further amended by NN 51/2023-CT, dt 29-9-2023, w.e.f. 1-10-2023]**

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

6. Harmonised System of Nomenclature code (HSN/SAC) for goods or services;
7. Description of goods or services;
8. Quantity in case of goods and unit or Unique Quantity Code thereof;
9. Total value of supply of goods or services or both;
10. Taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
11. Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
12. Amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
13. Whether the tax is payable on reverse charge basis; and
14. Signature or digital signature of the supplier or his authorised representative;
15. **[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.][Inserted vide NN 72/2020-CT, dt 30-9-2020]**
16. 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.” **[Inserted vide NN 14/2022-CT, dated 5-7-2022, w.e.f. 5-7-2022]**

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

Provided that the Board may, on the recommendations of the Council, by notification, specify-

- (i) the number of digits of HSN code for goods or services that a class of registered persons shall be required to mention, ~~for such period as may be specified in the said notification~~; or
- (ii) **A class of supply of goods or services for which specified number of digits of HSN code shall be required to be mentioned by all the registered taxpayers and**
- (iii) the class of registered persons that would not be required to mention the HSN code for goods or services, ~~for such period as may be specified in the said notification~~: **(First proviso of Rule 46 as Substituted by NN 79/2020-CT w.e.f. 15-10-2020)**

Note –

1. In this regard, Notification No. 12/2017 CT dated 28-6-2017 has been notified

S. No.	Annual Turnover in the preceding FY	Number of Digits of HSN Code
1	Upto ₹ 150 lakhs	Nil
2	more than ₹ 150 lakhs and upto ₹ 5 crores	2
3	more than ₹ 5 crores	4

Further, Notification No. 78/2020-CT dated 15-10-2020, w.e.f. 1-4-2021 has amended the requirement to mention the HSN Code for goods or services w.e.f. 1-4-2021 by amending above Notification No. 12/2017-CT.

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

Note –

Further, Notification No. 78/2020-CT dated 15-10-2020, w.e.f. **1-4-2021** has amended the requirement to mention the HSN Code for goods or services w.e.f. 1-4-2021 by amending Notification No. 12/2017-CT.

S. No.	Annual Turnover in the preceding FY	Number of Digits of HSN Code
1	Upto ₹ 5 crores, where supplies are made to unregistered persons	0
2	Upto ₹ 5 crores	4
	more than ₹ 5 crores	6

Above provisions of reporting HSN Code are also applicable to Bill of Supply.

Provided further that where an invoice is required to be issued under clause (f) of sub-section (3) of section 31, a registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of section 9, the aggregate value of such supplies exceeds ₹ 5,000 in a day from any or all the suppliers:

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

Provided also that in the case of the export of goods or services, the invoice shall carry 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, and shall, in lieu of the details specified in clause (e), contain the following details, namely,- (i) name and address of the recipient; (ii) address of delivery; and (iii) name of the country of destination: **[clause (e) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is fifty thousand rupees or more]**

Provided also that 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.

Provided also that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000 (21 of 2000).

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

[**Provided also** that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the tax invoice shall have Quick Response (QR) code.]

[**Inserted vide Notf no. 31/2019 – CT dt. 28.06.2019 with effect 1-4-2020 by NN 71/2019-CT**]

Using this power, vide NN 14/2020-CT, dated 21-3-2020, as amended by NN 71/2020 – CT, dated 30-9-2020, w.e.f. 1-12-2020, the Government has notified that an invoice issued by a registered person, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs. 500 crores, to an unregistered person (i.e. B2C invoice), shall have Dynamic Quick Response (QR) Code:

However, this provision is not applicable to the following persons:

- (i) Insurer, Banking Company, financial institution including a NBFC;
- (ii) Goods Transport Agency;
- (iii) Passenger Transport Service Supplier;
- (iv) Supplier of services by way of admission or exhibition of cinematograph films in multiplex screens;
- (v) Supplier of OIDAR services located in non-taxable territory

Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.

Further, as per **NN 28/2021-CT, dated 30-6-2021**, the Government has waived the penalty payable for non-compliance of the aforesaid provision of Dynamic QR code for the period between 1-12-2020 to 30-9-2021, on the condition that the said person complies with the provisions of the said Dynamic QR Code from 1-10-2021. It means, compliance of this provision is further shifted and made compulsory w.e.f. 1-10-2021.

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

Circular No. 156/12/2021-GST dated 21st June, 2021 clarifying Dynamic Quick Response (QR) Code on B2C invoices

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?

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.

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?

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.

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?

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.

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

In cases, where receiver of services is located outside India, and payment is being received by the supplier of services in foreign exchange, 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?

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.

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 currency or in Indian Rupees wherever permitted by the RBI**, through RBI approved mediums, 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. **[Amended vide Circular No. 165/21/2021-GST dt 17-11-2021]**

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.

