GSTZONE

Invoicing & Documents

The paperwork that makes a transaction real

The complete guide, plus all 23 sections and rules

Text sourced from the Central Board of Indirect Taxes and Customs

gstzone.com · +91 97554 06939

A Khemchandani Finance initiative

Start here

In GST, the invoice is not an accounting formality - it is the legal instrument that carries the tax and the credit. If the document is defective, the buyer's credit fails, and the problem usually surfaces months later in their reconciliation rather than yours.

Which document you issue depends on what you are: a registered supplier making a taxable supply issues a tax invoice; a composition dealer or a supplier of exempt goods issues a bill of supply, which carries no tax and gives the buyer no credit. Getting this wrong is one of the fastest ways to lose a business customer.

Above ₹5 crore turnover in any year since GST began, B2B invoices must also be registered on the e-invoice portal and carry an IRN. Without the IRN the invoice is legally not an invoice at all - regardless of how correct everything else on it looks.

A worked example

A missing IRN, discovered four months later

Supplier crosses ₹5 crore in March	**E-invoicing now applies**	Billing software never updated
Raises 300 B2B invoices over four months	**All look perfectly normal**	None carry an IRN
Buyer's reconciliation flags them	**Credit denied on all 300**	Penalty exposure: ₹10,000 per invoice

> **The point:** Nothing about the invoices looked wrong. They were simply not invoices in law. This is the single most expensive silent failure in GST compliance.

The mistakes that cost people money

- Missing the e-invoicing trigger because you only checked this year's turnover. The test looks back at every financial year since 2017-18.
- Issuing a tax invoice while registered under composition. You are not permitted to collect tax, and doing so puts your scheme eligibility at risk.
- Issuing a credit note after the November cutoff. The commercial adjustment may still be possible, but the tax adjustment is time-barred.

What this guide covers

Section 31	Tax invoice
Section 31A	Facility of digital payment to recipient
Section 32	Prohibition of unauthorised collection of tax
Section 33	Amount of tax to be indicated in tax invoice and other documents
Section 34	Credit and debit notes
Section 35	Accounts and other records
Section 36	Period of retention of accounts
Rule 46	Tax invoice
Rule 46A	Invoice-cum-bill of supply
Rule 47	Time limit for issuing tax invoice
Rule 47A	Time limit for issuing tax invoice in cases where recipient is required to issue invoice
Rule 48	Manner of issuing invoice
Rule 49	Bill of supply
Rule 50	Receipt voucher
Rule 51	Refund voucher
Rule 52	Payment voucher
Rule 53	Revised tax invoice and credit or debit notes
Rule 54	Tax invoice in special cases
Rule 55	Transportation of goods without issue of invoice
Rule 55A	Tax Invoice or bill of supply to accompany transport of goods
Rule 56	Maintenance of accounts by registered persons
Rule 57	Generation and maintenance of electronic records
Rule 58	Records to be maintained by owner or operator of go down or warehouse and transporters

Every provision, explained

SECTION 31 · CGST ACT, 2017

Tax invoice

Section 31 requires a TAX INVOICE - for goods, before or at removal/delivery; for services, within a prescribed period (usually 30 days). It also covers bills of supply (for exempt/composition), receipt vouchers for advances, and invoices under reverse charge, with government power to notify e-invoicing and time limits.

- Goods: invoice before or at removal where the supply involves movement, otherwise at delivery. Services: within thirty days (forty-five for banks, insurers and financial institutions).
- E-invoicing applies to taxpayers with aggregate turnover above Rs 5 crore in any year from 2017-18. A document that should have carried an Invoice Reference Number but did not is NOT a valid tax invoice under Rule 48(5) - the buyer's credit fails with it.
- Since 01-04-2025 an e-invoice must be reported to the Invoice Registration Portal within thirty days for taxpayers above Rs 10 crore turnover.
- Self-invoice for a reverse-charge supply from an unregistered supplier must be issued within thirty days of receipt (Rule 47A, from 01-11-2024) - and the credit depends on it.
- No invoice is needed for a supply below Rs 200 to an unregistered person who does not ask for one, provided a consolidated invoice is raised at the end of the day.

