

**Narayan Singh regarding the same.**

**Answer:**

Narayan Singh is required to issue a receipt voucher at the time of receipt of advance payment with respect to services to be supplied to Shelly. A receipt voucher is a document evidencing receipt of advance money towards a supply of goods and/or services or both. A registered person, on receipt of advance payment with respect to any supply of goods or services or both, shall issue a receipt voucher or any other document, evidencing receipt of such payment.

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. Therefore, in case subsequently no services are supplied by Narayan Singh, and no tax invoice is issued in pursuance thereof, Narayan Singh may issue a refund voucher against such payment to Shelly

### Question 3

MTP March'21, March '23 & MTP Sep '23

Angira Ltd. is a supplier of taxable goods in Karnataka. It got registered under GST in the month of September, 20XX and wishes to pay its IGST liability for the month. Since it is making the GST payment for the first time, it is of the view that it needs to mandatorily has the online banking facility to make payment of GST; offline payment is not permitted under GST. You are required to apprise Angira Ltd. regarding the various modes of deposit in the electronic cash ledger. Further, advise it with regard to following issues:

**Are manual challans allowed under GST?**

**What is the validity period of the challan? (MTP 4 Marks, Oct'20)**

**Answer:**

As per the provisions of CGST Act, 2017 read with relevant rules, the deposit in electronic cash ledger can be made through any of the following modes, namely: -

- Internet Banking through authorised banks;
- Credit card or Debit card through the authorised bank;
- National Electronic Fund Transfer or Real Time Gross Settlement from any bank; or
- Over the Counter payment through authorised banks for deposits up to ten thousand rupees per challan per tax period, by cash, cheque or demand draft.

Thus, offline mode is also permitted under GST subject to specified conditions.

- a) Manual or physical Challans are not allowed under the GST regime. It is mandatory to generate Challans online on the GST Portal.
- b) Challan is valid for a period of 15 days.

### Question 4

List out the situations in which a Credit note/Debit note may be issued under the CGST Act, 2017. (MTP 5 Marks, Oct'20, PYP 5 Marks May '19)

**Answer:**



**Credit note is required to be issued by the Supplier: -**

- If taxable value charged in the tax invoice is found to exceed the taxable value in respect of supply of goods and/or services, or
  - If tax charged in the tax invoice is found to exceed the tax payable in respect of supply of goods and/or services, or
  - if goods supplied are returned by the recipient, or
  - if goods and/or services supplied are found to be deficient. Debit note is required to be issued by the Supplier: -
1. if taxable value charged in the tax invoice is found to be less than the taxable value in respect of supply of goods and/or services or
  2. if tax charged in the tax invoice is found to be less than the tax payable in respect of supply of goods and/or services.

**Question 5**

**Under what circumstances does the need of issuance of debit note and credit note arise under section 34 of CGST Act, 2017? (MTP 5 Marks, Oct'18)**

**Answer:**

**Debit note is required to be issued**

- (i) if taxable value charged in the tax invoice is found to be less than the taxable value in respect of supply of goods and/or services or
- (ii) if tax charged in the tax invoice is found to be less than the tax payable in respect of supply of goods and/or services

**Credit note is required to be issued: -**

- (i) If taxable value charged in the tax invoice is found to exceed the taxable value in respect of supply of goods and/or services, or
- (ii) If tax charged in the tax invoice is found to exceed the tax payable in respect of supply of goods and/or services, or
- (iii) if goods supplied are returned by the recipient, or
- (iv) if goods and/or services supplied are found to be deficient.

**Question 6**

**Determine with reason whether the following statements are true or false:**

- (i) A registered person shall issue separate invoices for taxable and exempted goods when supplying both taxable as well as exempted goods to an unregistered person.
- (ii) A non-banking financial company can issue a consolidated tax invoice at the end of every month for the supply made during that month. (MTP 4 Marks, Oct'18, PYP 3 Marks, May'18)

**Answer:**

- (i) The given statement is false.