Particulars of a tax invoice – Sec 31(1) & (2) read with rule 46

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”?

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.

Supplier Permitted to issue any document other than tax invoice (Rule 54)

Supplier of taxable service	Document in lieu of the tax invoice	
	Optional info	Mandatory information
Insurer/Banking company/Financial Institution including NBFC (Rule 54(2))	<ul style="list-style-type: none"> Serial No. Address of the recipient of taxable service 	<ul style="list-style-type: none"> Other Information (Other than serial no. and address of recipient) as prescribed for a Tax Invoice, under rule 46. A customer may avail numerous services from the bank/insurer in a given tax period. 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 issued or made available, physically or electronically whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as mentioned under rule 46. Provided that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof in accordance with the provisions of the Information Technology Act, 2000 (21 of 2000).
A registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens (Rule 54(4A))	<ul style="list-style-type: none"> Details of Recipient of service 	<ul style="list-style-type: none"> 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.

Supplier Permitted to issue any document other than tax invoice (Rule 54)

Supplier of taxable service	Document in lieu of the tax invoice	
	Optional information	Mandatory information
GTA supplying services in relation to transportation of goods by road in a goods carriage (Rule 54(3))		<ul style="list-style-type: none"> • 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 GTA • Other information as prescribed for a tax invoice, under rule 46
Supplier of passenger transportation service (Rule 54(4))	<ul style="list-style-type: none"> • Serial number • Address of the recipient of taxable service 	<ul style="list-style-type: none"> • Tax invoice shall include ticket in any form, by whatever name called. • Other information (other than serial no. and address of the recipient) as prescribed for a tax invoice, under rule 46. Provided that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof in accordance with the provisions of the Information Technology Act, 2000 (21 of 2000).

Tax Invoice – Sec 31

Sec 31(3) Notwithstanding anything contained in sub-sections (1) and (2)—

(a) a registered person may, within one month from the date of issuance of certificate of registration and in such manner as may be prescribed, 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; **[Revised Invoice]**

Note –

1. The words “Revised Invoice” shall be indicated prominently on such invoices.
2. For the purpose of this section, the expression “Tax Invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier. [Explanation to section 32]
3. Eg – XYZ Ltd commenced business of supply of goods on 1st April in Delhi. Its turnover exceeded the applicable threshold limit on 4th Sept. Thus, it became liable to registration on 4th Sept. It applied for registration on 29th Sept and was granted registration certificate on 4th Oct. Since it applied for registration within 30 days of becoming liable to registration, registration granted is effective from 4th Sept. XYZ Ltd may issue Revised invoice in respect of taxable supplies effected between 4th Sept to 4th Oct.

Effective date of
registration



Date of issuance of
certificate of registration

Revised Invoice to be issued in respect of
taxable supplies effected during this period

Tax Invoice – Sec 31

Sec 31(3) Notwithstanding anything contained in sub-sections (1) and (2)—

(b) a registered person may not issue a tax invoice if the value of the goods or services or both supplied is less than ₹ 200 subject to such conditions and in such manner as may be prescribed; [Consolidated Tax Invoice]

Note –

No Tax Invoice required to be issued if value < Rs. 200 - A consolidated Tax Invoice can be issued [Section 31(3)(b) read with fourth proviso to rule 46] : A registered person may not issue a Tax Invoice if all the following 3 conditions are satisfied -

- Value of the goods/services/both supplied < Rs. 200,
- the recipient is unregistered; and
- the recipient does not require such invoice.

Instead such registered person shall issue a Consolidated Tax Invoice for such supplies at the close of each day in respect of all such supplies.

Thus, small taxpayers, like small retailers, doing a large number of small transactions for less than a value of Rs. 200 per transaction to unregistered customers need not issue invoice for every such transaction. They can issue one consolidated invoice at the end of each day for all transactions done during the day. However, they should also issue an invoice when the customer demands.

Above provisions are also applicable to Bill of Supply. However, these provisions are not applicable to the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens.

Tax Invoice – Sec 31

Sec 31(3) Notwithstanding anything contained in sub-sections (1) and (2)—

(c) a registered person supplying exempted goods or services or both or paying tax under the provisions of section 10

shall issue, instead of a tax invoice, a bill of supply containing such particulars and in such manner as may be prescribed:

[Bill of Supply]

Provided that the registered person may not issue a bill of supply if the value of the goods or services or both supplied is less than ₹ 200 subject to such conditions and in such manner as may be prescribed; **[Consolidated Tax Invoice]**

Note –

1. Invoice-cum-bill of supply

As per Notification No. 45/2017 – CT dated 13th October 2017 amended vide NN 26/2022-CT dt 26-12-2022

If a registered person is supplying taxable as well as exempted goods/ services to an unregistered person, then he can issue a single “invoice-cum-bill of supply” for all such supplies. “Invoice-cum-bill of supply” shall contain the particulars as specified under rule 46 or rule 54, as the case may be, and rule 49.

