

New  
**E-invoice**  
System  
Under GST



PRESENTED BY **CMA** **AMIT DEY**  
(**ALL INDIA RANK** - **INTER** - **33<sup>RD</sup>** & **FINAL** - **20<sup>TH</sup>**)  
**M.COM, LLB.**

## TOPIC I: SECTION 31, 32, 33

Question (1): Sultan Industries Ltd., Delhi, entered into a contract with Prakash Entrepreneurs, Delhi, for supply of spare parts of a machine on 7th September. The spare parts were to be delivered on 30th September.

Sultan Industries Ltd. removed the finished spare parts from its factory on 29th September. Determine the date by which invoice must be issued by Sultan Industries Ltd. under GST law.

Answer:

Relevant Provisions: As per the provisions of Section 31, invoice shall be issued before or at the time of removal of goods for supply to the recipient, where the supply involves movement of goods.

Analysis & Conclusion: Accordingly, in the given case, the invoice must be issued on or before 29th September.

Question I (2): 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.

Answer –

(i) Relevant Provisions: 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. Analysis & Conclusion: The given statement is false.

(ii) Relevant Provisions: A non-banking financial company has been 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. Analysis & Conclusion: The said statement is true.



Question I (3): Discuss the time-limit for issuance of invoice in case of taxable supply of goods.

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 (4): Jain & 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	Raghav Traders - a registered retail dealer	190
2	Dhruv Enterprises - an unregistered trader	358
3	Gaurav - a painter [unregistered]	500
4	Oberoi Orphanage - an unregistered entity	188
5	Aaradhya - a student [unregistered]	158

Note: None of the recipients require a tax invoice [Raghav Traders being a composition dealer].

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

Answer:

- In the given illustration, Jain & Sons can issue a Consolidated Tax Invoice only with respect to supplies made to Oberoi Orphanage (worth 188) and Aaradhya (worth 158) as the value of goods supplied to these recipients is less than ₹ 200 as also these recipients are unregistered and don't require a tax invoice.
- As regards the supply made to Raghav Traders, although the value of goods supplied to it is less than 200, Raghav Traders 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 Dhruv Enterprises and Gaurav although both of them are unregistered. The reason for the same is that the value of goods supplied is not less than ₹ 200.

Question (5): MBM 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 P 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 MBM Caretakers issue the invoice for the services rendered?



Answer: Relevant Provisions: 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.

Analysis & Conclusion: Therefore, the given situation is a case of continuous supply of service as repair and maintenance services have been provided by MBM Caretakers on a quarterly basis, under a contract, for a period of one year with the obligation for quarterly payment. In terms of section 31, 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, MBM Caretakers should issue quarterly invoices on or before April 1, July 1, October 1, and January 1.**



Question (6): Shyam 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.

Answer: Relevant Provisions: 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 [Section 31(3)(c) read with CGST Rules, 2017].

Analysis & Conclusion: Therefore, in the given case, Shyam Fabrics cannot issue tax invoice. Instead, it shall issue a Bill of Supply

Question (7): Jai, a registered supplier, runs a general store in Ludhiana, Punjab. Some of the goods sold by him are exempt whereas some are taxable. You are required to advise him on the following issues:

- i. Whether Jai is required to issue a tax invoices in all cases, even if he is selling the goods to the end-consumers?
- ii. Jai sells some exempted as well as taxable goods valuing Rs. 5,000 to a school student. Is he mandatorily required to issue two separate GST documents?
- iii. Jai wishes to know whether it's necessary to show tax amount separately in the tax invoices issued to the customers. You are required to advise him.

Answer:

Answer:

(i) Relevant Provisions: As per section 31(1) of the CGST Act, 2017, every registered person supplying taxable goods is required to issue a 'tax invoice'. Section 31(3)(c) of the CGST Act, 2017 stipulates that every registered person supplying exempted goods is required to issue a bill of supply instead of tax invoice.

Further, rule 46A of the CGST Rules, 2017 provides that a registered person supplying taxable as well as exempted goods or services or both to an un-registered person may issue a single 'invoice-cum-bill of supply' for all such supplies.

However, as per section 31(3)(b) read with rule 46 and rule 49 of the CGST Rules, 2017, a registered person may not issue a tax invoice if value of the goods supplied below 200, and the recipient is unregistered; and the recipient does not require such invoice.

Analysis & Conclusion: No, he is not required to issue tax invoice in all cases. Further, 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.



(ii) Relevant Provisions: As per rule 46A of the CGST Rules, 2017, 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.

Analysis & Conclusion: Thus, there is no need to issue a tax invoice and a bill of supply separately to the school student in respect of supply of the taxable and exempted goods respectively.

(iii) Relevant Provisions: As per section 33, 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.

As per rule 46 of the CGST Rules, 2017, a tax invoice shall contain the various particulars, inter alia, namely, amount of tax charged in respect of taxable goods or services (Central tax, State tax, Integrated Tax, Union Territory Tax or Cess);

Analysis & Conclusion: Hence, Jai has to show the **tax amount separately in the tax invoices issued to customers**

Question (8): The aggregate turnover of Sangri Services Ltd, exceeded Rs. 20 lakh on 12th August. He applied for registration on 3rd September and was granted the registration certificate on 6th September. You are required to advice Sangri Services Ltd. as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of Revised Tax Invoices.

Answer: **Relevant Provisions:** As per section 25 read with CGST Rules, 2017, where an applicant submits application for registration within 30 days from the date he becomes liable to registration, effective date of registration is the date on which he becomes liable to registration.

Further, As per section 31 read with CGST Rules, 2017, every 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 Revised Tax Invoices. Revised Tax Invoices shall be issued within 1 month from the date of issuance of certificate of registration. Revised Tax Invoices shall be issued within 1 month from the date of issuance of registration in respect of taxable supplies effected during the period starting from the effective date of registration till the date of issuance of certificate of registration.

**Analysis & Conclusion:** Since, Sangri Services Ltd.'s turnover exceeded 20 lakh on 12th August, it became liable to registration on same day. Further, it applied for registration within 30 days of so becoming liable to registration, the effective date of registration is the date on which he becomes liable to registration, i.e. 12th August.

Further, in the given case, Sangri Services Ltd. has to issue the Revised Tax Invoices in respect of taxable supplies effected during the period starting from the effective date of registration (12th August) till the date of issuance of certificate of registration (6th September) within 1 month from the date of issuance of certificate of registration, i.e. on or before 6th October.





# Thank You!

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