Where a registered person is supplying taxable as well as exempted goods or services or both to an unregistered person, a single "invoice-cum-bill of supply" may be issued for all such supplies.



(ii) The said statement is true.

A non-banking financial company is allowed to issue a consolidated tax invoice or any other document in lieu thereof for the supply of services made during a month at the end of the month.

### Question 7

Discuss the time-limit for issuance of invoice in case of taxable supply of goods. (MTP 3 Marks March'18)

**Answer:**

In case of taxable supply of goods, invoice shall be issued 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.

In case of continuous supply of goods, where successive statements of accounts/ successive payments are involved, the invoice shall be issued before/at the time each such statement is issued or each such payment is received [Section 31 of the CGST Act].

### Question 8

Examiner whether the following statements are true or false giving brief reasons:

- (i) It is mandatory to issue a tax invoice in case a registered person has opted for composition levy scheme.
- (ii) A composition tax payer, who has not rendered any taxable supply during a quarter, is not required to file any return. (MTP 4 Marks March 18)

**Answer 8**

- (i) The given statement is false. A registered person paying tax under the provisions of section 10 [composition levy] is required to issue, instead of a tax invoice, a bill of supply containing the specified particulars in the prescribed manner [Section 31(3)(c) read with rule 49 of the CGST Rules].
- (ii) He given statement is false. Composition tax payer is required to furnish return under section 39 for every quarter even if no supplies have been effected during such period. In other words, filing of Nil return is also mandatory

### Question 9

Utsav Pvt. Ltd. of Meghalaya engaged in the supply of gifts items and repair services, provides you the following details:-

Particulars	Date
Commencement of the business of supplying goods and services	1st August
Turnover exceeds ₹ 10,00,000 on	15th August
Turnover exceeds ₹ 20,00,000 on	5th September
Application for registration made on	28th September
Registration certificate granted on	6th October



The company seeks your advice as to how it should raise revised tax invoices for supplies made. Is there any specific provision for issuance of revised tax invoices to unregistered customers? Explain. (MTP 6 Marks March 22, RTP Nov'18, Old & New SM)

**Answer:**

A supplier of both goods and services whose aggregate turnover in a financial year exceeds ₹ 20 lakh in a State/UT [₹ 10 lakhs in specified Special Category States] is liable to apply for registration within 30 days from the date of becoming liable to registration (i.e., the date of crossing the threshold limit of ₹ 20 lakh/ ₹ 10 lakh) in terms of section 22 of the CGST Act, 2017. Since Meghalaya is not a specified Special Category State, applicable threshold limit is ₹ 20 lakh.

Further, where the application is submitted within said period, the effective date of registration is the date on which the person becomes liable to registration; otherwise, it is the date of grant of registration. Every registered person who has been granted registration with effect from a date earlier than the date of issuance of registration certificate to him, may issue revised tax invoices within 1 month from the date of issuance of registration certificate in respect of taxable supplies effected during this period i.e. from the effective date of registration till the date of issuance of registration.

Since Utsav Pvt. Ltd. has made the application for registration within 30 days of becoming liable for registration, the effective date of registration becomes the date on which the company becomes liable to registration i.e. 5th September.

Thus, Utsav Pvt. Ltd. may issue revised tax invoices against the invoices already issued during the period between effective date of registration (5th September) and the date of issuance of registration certificate (6th October), within 1 month from 6th October.

Further, Utsav Pvt. Ltd may issue a consolidated revised tax invoice in respect of all taxable supplies made to unregistered dealers during such period. However, in case of inter -State supplies made to unregistered dealers, a consolidated revised tax invoice cannot be issued in respect of all the recipients located in a State, if the value of a supply exceeds ₹ 2,50,000.

### Question 10

Draupad Fabrics has opted for composition levy scheme in the current financial year. It has approached you for advice whether it is mandatory for it to issue a tax invoice. You are required to advise him regarding same. (MTP 3 Marks, March'19, Old & New SM)

**Answer:**

A registered person paying tax under the provisions of section 10 [composition levy] shall issue, instead of a tax invoice, a bill of supply containing such particulars and in such manner as may be prescribed. Therefore, in the given case, Draupad Fabrics cannot issue tax invoice. Instead, it shall issue a Bill of Supply.