2. Aggregate Invoice (Sec 31(3)(b) and Proviso to Sec 31(3)(c))

If the value of multiple invoices is less than Rs. 200 and the buyer are unregistered, the seller can issue an aggregate or bulk invoice for the multiple invoices on a daily basis. For example, you may have issued 3 invoices in a day of Rs.80, Rs.90 and Rs. 120. In such a case, you can issue a single invoice, totaling to Rs 290, to be called an aggregate invoice.

Tax Invoice – Sec 31

Illustration :

AY & Sons is a trader dealing in stationery items. It is registered under GST and has undertaken following sales during the day:

S. No.	Recipient of Supply	Amount (₹)
1.	A – [a registered composition dealer]	100
2.	B – [an unregistered trader]	400
3.	C – [an unregistered person]	300
4.	D – a school [an unregistered entity]	150
5.	E – a student [unregistered]	70

None of the recipients require a tax invoice.

Determine in respect of which of the above supplies, AY & Sons may issue a Consolidated Tax Invoice instead of Tax Invoice at the end of the day?

Ans - In the given illustration, AY & Sons can issue a Consolidated Tax Invoice only with respect to supplies made to D [worth Rs. 150] and E [worth Rs. 70] as the value of goods supplied to these recipients is less than Rs. 200, as also these recipients are unregistered and don't require a tax invoice.

As regards the supply made to A, although the value of goods supplied to it is less than Rs. 200, A is registered under GST. So, Consolidated Tax Invoice cannot be issued.

Consolidated Tax Invoice can also not be issued for supplies of goods made to B and C although both of them are unregistered. The reason for the same is that the value of goods supplied is not less than Rs. 200.

Tax Invoice – Sec 31

Sec 31(3) Notwithstanding anything contained in sub-sections (1) and (2)—

(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 as may be prescribed, evidencing receipt of such payment; **[Receipt Voucher]**

(e) where, on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a refund voucher against such payment; **[Refund Voucher]**

(f) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both; **[Self Invoice]**

(g) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier. **[Payment Voucher]**

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 before or at the time each such statement is issued or, as the case may be, each such payment is received.

Sec 31(5) Subject to the provisions of clause (d) of sub-section (3), in case of continuous supply of services,—

- (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.

Sec 31(6) 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. **[Invoice to the Extent of Supply in Case of Cessation of Contract]**

Sec 31(7) Notwithstanding anything contained in sub-section (1), 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. **[Goods Sent on Approval]**

Explanation.—For the purposes of this section, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier.

Illustration -

Bhumika Caretakers, a registered person, provides the services of repair and maintenance of electrical appliances. On April 1, it has entered into an annual maintenance contract with Naveen for its Air Conditioner and Washing Machine. As per the terms of contract, maintenance services will be provided on the first day of each quarter of the relevant financial year and payment for the same will also be due on the date on which service is rendered. During the year, it provided the services on April 1, July 1, October 1, and January 1 in accordance with the terms of contract. When should Bhumika Caretakers issue the invoice for the services rendered?

Answer -

Continuous supply of service means, inter alia, supply of any service which is provided, or agreed to be provided continuously or on recurrent basis, under a contract, for a period exceeding 3 months with the periodic payment obligations.

Therefore, the given situation is a case of continuous supply of service as repair and maintenance services have been provided by Bhumika Caretakers on a quarterly basis, under a contract, for a period of 1 year with the obligation for quarterly payment.

In terms of section 31 of the CGST Act, in case of continuous supply of service, where due date of payment is ascertainable from the contract (as in the given case), invoice shall be issued on or before the due date of payment.

Therefore, in the given case, Bhumika Caretakers should issue quarterly invoices on or before April 1, July 1, October 1, and January 1.

In view of the aforesaid discussion, following points merit consideration:

- All GST taxpayers are free to design their own Tax Invoice Format.
- The law requires that only certain fields as mandatory fields in the Tax Invoice.
- The time period for issuance of invoice is different for goods and services. For goods, it is any time before or at its delivery and for services, it is within 30 days from the date of supply of services.

Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws

Issue	Clarification
An advance is received by a supplier for a Service contract which subsequently got cancelled. The <u>supplier has issued the invoice before supply of service and paid the GST thereon</u> . Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns ?	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 <u>“credit note”</u> 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. <u>The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act.</u> There is no need to file a separate refund claim. <u>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.</u>
An advance is received by a supplier for a Service contract which got cancelled subsequently. The <u>supplier has issued receipt voucher and paid the GST on such advance received</u> . Whether he can claim refund of tax paid on advance or he is required to adjust his tax liability in his returns?	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 <u>“refund voucher”</u> in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules. <u>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”.</u>

Manner of Issuing Invoice (rule 48)

How many copies of invoices should be issued - For Goods (Rule 48(1))–

1. Original for Recipient
2. Duplicate for Transporter
3. Triplicate for Supplier

How many copies of invoices should be issued - For Services (Rule 48(2))–

1. Original for Recipient
2. Duplicate for Supplier

(Rule 48(3))

The serial number of invoices issued during a tax period shall be furnished electronically through the common portal (www.gst.gov.in) in **FORM GSTR-1** (details of outward supplies of goods or services).

