

## TIME & MANNER OF ISSUANCE - INVOICE VIS-À-VIS E-INVOICE

### 7.1 TIME LIMIT FOR ISSUANCE OF TAX INVOICE

Good or Services	Issuance of Tax Invoice in respect of	Section or Rules that prescribes the time limit for issuance
Goods	Taxable goods	Section 31(1)
	Continuous supply of goods	Section 31(4)
	Goods being sent or taken on approval for sale or return are removed before the supply takes place	Section 31(7)
Services	Taxable service	Section 31(2) read with Rule 47
	Continuous supply of services	Section 31(5)
	Supply of services ceases under a contract before the completion of the supply	Section 31(6)

The brief synopsis of the applicability of time limits in different scenarios are given below in tabular form for ease-of-understanding:

Description	Time limit for issuance of Tax Invoice
Taxable supply of goods	<p><b>Where the supply involves movement of goods</b> - Before or at the time of removal of goods for supply to the recipient.</p> <p><b>In any other case</b> - Before or at the time of delivery of goods or making available thereof to the recipient.</p>

Description	Time limit for issuance of Tax Invoice
Continuous supply of goods	<p><b>Where successive statements of accounts</b> - Before or at the time each such statement is issued, <b>OR</b></p> <p><b>Where successive payments are involved</b> - Before or at the time each such payment is received.</p>
Goods being sent or taken on approval for sale or return are removed before the supply takes place	<ul style="list-style-type: none"> <li>◆ Before or at the time of supply, <b>OR</b></li> <li>◆ 6 months from the date of removal,</li> </ul> <p><i>whichever is earlier</i></p>
Taxable supply of services	Within a period of 30 days from the date of the supply of service.
If the supplier of services is: <ul style="list-style-type: none"> <li>◆ An insurer or</li> <li>◆ A banking company or</li> <li>◆ A financial institution, including a non-banking financial company (NBFC).</li> </ul>	Within 45 days from the date of the supply of service.
Following persons making <b>taxable</b> supplies of services <b>between distinct persons</b> as specified in section 25: <ul style="list-style-type: none"> <li>◆ An insurer or</li> <li>◆ A banking company or</li> <li>◆ A financial institution, including a non-banking financial company (NBFC) or</li> <li>◆ A telecom operator, or</li> <li>◆ Any other class of supplier of services as may be <b>notified</b> by the Government on the recommendations of the Council</li> </ul>	<ul style="list-style-type: none"> <li>◆ Before or at the time such supplier records the same in his books of account <b>OR</b></li> <li>◆ Before the expiry of the quarter during which the supply was made.</li> </ul>
Continuous supply of services	<p><b>Where due date of payment is ascertainable from the contract</b> - On or before the due date of payment.</p> <p><b>Where due date of payment is not ascertainable from the contract</b> - Before or at the time when the supplier of service receives the payment.</p>

Description	Time limit for issuance of Tax Invoice
	<b>Where Payment is linked to the completion of an event</b> - On or before the date of completion of that event.
Supply of services ceases under a contract before the completion of the supply	<b>At the time when the supply ceases</b> and such invoice shall be issued to the extent of the supply made before such cessation.

7.2 MANNER OF ISSUING TAX INVOICE

Rule 48 of the GST Rules, 2017 deals with manner of issuing invoices. Initially from the advent of GST Law, it had only 3 sub-sections which dealt with the manner of issuance of tax invoices, however, 3 new sub-sections are inserted vide **Notification No. 68/2019-Central Tax dated 13th December, 2019** with the objective to implement E-Invoicing provisions.

Sub-section	Brief Description	Provisions	Corresponding Notification
(1)	Manner of preparation of invoice in case of supply of <b>goods</b>	The invoice shall be prepared in triplicate, in the case of supply of goods, in the following manner, namely, —  (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.	-
(2)	Manner of preparation of invoice in case of supply of <b>services</b>	The invoice shall be prepared in duplicate, in the case of the supply of services, in the following manner, namely, —  (a) the original copy being marked as ORIGINAL FOR RECIPIENT; and  (b) the duplicate copy being marked as DUPLICATE FOR SUPPLIER.	-