SECTION 31A · CGST ACT, 2017

Facility of digital payment to recipient

A supplier of a notified class must offer the recipient the prescribed modes of electronic payment and give him the facility to pay that way - the digital-payment facility provision.

- A notified supplier must offer the prescribed electronic payment modes to the recipient; Rule 54(4A) and the notified class decide who is covered.

SECTION 32 · CGST ACT, 2017

Prohibition of unauthorised collection of tax

Section 32 prohibits an unregistered person, or a composition dealer, from collecting any amount as 'tax', and bars anyone from collecting GST except as allowed by the Act.

- A composition dealer or unregistered person who collects 'tax' faces recovery of the amount under section 76 with interest and a penalty equal to it.
- Every bill of supply of a composition dealer must carry the declaration that he is not eligible to collect tax.

SECTION 33 · CGST ACT, 2017

Amount of tax to be indicated in tax invoice and other documents

Section 33 requires the amount of tax to be shown prominently and separately on the invoice/document, so the tax component is transparent to the buyer.

- Tax must be shown separately - a lump-sum 'inclusive' invoice to a registered buyer creates a credit problem for him and an anti-profiteering exposure for you.

SECTION 34 · CGST ACT, 2017

Credit and debit notes

Section 34 governs CREDIT and DEBIT NOTES: a supplier issues a credit note to reduce taxable value/tax (e.g. returns, discounts, deficiency) and a debit note to increase it; credit-note adjustments have a time limit (by 30 November of the next year) and the buyer must reverse the related ITC.

- A credit note reduces your liability only if issued and declared by 30 November following the financial year of the original invoice, or the annual return, whichever is earlier - after that you can still issue a commercial credit note, but without the tax adjustment.
- The reduction is allowed only if the recipient has reversed the corresponding credit - which is now evidenced through the Invoice Management System.
- One credit note may cover multiple invoices; the one-to-one linkage requirement was removed in 2020.
- A debit note carries NO time limit for issue, but credit on it is available only up to 30 November following the financial year of the DEBIT NOTE, not of the original invoice.

SECTION 35 · CGST ACT, 2017

Accounts and other records

Section 35 requires every registered person to keep true and correct ACCOUNTS and RECORDS at the principal place of business - of production, inward/outward supplies, stock, ITC, output tax and more; the earlier mandatory audit for large turnover was removed.

- Records must be kept at EVERY place of business named in the registration, not only the principal place - a common gap in a multi-location business.
- Rule 56 requires stock records, an account of advances received and paid, and details of every supplier and customer; a works contractor has extra requirements under Rule 56(14).
- Electronic records need a log of every edit and must be restorable from backup (Rule 57); the officer can demand the passwords and the audit trail.
- Where records are not maintained, section 35(6) lets the officer determine the tax on the unaccounted goods or services as if they had been supplied - a best-judgment power inside the accounts section.
- A transporter or warehouse keeper who is not registered must still enrol in ENR-01 and keep records (Rule 58).

SECTION 36 · CGST ACT, 2017

Period of retention of accounts

Section 36 requires those records and documents to be RETAINED until 72 months (six years) after the due date of the annual return for the year, and longer where litigation is pending.

- Seventy-two months from the DUE DATE of the annual return - so for FY 2023-24 (annual return due 31-12-2024) records must be kept until 31-12-2030.
- Where an appeal, revision or any proceeding is pending, records must be kept for one year after its final disposal, or seventy-two months, whichever is later.
- The retention period is longer than the assessment limitation, so destroying records at six years from the transaction is premature.

RULE 46 · CGST RULES, 2017

Tax invoice

What a tax invoice must contain - supplier's name, address and GSTIN, a serial number of not more than sixteen characters, date, recipient's details, HSN code, description, quantity, value, taxable value, rate and amount of each tax, place of supply for inter-State supplies, whether reverse charge applies, and the signature. E-invoicing taxpayers must also print the QR code with the Invoice Reference Number.

- HSN reporting: six digits where aggregate turnover exceeded Rs 5 crore in the previous year, four digits below that for B2B supplies. A wrong or missing HSN is a common late-fee and mismatch trigger.
- The invoice number must be unique for the financial year and not exceed sixteen characters.