Manner of Issuing Invoice (rule 48)

[Rule 48(4) The invoice shall be prepared by **registered persons, other than**

- **A government department, a local authority [Inserted vide NN 23/2021-CT dt 1-6-2021]**
- **Special Economic Zone units and those referred to in [Inserted vide NN 61/2020-CT dt 30-7-2020]**
- Rule 54 (2) – Insurer, Banking Company, financial institution including a NBFC
- Rule 54(3) – Goods Transport Agency
- Rule 54(4) – Passenger Transport Service Supplier and
- Rule 54(4A) – Supplier of services by way of admission or exhibition of cinematograph films in multiplex screens,

whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs. 5 crore, in respect of supply of goods or services or both to a registered person (i.e. B2B) or for exports,

prepare invoice and other prescribed documents, by **including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number (i.e. IRN)** by uploading information contained therein on the Common GST Electronic Portal. **(Turnover threshold limit has changed from ₹ 500 crore – from 1-10-2020 to 31-12-2020 through NN 70/2020-CT, dt 30-9-2020 and ₹ 100 crore – from 1-1-2021 to 31-3-2021 through NN 88/2020, dt 10-11-2020, ₹ 50 crore – from 1-4-2021 onwards through NN 05/2021, dt 8-3-2021, ₹ 20 crore – from 1-4-2022 onwards through NN 01/2022-CT, dt 24-2-2022, ₹10 crore – from 1-10-2022 onwards through NN 17/2022-CT, dt 1-8-2022, ₹5 crore – from 1-8-2023 onwards through NN 10/2023-CT, dt 10-5-2023)**

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification. **[Inserted vide NN 72/2020-CT dated 30-9-2020, w.e.f. 30-9-2020.]**

Manner of Issuing Invoice (rule 48)

Rule 48(5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.

Rule 48(6) The provisions of sub-rules (1) and (2) (i.e. issue of invoice in triplicate/duplicate copies) shall not apply to an invoice prepared in the manner specified in sub-rule (4).]

[Sub-rules (4), (5) & (6), inserted vide Notf no. 68/2019-CT dt. 13.12.2019 but applicable on registered person vide NN 13/2020-CT, applicable w.e.f. 1-10-2020, as amended by NN 61/2020-CT, dt 30-7-2020 and NN 70/2020-CT, dt 30-9-2020]

Clarification on applicability of e-invoicing w.r.t an entity through Circular No. 186/18/2022-GST dated 27-12-2022

Issue - Whether the exemption from mandatory generation of e-invoices in terms of Notification No. 13/2020-Central Tax, dated 21st March, 2020, as amended, is available for the entity as whole, or whether the same is available only in respect of certain supplies made by the said entity?

Clarification - In terms of Notification No. 13/2020-Central Tax dated 21st March, 2020, as amended, certain entities/sectors have been exempted from mandatory generation of e-invoices as per sub-rule (4) of rule 48 of Central Goods and Services Tax Rules, 2017. It is hereby 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.

Illustration: A Banking Company providing banking services, may also be involved in making supply of some goods, including bullion. The said banking company is exempted from mandatory issuance of e-invoice in terms of Notification No. 13/2020-Central Tax, dated 21st March, 2020, as amended, for all supplies of goods and services and thus, will not be required to issue e-invoice with respect to any supply made by it.

Delivery Challan (Rule 55)

I. A delivery challan is a document that contains the description, conditions and quantity of goods delivered. The paper outlines the recipient of the products, their locations and the date of delivery. Rule 55 of GST Rules deals with Delivery Challan.

II. Supplies to which this rule is applicable:

- (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,

III. The consigner may issue a delivery challan, serially numbered not exceeding sixteen characters, in one or multiple series , in lieu of invoice at the time of removal of goods for transportation, containing the following details, specified in Rule 55 of the GST Rules, as under:

- 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. Harmonised System of Nomenclature (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 – CGST, SGST, IGST, UTGST or cess, where the transportation is for supply to the consignee;
- viii. place of supply, in case of inter-State movement; and
- ix. signature.

Delivery Challan (Rule 55)

IV. Manner of preparation of delivery challan

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

- (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.

V. Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared as specified in rule 138. (E-way Rule)

VI. 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.

VII. Transport in semi knocked condition:

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.