Sub-section	Brief Description	Provisions	Corresponding Notification
(3)	Reporting of <b>serial number</b> of invoices issued during the tax period	The serial number of invoices issued during a tax period shall be furnished electronically through the common portal in FORM GSTR-1.	-
(4)	<b>Provisions of E-Invoicing</b>	The <b>INVOICE</b> shall be prepared by <b>such class of registered persons</b> as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in FORM <b>GST INV-01</b> after <b>obtaining an Invoice Reference Number</b> by uploading information contained therein on the Common Goods and Services Tax <b>Electronic Portal</b> in such <b>manner</b> and subject to such <b>conditions</b> and <b>restrictions</b> as may be specified in the notification.	<ul style="list-style-type: none"> <li>◆ <i>Notification No. 68/2019-Central Tax dated 13th December, 2019</i></li> <li>◆ <i>Notification No. 69/2019- Central Tax dated 13th December, 2019 - <b>Common Goods and Services Tax Electronic Portal Notified</b></i></li> <li>◆ <i>Notification No. 70/2019- Central Tax dated 13th December, 2019 - <b>Class of persons Notified</b></i></li> </ul>
(5)	<b>Invoice issued will be treated as invalid if prepared in any other manner</b>	Every invoice issued by a person to whom sub-rule (4) applies <b>in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.</b>	<i>Notification No. 68/2019- Central Tax dated 13th December, 2019</i>
(6)	<b>Provisions of rule 48(1) and 48(2) shall not apply to the E-Invoice prepared under rule 48(6)</b>	The <b>provisions of sub-rules (1) and (2) shall not apply</b> to an invoice prepared in the manner specified in sub-rule (4).	<i>Notification No. 68/2019-Central Tax dated 13th December, 2019</i>

### ***Class of persons Notified***

CBIC vide **Notification No. 70/2019 - Central Tax dated 13th December, 2019** notifies registered person, whose **aggregate turnover in a FY exceeds INR 100 crore (obviously this excludes Composition Supplier)**, as a class of registered person who shall prepare E-Invoice in terms of rule 48(4) ***in respect of supply (Both taxable as well as exempted supply is covered) of goods or services or both to a registered person i.e. B2B supply (please note that when the supply is made to unregistered***

person i.e. B2C supply, is not notified). This notification shall come into force from the **1st April, 2020**.

The most important rule 48(4) inserted vide Notification No. 68/2019-Central Tax dated 13th December, 2019 needs to be interpreted to understand the applicability of E-Invoicing concept on various types of documents. For this purpose, the entire rule 48(4) has been reproduced hereinbelow for ease-of-reference:

*“The **INVOICE** shall be prepared by **such class of registered persons** as may be **notified** by the Government, on the recommendations of the Council, by including such particulars contained in **FORM GST INV-01** after **obtaining an Invoice Reference Number** by uploading information contained therein on the Common Goods and Services Tax **Electronic Portal** in such **manner** and subject to such **conditions** and **restrictions** as may be specified in the notification.”*

Since the term used in the Notification is used as “INVOICE”, therefore, it is very important to understand the meaning of the term “invoice” as defined in section 2(66) of the GST Act, 2017 which means “**tax invoice** referred to in section 31”. Let us understand the type of documents incorporated in the Invoicing Chapter of the GST Act, 2017 and whether they can be classified as “invoice” for the purpose of e-invoicing:

Rule	Type of Document	Whether an “invoice” as per section 2(66) of the GST Act, 2017	Applicability of E-Invoicing as stipulated in rule 48(4)
46	Tax Invoice	Yes.	Yes.
	Consolidated Invoice - In case of reverse charge under section 9(4)	No.	No.
	Consolidated <b>Tax</b> Invoice - In case of B2C supplies	No.	No.
	Exports Invoice	Yes.	Yes.
	SEZ unit/developer Invoice	Yes.	Yes.
46A	Invoice-cum-Bill of Supply	Yes.	Currently No. <i>[Since this document is applicable only in case of B2C supplies, however, e-invoicing provision is currently applicable only on B2B supplies.]</i>

Rule	Type of Document	Whether an “invoice” as per section 2(66) of the GST Act, 2017	Applicability of E-Invoicing as stipulated in rule 48(4)
49	Bill of Supply	Yes. <i>[Even though the term used is Bill of Supply, yet it is in lieu of Tax Invoice as stipulated in section 31(3)(c), therefore, it needs to be considered as “invoice”]</i>	Yes. <b><i>[However, as per FAQ E-Invoice Rollout dated 26th December, 2019 released by GSTN - No]</i></b>
50	Receipt Voucher	No.	No.
51	Refund Voucher	No.	No.
52	Payment Voucher	No.	No.
53	Revised tax invoice	Yes. <i>[As per the Explanation to section 31, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier.]</i>	Yes.
	Debit Note	Strictly as per the interpretation of law - No.	No. <b><i>[But as per the FAQ released by the GSTN, it has been clearly stated that E-invoice is also applicable for Debit Note]</i></b>
	Credit Note	Strictly as per the interpretation of law - No.	No. <b><i>[But as per the FAQ released by the GSTN, it has been clearly stated that E-invoice is also applicable for Debit Note]</i></b>