**Question 11**

Manmohan Textiles has to send cloth for dyeing to its job-worker. It wishes to know whether it needs to issue a tax invoice at the time of sending the goods to job-worker. You are required to advise it with reference to the provisions of the CGST Act. (MTP 4 Marks Sep'22, Old SM)

**Answer:**

Manmohan Textiles has to issue a delivery challan and not a tax invoice at the time of sending the goods to job-worker. For the purposes of transportation of goods for job work, the consignor may issue a delivery challan, serially numbered, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation, containing the following details, namely:-

1. date and number of the delivery challan;
2. name, address and GSTIN of the consignor, if registered;
3. name, address and GSTIN/UIN of the consignee, if registered;
4. Harmonised System of Nomenclature code and description of goods;
5. quantity (provisional, where the exact quantity being supplied is not known);
6. taxable value;
7. 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;
8. place of supply, in case of inter-State movement; and
9. signature.

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

**Question 12**

Briefly discuss the following with reference to GST law:

(i) Revised Tax Invoice

(ii) Bill of Supply (MTP 4 Mark April '23)

**Answer:**

- (i) A registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him may, issue a revised tax invoice against the invoices already issued during said period, within 1 month from the date of issuance of certificate of registration in prescribed manner.
- (ii) A registered person supplying exempted goods and/or services or paying tax under composition levy, shall issue in prescribed manner, a bill of supply instead of a tax invoice, containing prescribed particulars.

**Question 13**

ABC Ltd., a registered supplier has made following taxable supplies to its customer Mr. P in the quarter ending 30th June, 20XX.

Date	Bill No.	Particulars	Invoice value (including GST) [₹]
5th April, 20XX	102	Notebooks[10 in numbers]	1,200



10th May, 20XX	197	Chart Paper [4 in number]	600
20th May, 20XX	230	Crayon colors [2 packets]	500
2nd June, 20XX	254	Poster colors [5 packets]	900
22nd June, 20XX	304	Pencil box [4 sets]	700

Goods in respect of bill no. 102, 230 and 254 have been returned by Mr. P. You are required to advise ABC Ltd. whether it can issue consolidated credit note against all the three invoices? (RTP May '20, Old & New SM)

**Answer:**

Where one or more tax invoices have been issued for supply of any goods and/or services and

- the taxable value/tax charged in that tax invoice is found to exceed the taxable value/tax payable in respect of such supply, or
- where the goods supplied are returned by the recipient, or
- where goods and/or services supplied are found to be deficient, the registered person, who has supplied such goods and/or services, may issue to the recipient one or more credit notes for supplies made in a financial year containing prescribed particulars.

Thus, one (consolidated) or more credit notes can be issued in respect of multiple invoices issued in a financial year without linking the same to individual invoices.

Hence, in view of the above-mentioned provisions, M/s ABC Ltd. can issue a consolidated credit note for the goods returned in respect of all the three invoices.

#### Question 14

Bali Limited, a registered taxpayer, provides security services to registered persons from Mumbai office and Delhi office. The aggregate turnover of Mumbai office and Delhi office in the preceding financial year is ₹300 crore and ₹ 250 crore respectively. For the month of November in the current financial year, Bali Limited prepares duplicate invoices and does not issue e-invoice as it is of the view that it's aggregate turnover does not cross the threshold limit to make it liable for issuing e- invoices.

Briefly explain whether the view taken by Bali Limited is correct in law? Also explain the advantages of e- invoicing, if any. (RTP May '21)

**Answer:**

The view taken by Bali Limited is not correct in law.

~~All notified registered businesses (except specified class of persons) with an aggregate turnover (based on PAN) in the preceding financial year greater than ₹ 500 crore are required to issue e-invoices.~~

With effect from 01.8.2023, such limit has been reduced to ` 5 crore. Thus, e-invoicing has been made mandatory for all registered businesses with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ` 5 crore.