Delivery Challan (Rule 55)

VIII. Others

- a) Suppliers of jewellery etc. who are registered in one State but may have to visit other States (other than their State of registration) and need to carry the goods (such as jewellery) along for approval. In such cases if jewellery etc. is approved by the buyer, then the supplier issues a tax invoice only at the time of supply. Since the suppliers are not able to ascertain their actual supplies beforehand and while ascertainment of tax liability in advance is a mandatory requirement for registration as a casual taxable person, the supplier is not able to register as a casual taxable person. It has also been represented that such goods are also carried within the same State for the purposes of supply.

It is seen that clause (c) of sub-rule (1) of rule 55 of the CGST Rules, 2017 provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule also provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that “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”.

A combined reading of the above provisions indicates that the goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier 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 delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified.

It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the IGST Act, 2017. **[Circular No. 10/10/2017-GST dt 18-10-2017]**

VIII. Others

- b) Supply of art works by artists in different States other than the State in which they are registered as a taxable person. In such cases, if the art work is selected by the buyer, then the supplier issues a tax invoice only at the time of supply. It has been represented that the artists give their work of art to galleries where it is exhibited for supply. There seems to be confusion regarding the treatment of this activity whether it is taxable in the hands of the artist when the same is given to the art gallery or at the time of actual supply by the gallery.

It is seen that clause (c) of sub-rule (1) of rule 55 of the CGST Rules, 2017 provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that 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.

A combined reading of the above provisions indicates that the 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 away bill wherever applicable and the invoice may be issued at the time of actual supply of art work.

It is also clarified that the supplies of the art work from one State to another State will be inter-State supplies and attract integrated tax in terms of section 5 of the IGST Act, 2017. **[Circular No. 22/22/2017-GST dt 21-12-2017]**

Delivery Challan (Rule 55)

VIII. Others

- c) Where free replacement is provided to the customers without consideration (free of cost) under warranty, no GST is chargeable on such replacement. In such cases goods may be sent on delivery challan.
- d) While sending demonstration equipment and instructions to customer or branch offices within India on returnable basis without involving any sale and transfer to title, it is not a supply of goods. The goods may be sent on delivery challan.
- e) What is the documentation required for sending / taking the specified goods out of India for exhibition or on consignment basis for export promotion? **(Circular No. 108/27/2019-GST dt 18-7-2019)**
 - i. the activity of sending / taking specified goods out of India is not a supply.
 - ii. The said activity is in the nature of “sale on approval basis” wherein the goods are sent / taken outside India for the approval of the person located abroad and it is only when the said goods are approved that the actual supply from the exporter located in India to the importer located abroad takes place. The activity of sending / taking specified goods is covered under the provisions of sub-section (7) of section 31 of the CGST Act read with rule 55 of CGST Rules, 2017
 - iii. The specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules.
 - iv. The activity of sending / taking specified goods out of India is not a zero-rated supply. That being the case, execution of a bond or LUT, as required under section 16 of the IGST Act, is not required.

Goods taken out on Consignment Basis – Circular No. 108/27/2019-GST dt 18-7-19

S.No.	Clarification
Whether invoice is required to be issued when the specified goods sent / taken out of India are not brought back, either fully or partially, within the stipulated period?	<p>a) When the specified goods sent / taken out of India have been sold fully or partially, within the stipulated period of six months, as laid down in sub-section (7) of section 31 of the CGST Act, the sender shall issue a tax invoice in respect of such quantity of specified goods which has been sold abroad, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.</p> <p>b) When the specified goods sent / taken out of India have neither been sold nor brought back, either fully or partially, within the stipulated period of six months, as laid down in section 31(7) of the CGST Act, the sender shall issue a tax invoice on the date of expiry of six months from the date of removal, in respect of such quantity of specified goods which have neither been sold nor brought back, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.</p>
Whether the refund claims can be preferred in respect of specified goods sent / taken out of India but not brought back?	<p>a) The activity of sending / taking specified goods out of India is not a zero-rated supply. That being the case, the sender of goods cannot prefer any refund claim when the specified goods are sent / taken out of India.</p> <p>b) The supply would be deemed to have taken place:</p> <ul style="list-style-type: none">(i) on the date of expiry of six months from the date of removal, if the specified goods are neither sold nor brought back within the said period; or(ii) on the date of sale, in respect of such quantity of specified goods which have been sold abroad within the specified period of six months. <p>c) It is clarified accordingly that the sender can prefer refund claim even when the specified goods were sent / taken out of India without execution of a bond or LUT, if he is otherwise eligible for refund as per the provisions contained in section 54(3) the CGST Act read with rule 89(4) of the CGST Rules, in respect of zero rated supply of goods after he has issued the tax invoice on the dates as has been clarified in answer to the question no. 4 above. It is further clarified that refund claim cannot be preferred under rule 96 of CGST Rules as supply is taking place at a time after the goods have already been sent / taken out of India earlier.</p>

Facility of digital payment to recipient (Sec 31A)
Prohibition of unauthorized collection of tax (Sec 32)
Amount of tax to be indicated in tax invoice and other documents (Sec 33)

Sec 31A The Government may, on the recommendations of the Council, **prescribe a class of registered persons** 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*, in such manner and subject to such conditions and restrictions, as may be prescribed.