Rule	Type of Document	Whether an “invoice” as per section 2(66) of the GST Act, 2017	Applicability of E-Invoicing as stipulated in rule 48(4)
54(1)	ISD Invoice	No.	No. <i>[However, as per FAQ E-Invoice Rollout dated 26th December, 2019 released by GSTN - Yes]</i>
54(1A)	Invoice/Debit/Credit Note for transferring ISD Credit	No.	No. <i>[However, as per FAQ E-Invoice Rollout dated 26th December, 2019 released by GSTN - Yes]</i>
54(2)	Consolidated Tax Invoice by an insurer or a banking company or a financial institution, including a non-banking financial company	Yes.	Yes.
54(3)	Tax Invoice or any other document by GTA	Yes.	Yes.
54(4)	Tax Invoice includes tickets by the supplier of taxable passenger transportation service	Yes.	Yes.
54(4A)	Electronic ticket deemed to be a tax invoice where registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens	Yes.	Yes.

**Important Note:** On strict interpretation of the term “invoice”, it appears that E-invoice provision is applicable only on the aforesaid documents as stated above. However, a clear guideline on applicability of the E-In-

voicing provision on various documents by the CBIC would make the situation utmost clear.

**Situation: Is there any clarification issued by the GSTN on applicability of E-invoices on different type of documents?**

Solution:

In the **Para D of the Proposed E-Invoicing Note - FAQ v2 released by GSTN** clearly states that:

*“While the word invoice is used in the name of e-invoice, it covers other documents that will be required to be reported to IRP by the creator of the document:*

- i. Invoice by Supplier
- ii. Credit Note by Supplier
- iii. Debit Note by Supplier
- iv. Any other document as required by law to be reported by the creator of the document”

It is worthwhile to note that “any other document” has not been specified by the GSTN.

E-Invoice is also applicable in case of Bill of Supply which is clearly evident from the 3rd *proviso* inserted to rule 49 which stipulates that signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an **ELECTRONIC BILL OF SUPPLY**. Therefore, aforesaid **rule 48(4) is applicable** both on supply of taxable as well as exempted goods &/or services. Bill of supply is issued in two cases i.e. in case of exempt supply & in case of Composition Scheme. But E-Bill of Supply shall be applicable only in case of exempt supply and not by the Composition Supplier because the *Notification No. 70/2019 - Central Tax dated 13th December, 2019* is currently applicable only on registered person whose aggregate turnover in a FY exceeds INR 100 crore while the Composition Scheme is not available to the person whose aggregate turnover exceeds INR 75 lakhs/1.5 crores.

**However, as per FAQ E-Invoice Rollout dated 26th December, 2019 released by GSTN, there shall be no applicability of E-invoicing on Bill of Supply.**

### **Common Goods and Services Tax Electronic Portal Notified**

In accordance with the rule 48(4) i.e. E-Invoicing rule, of the CGST Rules, 2017 and section 20 of the IGST Act, 2017, the Central Government, on the recommendations of the Council, hereby, notifies vide



**Notification No. 69/2019 - Central Tax dated 13th December, 2019** the following as the Common Goods and Services Tax **Electronic** Portal for the purpose of preparation of the invoice in terms of rule 48(4) of the aforesaid rules, namely:-

- (i) [www.einvoice1.gst.gov.in](http://www.einvoice1.gst.gov.in);
- (ii) [www.einvoice2.gst.gov.in](http://www.einvoice2.gst.gov.in);
- (iii) [www.einvoice3.gst.gov.in](http://www.einvoice3.gst.gov.in);
- (iv) [www.einvoice4.gst.gov.in](http://www.einvoice4.gst.gov.in);
- (v) [www.einvoice5.gst.gov.in](http://www.einvoice5.gst.gov.in);
- (vi) [www.einvoice6.gst.gov.in](http://www.einvoice6.gst.gov.in);
- (vii) [www.einvoice7.gst.gov.in](http://www.einvoice7.gst.gov.in);
- (viii) [www.einvoice8.gst.gov.in](http://www.einvoice8.gst.gov.in);
- (ix) [www.einvoice9.gst.gov.in](http://www.einvoice9.gst.gov.in);
- (x) [www.einvoice10.gst.gov.in](http://www.einvoice10.gst.gov.in).

For the purposes of this notification, the abovementioned websites mean the websites managed by the Goods and Services Tax Network, a company incorporated under the provisions of section 8 of the Companies Act, 2013. This notification shall come into force with effect from the **1st January, 2020**.