The eligibility is based on aggregate annual turnover on the common PAN. Thus, the aggregate total turnover of Bali Limited is more than ~~₹ 500 crores~~ Rs 10 crores (considering both the GSTINs) and is required to issue e-invoices.



Further, where e-invoicing is applicable, there is no need of issuing invoice copies in triplicate/duplicate. E-invoice has many advantages for businesses, which have been given as under:- Auto-reporting of invoices into GST return and auto-generation of e-way bill (wherever required). Under e-invoicing, business has to report the B2B invoice data only once in the e-invoice form and the same is reported in multiple forms (GSTR-1, e-way bill etc.). E-way bill can be auto-generated using e-invoice data. GSTR-1 can also be auto-populated with the e-invoice data. It will become part of the business process of the taxpayer.

- ✓ **Accuracy/Reconciliation**. Since same data is reported to tax department as well as to the buyer to prepare his inward supplies (purchase) register, transcription errors are reduced. On receipt of information through GST System, buyer can do reconciliation with his Purchase Order.
- ✓ **Early payment**. E-invoicing facilitates standardisation and inter-operability leading to reduction of disputes among transacting parties and thus, improving payment cycles.
- ✓ **Cost reduction**. E-invoicing helps in reducing processing costs and thus, leads to improvement of overall business efficiency.
- ✓ **Reduction of tax evasion**. Since a complete trail of B2B invoices is available with the Department, it will enable the system-level matching of input tax credit and output tax thereby reducing the tax evasion.
- ✓ **Elimination of fake invoices**. E-invoicing eliminates the fake invoices. Claiming fictitious input tax credit (ITC) by raising fake invoices is also one of the biggest challenges currently faced by tax-authorities. The e-invoice system helps to curb the actions of unscrupulous taxpayers and reduce the number of fraud cases as the tax authorities have access to data in real-time.
- ✓ **Paper Elimination**. E-invoicing helps in paper elimination and thereby it is eco- friendly.

### Question 15

Determine in which of the following independent cases, e-invoicing is applicable?

- (i) Harnam & Co., dealing in interior decoration products made supplies to various registered and unregistered persons in the preceding financial year. The aggregate turnover of Harnam & Co. in the preceding financial year is ₹ 60 crore.
- (ii) Rich & Poor Bank, registered under GST has an aggregate turnover of ₹ 75 crore in the preceding financial year. (RTP Nov '21)

**Answer:**

All registered businesses with an aggregate turnover (based on PAN) in any preceding financial year from 2017-18 onwards greater than ~~₹ 50 crore~~ **₹ 5 Crore** are required to issue e-invoices in respect of B2B supplies (supply of goods and/or services to a registered person).

**With effect from 01.8.2023, such limit has been reduced to ` 5 crore. Thus, e-invoicing has been made mandatory for all registered businesses with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ` 5 crore.**

Further, following entities are exempt from the mandatory requirement of e-invoicing:-

- a) Special Economic Zone units



- b) Insurer or banking company or financial institution including NBFC
- c) GTA supplying services in relation to transportation of goods by road in a goods carriage
- d) Supplier of passenger transportation service
- e) Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens Thus, above mentioned entities are not required to issue e-invoices even if their turnover exceeds ₹ 50 crore in the preceding financial year from 2017-18 onwards.

In view of the above mentioned provisions, the Answer to the independent cases are as under:-

1. The aggregate turnover of Harnam & Co. exceeds the threshold limit of aggregate turnover applicable for e-invoicing. Thus, Harnam & Co. is mandatorily required to issue e-invoices in respect of supplies made to registered persons.
2. Banking company is specifically exempt from mandatory requirement of e-invoicing even if the turnover exceeds ~~₹ 50 crore~~ **Rs 5 crore** in the preceding financial year. Thus, e- invoicing is not applicable to Rich & Poor Bank.