Sec 32(1) A person who is not a registered person shall not collect in respect of any supply of goods or services or both any amount by way of tax under this Act.

Sec 32(2) No registered person shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.

Sec 33 Notwithstanding anything contained in this Act or any other law for the time being in force, 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 (Sec 34)

Sec 34(1) ~~Where a tax invoice~~ Where one or more tax invoices have **[substituted by CGST (Amendment) Act, 2018, w.e.f. 01-02-2019]** has been issued for supply of any goods or services or both and the

taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or

where the goods supplied are returned by the recipient, or

where goods or services or both supplied are found to be deficient,

the registered person, who has supplied such goods or services or both, may issue to the recipient ~~a credit note~~ **one or more credit notes [substituted by CGST (Amendment) Act, 2018, w.e.f. 01-02-2019]** for supplies made in a financial year containing such particulars as may be prescribed.

Sec 34(2) Any registered person who issues a **credit note** in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but

not later than the [30th day of November] 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,

and the tax liability shall be adjusted in such manner as may be prescribed:

[Words in brackets substituted by The Finance Act, 2022, w.e.f. 1-10-2022, it earlier read as “September”]

Provided that 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.

Credit and Debit Notes (Sec 34)

Sec 34(3) ~~Where a tax invoice~~ Where one or more tax invoice **[substituted by CGST (Amendment) Act, 2018, w.e.f. 01-02-2019]** have been issued for supply of any goods or services or both and

the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply,

the registered person, who has supplied such goods or services or both, shall issue to the recipient ~~a debit note~~ **one or more debit notes [substituted by CGST (Amendment) Act, 2018, w.e.f. 01-02-2019]** for supplies made in a financial year containing such particulars as may be prescribed.

Sec 34(4) 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.

Explanation.—For the purposes of this Act, the expression “debit note” shall include a supplementary invoice.

Who must maintain accounts under GST and get his accounts audited?

- It is the responsibility of the following persons to maintain specified records-
 1. Registered Person (Sec 35(1))
 2. Operator of warehouse or godown or any other place used for storage of goods, **irrespective of whether he is a registered taxable person or not** (Sec 35(2))
 3. Every transporter, **irrespective of whether he is a registered taxable person or not** (Sec 35(2))
- Audit by Chartered Accountant or Cost Accountant has been omitted w.e.f. 1-8-2021 and a reconciliation in self-certified manner may be required to be filed w.e.f. 1-8-2021. **[Amendment made by FA, 2021 and notified by NN 29/2021-CT, dt 30-7-2021]**
- Such registered person is required to furnish electronically through the common portal along with Annual Return **(GSTR-9)** a copy of:
 - Audited annual accounts **and** A Self-Certified Reconciliation Statement **(GSTR-9C)**,
 - Reconciliation Statement will reconcile the value of supplies declared in the return furnished for the financial year (GSTR-9) with the audited annual financial statement and such other particulars, as may be prescribed.
 - However, OIDAR has been exempted from filing GSTR-9 and GSTR-9C **(Notification No. 30/2019-CT dt 28-6-2019)**

When one
place of
business

- Accounts and Records to be maintained at principal place of business as mentioned in the Registration Certificate

When more
than one place
of Business

- Accounts to be kept for **respective** location at each place concerned

Note –

1. Supply of goods through an auction like tea, rubber, coffee

In terms of above provision, the books of accounts relating to each and every place of business are required to be maintained in that place itself. However, in case where goods are supplied through an auction like tea, rubber, coffee, the difficulties were being faced by the principal and auctioneer in maintaining books of accounts at each and every APoB. Consequently, it has been clarified that in such cases, the principal and the auctioneer may declare the warehouses, where such goods are stored, as their APoB. The buyer is also required to disclose such warehouse as his APoB if he wants to store the goods purchased through auction in such warehouses. For the purpose of supply of tea through a private treaty, the principal and an auctioneer may also comply with the said provisions.

Further, the principal and the auctioneer may maintain the books of accounts relating to APoB at their PPOB instead of such APoB. Such principal or auctioneer shall intimate their jurisdictional proper officer in writing about the maintenance of books of accounts relating to APoB at their PPOB.