RULE 46A · CGST RULES, 2017

Invoice-cum-bill of supply

Where taxable and exempt supplies are made to an unregistered person together, a single invoice-cum-bill of supply may be issued instead of two documents.

RULE 47 · CGST RULES, 2017

Time limit for issuing tax invoice

A service invoice must be issued within thirty days of supply; banks, insurers and financial institutions get forty-five days, and supplies between distinct persons by such institutions may be invoiced by the quarter end.

RULE 47A · CGST RULES, 2017

Time limit for issuing tax invoice in cases where recipient is required to issue invoice

Where the recipient must self-invoice a reverse-charge supply received from an unregistered supplier, the invoice has to be issued within thirty days of receiving the goods or services - a limit inserted with effect from 1 November 2024.

RULE 48 · CGST RULES, 2017

Manner of issuing invoice

How an invoice is issued: in triplicate for goods (recipient, transporter, supplier) and in duplicate for services. Notified taxpayers must issue e-invoices through the Invoice Registration Portal, and an invoice that should have been an e-invoice but was not is not a valid document for credit.

- An invoice that should have been an e-invoice but was not is NOT a valid document - Rule 48(5) - so the buyer's credit fails with it. Verify the supplier's e-invoicing status before taking credit on a manual invoice.
- The thirty-day reporting window to the Invoice Registration Portal applies to taxpayers above Rs 10 crore turnover from 01-04-2025.

RULE 49 · CGST RULES, 2017

Bill of supply

A bill of supply is issued instead of a tax invoice by a composition taxpayer and for exempt supplies; it carries the same particulars but no tax, and is not needed for a supply below two hundred rupees to an unregistered person unless demanded.

RULE 50 · CGST RULES, 2017

Receipt voucher

A receipt voucher is issued when an advance is received; where the rate or the place of supply is not known, tax is charged at eighteen per cent and the supply treated as inter-State.

RULE 51 · CGST RULES, 2017

Refund voucher

A refund voucher is issued when an advance is refunded and no supply is made, referring back to the receipt voucher.

RULE 52 · CGST RULES, 2017

Payment voucher

A payment voucher is issued by a person paying tax under reverse charge, at the time of making payment to the supplier.

RULE 53 · CGST RULES, 2017

Revised tax invoice and credit or debit notes

A revised invoice covers supplies made between the effective date of registration and the date the certificate is issued; the same rule fixes what a credit or debit note must contain, including the reference to the original invoice.

RULE 54 · CGST RULES, 2017

Tax invoice in special cases

Invoices in special cases: the Input Service Distributor invoice, the invoice of a bank or financial institution (which may be any document with the required details and need not be serially numbered), the goods transport agency consignment note, and the passenger transport ticket.

RULE 55 · CGST RULES, 2017

Transportation of goods without issue of invoice

Movement without an invoice - liquid gas of unknown quantity, job work, goods sent for reasons other than supply, and semi-knocked-down consignments - goes on a delivery challan in triplicate, with a declaration where the goods move in batches.

RULE 55A · CGST RULES, 2017

Tax Invoice or bill of supply to accompany transport of goods

The person in charge of the conveyance must carry the tax invoice or bill of supply where no e-way bill is required, so an officer can still see a document for the goods.

RULE 56 · CGST RULES, 2017

Maintenance of accounts by registered persons

Accounts a registered person must keep at the principal place of business - production, inward and outward supplies, stock, credit availed, output tax, imports and exports, reverse-charge supplies, advances, and the details of every supplier and customer. Entries may not be erased; corrections are struck through and re-entered, and electronic records must carry a log.

RULE 57 · CGST RULES, 2017

Generation and maintenance of electronic records

Electronic records must be backed up so they can be restored within a reasonable time, and on demand the registered person must give the officer access, the passwords and the audit trail.

RULE 58 · CGST RULES, 2017

Records to be maintained by owner or operator of go down or warehouse and transporters

Warehouse keepers and transporters not otherwise registered must enrol in ENR-01 for a unique enrolment number, and must keep records of the goods received, dispatched and stored, item by item and consignor by consignee.