#### Question 16

- a) Fashion Queen Ltd., registered under GST and dealing in baby products has an aggregate turnover of ₹ 40 crore in the preceding financial year. The tax consultant of Fashion Queen Ltd. advised it to issue e- invoices mandatorily. However, Fashion Queen Ltd. is of the view that since its aggregate turnover is less than the threshold limit applicable for e-invoicing, it is not required to issue e-invoices. You are required to comment upon the validity of the advice given by Tax consultant.(Nov'22)
- b) Ministry of Communications and Information Technology, a Government Department registered under GST has an aggregate turnover of ₹ 52 crore in the preceding financial year. You are required to comment whether Ministry of Communications and Information Technology is required to issue e- invoices in the current financial year? (RTP Nov'22)

#### Answer 16

- a. With effect from 01.04.2022, e-invoicing has been made mandatory for all registered businesses (except specified class of persons) with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ~~₹ 20 crore~~ **Rs 5 crore**, in respect of B2B supplies (supply of goods or services or both to a registered person) or for exports.

With effect from 01.10.2022, such limit has been reduced to ` 10 crore. Thus, e-invoicing has been made mandatory for all registered businesses with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ` 10 crore.

Thus, the advice given by tax consultant of Fashion Queen Ltd. for issuance of e-invoices mandatorily in the current financial year is valid in law as the aggregate turnover of Fashion Queen Ltd. has exceeded the threshold limit i.e. ~~₹ 20 crore~~ **Rs 5 crore** in the preceding financial year.

- b. Following entities are exempt from the mandatory requirement of e-invoicing:
  - ✓ Special Economic Zone units



- ✓ Insurer or banking company or financial institution including NBFC
- ✓ GTA supplying services in relation to transportation of goods by road in a goods carriage
- ✓ Supplier of passenger transportation service
- ✓ Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens
- ✓ Government Department and a local authority

Thus, above mentioned entities are not required to issue e-invoices even if their turnover exceeds ~~₹20 crore~~ **Rs 5 crore** in the preceding financial year from 2017-18 onwards.

Thus, Ministry of Communications and Information Technology, being a Government Department is not required to issue e-invoices in the current financial year even if its aggregate turnover has exceeded ~~₹20 crore~~ **Rs 5 crore**.

### Question 17

- a) Eden Ltd., registered under GST and dealing in educational toys, has an aggregate turnover of ₹ 18 crore in the preceding financial year. The tax consultant of Eden Ltd. advised it to issue e-invoices mandatorily in the current financial year. However, Eden Ltd. is of the view that since its aggregate turnover is less than the threshold limit applicable for e-invoicing, so it is not required to issue e-invoices. You are required to comment upon the validity of the advice given by Tax consultant.
- b) A Government Department is registered under GST. Its aggregate turnover in the preceding financial year is ₹ 22 crore. You are required to comment with the help of relevant provisions whether the said Department is required to issue e-invoices in the current financial year. (RTP Nov '23)

### Answer:

E-invoicing has been made mandatory for all registered businesses (except specified class of persons) with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ~~₹10 crore~~ **Rs 5 crore** in respect of B2B supplies (supply of goods or services or both to a registered person) or for exports. Thus, the advice given by tax consultant of Eden Ltd. for issuance of e-invoices mandatorily in the current financial year is valid in law as the aggregate turnover of Eden Ltd. has exceeded the threshold limit i.e. ~~₹10 crore~~ **Rs 5 crore** in the preceding financial year.

With effect from 01.8.2023, such limit has been reduced to ₹5 crore. Thus, e-invoicing has been made mandatory for all registered businesses with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ₹5 crore

Following entities are exempt from the mandatory requirement of e-invoicing:

- Special Economic Zone units
- Insurer or banking company or financial institution including NBFC
- GTA supplying services in relation to transportation of goods by road in a goods carriage
- Supplier of passenger transportation service
- Person supplying services by way of admission to exhibition of cinematograph films in multiplex



screens

→ Government Department and a local authority

Further, the above taxpayers exempted from the mandatory requirement of e-invoicing are required to provide a declaration on the tax invoice stating that though their aggregate turnover exceeds the notified aggregate turnover for e-invoicing, they are not required to prepare an e-invoice.