ITC availment: It is further clarified that the principal and the auctioneer for the purpose of auction of tea, coffee, rubber etc., or the principal and the auctioneer for the purpose of supply of tea through a private treaty, shall be eligible to avail ITC subject to the fulfilment of other provisions of the CGST Act read with the rules made thereunder [**Circular No. 23/23/2017-GST dt 21-12-2017 and Circular No. 47/21/2018 GST dt 8-6-2018**]

Places of maintenance of accounts and records (Proviso to Sec 35(1))

Sec 2(85) “place of business” includes—

- (a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
- (b) a place where a taxable person maintains his books of account; or
- (c) **a place where a taxable person is engaged in business through an agent**, by whatever name called;

What records must be maintained under GST?

What records must be maintained under GST?

I. Every registered person must maintain records of (Sec 35(1)):

- Production or manufacture of goods
- Inward and outward supply of goods or services or both
- Stock of goods
- Input tax credit availed
- Output tax payable and paid and
- Other particulars as may be prescribed

Records prescribed by rules [Rule 56(1), (2) (3), (4), (5) and (6)]

II. Rule 56(1)

- Every registered person shall keep and maintain, in addition to the particulars mentioned in sub-section (1) of section 35, a true and correct account of the
- goods or services imported or exported or
- of supplies attracting payment of tax on reverse charge along with the relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers.

- #### **III. Rule 56(3)** Every registered person shall keep and maintain a separate account of advances received, paid and adjustments made thereto.

What records must be maintained under GST?

- IV. Rule 56(5)** Every registered person shall keep the particulars of -
- (a) names and complete addresses of suppliers from whom he has received the goods or services chargeable to tax under the Act;
 - (b) names and complete addresses of the persons to whom he has supplied goods or services, where required under the provisions of this Chapter;
 - (c) the complete address of the premises where goods are stored by him, including goods stored during transit along with the particulars of the stock stored therein.
- V. Rule 56(6)** If any taxable goods are found to be stored at any place(s) other than those declared under sub-rule (5) without the cover of any valid documents, the proper officer shall determine the amount of tax payable on such goods as if such goods have been supplied by the registered person.

What records must be maintained under GST?

Records which are to be maintained only by a supplier other than a supplier opting for composition levy [Rule 56(2) & 56(4)] – A supplier is required to maintain following records relating to stock of goods and tax details. However, a supplier who has opted for composition scheme is not required to maintain such records –

- 1. Stock of Goods** - accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.
- 2. Details of tax** – Such registered person shall keep and maintain an account, containing the details of tax payable (including tax payable in accordance with the provisions of sub-section (3) and sub-section (4) of section 9), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period.

Records to be maintained by Agent [Rule 56(11)]

Every agent referred to in clause (5) of section 2 shall maintain accounts depicting the,-

- particulars of authorisation received by him from each principal to receive or supply goods or services on behalf of such principal separately;
- particulars including description, value and quantity (wherever applicable) of goods or services received on behalf of every principal;
- particulars including description, value and quantity (wherever applicable) of goods or services supplied on behalf of every principal;
- details of accounts furnished to every principal; and
- tax paid on receipts or on supply of goods or services effected on behalf of every principal.

What records must be maintained under GST?

Records to be maintained by a manufacturer [Rule 56(12)]

Every registered person manufacturing goods shall maintain monthly production accounts showing quantitative details of raw materials or services used in the manufacture and quantitative details of the goods so manufactured including the waste and by products thereof.

Records to be maintained by a service provider [Rule 56(13)]

Every registered person supplying services shall maintain the accounts showing quantitative details of goods used in the provision of services, details of input services utilised and the services supplied.

Records to be maintained by a person executing works contract [Rule 56(14)]

Every registered person executing works contract shall keep separate accounts for works contract showing -

- (a) the names and addresses of the persons on whose behalf the works contract is executed;
- (b) description, value and quantity (wherever applicable) of goods or services received for the execution of works contract;
- (c) description, value and quantity (wherever applicable) of goods or services utilized in the execution of works contract;
- (d) the details of payment received in respect of each works contract; and
- (e) the names and addresses of suppliers from whom he received goods or services.

What records must be maintained under GST?

Records to be maintained by owner or operator of godown or warehouse and transporter [Sec 35(2) read with rule 58]

(1) Every person required to maintain records and accounts in accordance with the provisions of sub-section (2) of section 35, if not already registered under the Act, shall submit the details regarding his business electronically on the common portal in **FORM GST ENR-01**, either directly or through a Facilitation Centre notified by the Commissioner and, upon validation of the details furnished, **a unique enrolment number** shall be generated and communicated to the said person.

(1A) For the purposes of **Chapter XVI of these rules (i.e. E-Way Rule)**, a transporter who is registered in more than one State or Union Territory having the same Permanent Account Number, he may apply for a unique common enrolment number by submitting the details in **FORM GST ENR-02** using any one of his Goods and Services Tax Identification Numbers, and upon validation of the details furnished, **a unique common enrolment** number shall be generated and communicated to the said transporter:

Provided that where the said transporter has obtained a unique common enrolment number, he shall not be eligible to use any of the Goods and Services Tax Identification Numbers for the purposes of the said **Chapter XVI (i.e. E-way Rule)**.

(2) The person enrolled under sub-rule (1) as aforesaid in any other State or Union territory shall be deemed to be enrolled in the State or Union territory.

(3) Every person who is enrolled under sub-rule (1) shall, where required, amend the details furnished in **FORM GST ENR-01** electronically on the common portal either directly or through a Facilitation Centre notified by the Commissioner.

What records must be maintained under GST?

Records to be maintained by owner or operator of godown or warehouse and transporter [Sec 35(2) read with rule 58]

(4) Subject to the provisions of rule 56,-

- (a) any person engaged in the business of transporting goods shall maintain records of goods transported, delivered and goods stored in transit by him along with the Goods and Services Tax Identification Number of the registered consigner and consignee for each of his branches.
- (b) every owner or operator of a warehouse or godown shall maintain books of accounts with respect to the period for which particular goods remain in the warehouse, including the particulars relating to dispatch, movement, receipt and disposal of such goods.

(5) The owner or the operator of the godown shall store the goods in such manner that they can be identified item-wise and owner-wise and shall facilitate any physical verification or inspection by the proper officer on demand.

Records to be maintained by a custodian/clearing and forwarding agent [Rule 56(17)]

Any person having custody over the goods in the capacity of a carrier or a clearing and forwarding agent for delivery or dispatch thereof to a recipient on behalf of any registered person shall maintain true and correct records in respect of such goods handled by him on behalf of such registered person and shall produce the details thereof as and when required by the proper officer.

How the accounts and records will be maintained? [Second proviso to Sec 35(1) read with rule 56(7), (8), (9), (15), (16) and (18) and Rule 57]

Records may be in electronic form

Rule 56(7) Every registered person shall keep the books of account at the principal place of business and books of account relating to additional place of business mentioned in his certificate of registration and such books of account shall include any electronic form of data stored on any electronic device.

Rule 56(15) The records under the provisions of this Chapter may be maintained in electronic form and the record so maintained shall be authenticated by means of a digital signature.

Rule 57(1) Proper electronic back-up of records shall be maintained and preserved in such manner that, in the event of destruction of such records due to accidents or natural causes, the information can be restored within a reasonable period of time.

Rule 57(2) The registered person maintaining electronic records shall produce, on demand, the relevant records or documents, duly authenticated by him, in hard copy or in any electronically readable format.

Rule 57(3) Where the accounts and records are stored electronically by any registered person, he shall, on demand, provide the details of such files, passwords of such files and explanation for codes used, where necessary, for access and any other information which is required for such access along with a sample copy in print form of the information stored in such files.

How the accounts and records will be maintained? [Second proviso to Sec 35(1) read with rule 56(7), (8), (9), (15), (16) and (18) and Rule 57]

No entry to be erased/overwritten

Rule 56(8) Any entry in registers, accounts and documents shall not be erased, effaced or overwritten, and all incorrect entries, otherwise than those of clerical nature, shall be scored out under attestation and thereafter the correct entry shall be recorded and where the registers and other documents are maintained electronically, a log of every entry edited or deleted shall be maintained.

Rule 56(16) Accounts maintained by the registered person together with all the invoices, bills of supply, credit and debit notes, and delivery challans relating to stocks, deliveries, inward supply and outward supply shall be preserved for the period as provided in section 36 and shall, where such accounts and documents are maintained manually, 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.

Rule 56(9) Each volume of books of account maintained manually by the registered person shall be serially numbered.

Rule 56(18) Every registered person shall, on demand, produce the books of accounts which he is required to maintain under any law for the time being in force.

Failure to maintain the accounts [Sec 35(6)]

Documents found at Any Premise other than those mentioned in the Certificate of Registration [Rule 56(10)]

Sec 35(6) Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

Rule 56(10) Unless proved otherwise, if any documents, registers, or any books of account belonging to a registered person are found at any premises other than those mentioned in the certificate of registration, they shall be presumed to be maintained by the said registered person.

Period of Retention of Accounts [Sec 36]

Retention in Normal Cases (Section 36(1))

- At least 72 months (**6 years**). The period will be counted from the due date for filing of Annual Return for the year pertaining to such accounts and records.

Retention of books which are subject matter of appeal in case an appeal, revision or any other proceeding is pending before any Appellate Authority or Revisional Authority or Appellate Tribunal or Court, or in case the assessee is under investigation for an offence under Chapter XIX(Proviso to Sec 36(1))

- 1 year after final disposal of such appeal or revision or proceeding or investigation or
- period specified above,
- **whichever is later**