Thus, above mentioned entities are not required to issue e-invoices even if their turnover exceeds ~~₹10 crore~~ **Rs 5 crore** in the preceding financial year from 2017-18 onwards but are required to provide a declaration as discussed above.

Thus, in the given case, the Government Department is not required to issue e-invoices in the current financial year even if its aggregate turnover has exceeded ~~₹10 crore~~ **Rs 5 crore**.

### Question 18

ABC Cinemas, a registered person engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens was issuing consolidated tax invoice for supplies at the close of each day in terms of section 31(3)(b) of CGST Act, 2017 read with fourth proviso to rule 46 of CGST Rules, 2017.

During the month of October, 2019, the Department raised objection for this practice and asked to issue separate tax invoices for each ticket. Advise ABC Cinemas for the procedure to be followed in the light of recent notification.

(PYP 4 Marks, Jan'21)

**Answer:**

The procedure to be followed by ABC Cinemas, a registered person engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens, is as under:

The option to issue consolidated tax invoice is not available to a supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens. Thus, ABC Cinemas cannot issue consolidated tax invoice for supplies made by it at the close of each day. ABC Cinemas is required to issue an electronic ticket.

The said electronic ticket shall be deemed to be a tax invoice, even if such ticket does not contain the details of the recipient of service but contains the other information as prescribed to be mentioned.

### Question 19

Is Dynamic Quick Response (QR) Code applicable to suppliers who issue invoice to unregistered persons? If no, list the suppliers to whom Dynamic QR Code is not applicable. (PYP 5 Marks Dec '21)

**Answer:**

Dynamic QR code is applicable to invoices issued in respect of supplies made to unregistered persons by a registered supplier provided its aggregate turnover in any preceding financial year from 2017-18 onwards exceeds ` 500 crores.



However, it is not applicable to following suppliers issuing invoices to unregistered persons:-

- Insurer or banking company or financial institution including NBFC
- GTA supplying services in relation to transportation of goods by road in a goods carriage
- Supplier of passenger transportation service
- Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens
- Supplier of online information and database access or retrieval (OIDAR) service

### Question 20

- (i) What is 'e-invoicing'?
- (ii) What is the threshold limit for mandatory issuance of E-invoice for all registered businesses?
- (iii) A consignor hands over his goods for transportation on Friday to the transporter. However, assigned transporter starts the movement of goods from consigner's warehouse to its depot located at distance of 600 Km. on Monday.

When will the e-way bill be generated and for how many days it will be valid? (5 Marks Dec '21)

Answer:

- (i) E-invoicing is reporting of business to business (B2B) invoices to GST system for certain notified category of taxpayers.
- (ii) The threshold limit for mandatory issuance of e-invoice for all registered businesses is ₹50 crores. With effect from 01.8.2023, such limit has been reduced to ` 5 crore. Thus, e-invoicing has been made mandatory for all registered businesses with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ` 5 crore
- (iii) E-way bill will be generated before commencement of movement of goods by transporter on Monday.

The validity period of the e-way bill is one day from relevant date upto 200 km and one additional day for every 200 km or part thereof thereafter.

Thus, validity period in the given case, is 3 days, It has been assumed that goods transported are not over Dimensional cargo

### Question 21

M/s. Xing Trans of Kolkata is engaged in the trading of transmitters. On 20/05/2021, M/s. Xing Trans has sent 500 units of transmitters for exhibition at Chennai on sale or return basis. Out of the said 500 units, 300 units have been sold on 28/07/2021 at the exhibition. Out of remaining 200 units, 150 units have been brought back to Kolkata on 25/11/2021 and balance 50 units have neither been sold nor brought back.

Explain the provisions under GST law relating to issue of invoices with exact dates on which tax invoices need to be issued by M/s. Xing Trans. (PYP 4 Marks May'22)

Answer:

