

CHAPTER 5

Goods and Services Tax (GST) Laws

Tax Invoice - Electronic Way Bill

CMAL2P7-C5-U5.7 • Rank 6 in chapter • Category C • 11.0% of chapter questions • 54 questions

Topic 1: Tax Invoice - Concept & Importance

CMAL2P7-C5-U5.7-T01

Read first Read the tax invoice provisions of §5.7 and §5.7.1 to §5.7.16, ICAI Study Material 7B, pages 186 to 196 — the time-limit table for goods on page 186 and for services on page 186 and 187, the ₹200 consolidated invoice and the revised invoice on pages 187 and 188, the eighteen particulars of rule 46 on pages 190 and 191, the triplicate-and-duplicate rule 48 on pages 191 and 192, and the bill of supply, receipt voucher, refund voucher and payment voucher of rules 49 to 52 on pages 192 to 194.

NOTES

Section 31 — the two dates for goods: a registered person supplying taxable goods must issue a tax invoice **before or at the time of** (a) **removal of the goods** for supply to the recipient, where the supply involves movement of goods, or (b) **delivery of the goods or making them available** to the recipient, in any other case. The invoice shows the description, quantity and value of the goods, the tax charged and the other prescribed particulars.

The three special cases on the goods side: for a **continuous supply of goods** with successive statements of account or successive payments, the invoice is issued **before or at the time each statement is issued or each payment is received** [Sec. 31(4)]. For goods **sent or taken on approval for sale or return** and removed before the supply takes place, the invoice is issued **before or at the time of supply, or six months from the date of removal, whichever is earlier** [Sec. 31(7)]. The Government may notify categories of goods with their own time and manner.

Supply of services — the situation	Time limit for issuing the invoice
General case	Within 30 days from the date of the supply of service
Insurance or banking company or a financial institution, including an NBFC	Within 45 days from the date of the supply of service
Supply of services ceases before completion	At the time the supply ceases, to the extent of the supply made before cessation

Continuous supply — due date of payment ascertainable from the contract	On or before the due date of payment
Continuous supply — due date of payment not ascertainable	Before or at the time the supplier receives the payment
Continuous supply — payment linked to completion of an event	On or before the date of completion of that event
Insurer, bank, financial institution including NBFC, telecom operator or notified supplier, supplying to a distinct person under sec. 25	Before or at the time the supplier records it in his books, or before the expiry of the quarter in which the supply was made

The two limits inside the services table: the **30 days** general limit, and the **45 days** limit for an insurer, a banking company, a financial institution including an NBFC. The three limbs of **continuous supply of services** turn on one fact only: whether the contract makes the **due date of payment ascertainable**. A person with more than one registration is a **distinct person** for each of them [Sec. 25(4)].

The eighteen particulars of rule 46: (a) the supplier's **name, address and GSTIN**; (b) a **consecutive serial number not exceeding 16 characters**, unique for a financial year, using only alphabets, numerals and the hyphen and slash; (c) **date of issue**; (d) the recipient's name, address and **GSTIN or UIN if registered**; (e) and (f) his name, address and address of delivery with the **State and its code where he is unregistered**; (g) **HSN code**; (h) description; (i) quantity and unit; (j) **total value**; (k) **taxable value after discount or abatement**; (l) **rate of tax**; (m) **amount of tax**; (n) **place of supply with the State, for an inter-State supply**; (o) address of delivery where different; (p) whether tax is payable on **reverse charge**; (q) **signature**; and (r) a **QR code carrying the Invoice Reference Number** where an e-invoice has been issued under rule 48(4).

Four riders on rule 46: the unregistered recipient's address is required where the taxable supply is **₹50,000 or more**, and below that only if he asks for it. From 01-04-2021 a taxpayer whose turnover in the preceding financial year is **up to ₹5 crore gives a 4-digit HSN code** on B2B invoices and one whose turnover **exceeds ₹5 crore gives 6 digits** on all invoices; **HSN** is the Harmonised System of **Nomenclature**. No signature is needed on an electronic invoice issued under the Information Technology Act, 2000. Taxable and exempted supplies to an **unregistered** person may go on a single **invoice-cum-bill of supply** [Rule 46A].

Rule 48 — the manner of issue and the number of copies: for a supply of **goods** the invoice is prepared in **triplicate** — ORIGINAL FOR RECIPIENT, DUPLICATE FOR TRANSPORTER, TRIPLICATE FOR SUPPLIER; for a supply of **services** in **duplicate** — ORIGINAL FOR RECIPIENT and DUPLICATE FOR SUPPLIER. The serial numbers of the invoices issued in a tax period are furnished on the portal in Form **GSTR-1 or GSTR-1A**. Sub-rules (1) and (2) do **not** apply to an e-invoice prepared under sub-rule (4).

The two invoices that are not the ordinary invoice — consolidated and revised: a registered person may not issue a tax invoice where the value of the supply is less than ₹200, provided the recipient is unregistered and does not require one, but must then issue a **consolidated tax invoice at the close of each day** for all such supplies [Sec. 31(3)(b)]. A **revised invoice** may be issued **within one month from the date of the certificate of registration** against invoices already issued between the **effective date of registration** and the date of the certificate [Sec. 31(3)(a) r.w.r. 53(2)].

Two riders on the revised invoice, and the bill of supply that replaces the invoice altogether: a **consolidated** revised invoice may be issued for all unregistered recipients, and for **inter-State** supplies not exceeding ₹2,50,000 a consolidated revised invoice may be issued separately for the unregistered recipients located in each State. A person supplying **exempted** goods or services, or paying tax under **section 10 (composition levy)**, issues a **bill of supply** instead of a tax invoice [Sec. 31(3)(c)], and may omit it below ₹200 on the same conditions.

What the bill of supply contains and what must be written across the top of it: rule 49 gives eight particulars — supplier's name, address and GSTIN; the 16-character consecutive serial number; date of issue; the recipient's name, address and GSTIN or UIN if registered; **HSN code**; description; **value after discount or abatement**; and signature. There is **no rate of tax and no amount of tax**, and that absence is the whole point of the document. A composition supplier must print "**composition taxable person, not eligible to collect tax on supplies**" at the top.

The four vouchers: a **receipt voucher on receipt of an advance** [Sec. 31(3)(d), rule 50]; a **refund voucher** where the advance was taken, a receipt voucher issued, but **no supply made and no invoice issued** [Sec. 31(3)(e), rule 51]; an **invoice** by a recipient liable under **section 9(3) or 9(4)**, to be issued **within 30 days of receipt** of the supply [rule 47A]; and a **payment voucher** at the time of paying that supplier [Sec. 31(3)(g), rule 52]. Under rule 50, where at the time of the advance **the rate of tax is not determinable, tax is paid at 18%**, and where **the nature of supply is not determinable, it is treated as an inter-State supply**.

Tax invoice in special cases [Rule 54], and the two sections that police the invoice: an **Input Service Distributor** invoice carries the amount of credit distributed; a **goods transport agency** must add the **gross weight, the consignor and consignee, the registration number of the goods carriage, details of the goods, the place of origin and destination, and the GSTIN of the person liable to pay tax**; a **passenger transport** ticket is a tax invoice; a **multiplex** electronic ticket is deemed one. **Section 32** forbids unauthorised collection of tax and **section 33** requires the tax amount to be shown prominently.

OBJECTIVE recognise the right answer — Section A of the Scanner, 1 and 2 marks • 13 questions

- Thirteen objectives sit here and most are a single figure. Carry them as a block: an invoice for services within **30 days**, and within **45 days** for an insurer, a banking company, a financial institution or an NBFC — the Scanner has asked that one limit in all three wordings. No tax invoice is needed below ₹200 to an unregistered recipient who does not want one. Copies: **triplicate for goods, duplicate for services**.

- Two objectives are about HSN and they do not agree with the book. In HSN, N stands for Nomenclature is safe. But the Scanner's answer that **HSN Code is 8 digits** is the length of the full tariff code, not what rule 46 requires on an invoice: the Study Material says **4 digits** where turnover is up to ₹5 crore and **6 digits** where it exceeds it. If the stem asks what an invoice must carry, answer 4 or 6 and say why.
- Three objectives are the small rules. A supplier who **suppressed** supplies later detected by officers **cannot** issue a normal tax invoice — answer False. The sale document for an **exempted** supply is the **bill of supply**, not a delivery challan and not a commercial invoice. Where the rate is not determinable when an advance is received, the receipt voucher shows **18% and inter-State supply** — the two limbs of the rule 50 taxpoint answered together.
- One objective printed in this unit does not belong to it. The 2025-Dec question on **CMP-08 and CMP-04** is a returns question and the Scanner prints no keyed answer for it, only the four options again. On the Study Material, **CMP-08 is quarterly**, by the 18th of the month succeeding the quarter, so option (d) is the only one whose first limb is right. Prepare it with unit 5.8, not here.

OQ • PYQ 2019-Jun [1] (c) (ii) • 1M • Pg 830	OQ Objective	Easy
OQ • PYQ 2019-Dec [1] (a) (v) • 1M • Pg 830	OQ Objective	Easy
OQ • PYQ 2021-Dec [2] • 1M • Pg 830	OQ Objective	Easy
OQ • PYQ 2021-Dec [13] • 1M • Pg 830	OQ Objective	Easy
OQ • PYQ 2021-Dec [19] • 1M • Pg 831	OQ Objective	Easy
OQ • PYQ 2022-Dec [1] (a) (iv) • 1M • Pg 831	OQ Objective	Easy
OQ • PYQ 2022-Dec [1] (c) (i) • 1M • Pg 831	OQ Objective	Easy
OQ • PYQ 2022-Dec [1] (d) (iv) • 1M • Pg 832	OQ Objective	Easy
OQ • PYQ 2023-Jun [6] (c) (i) • 1M • Pg 832	OQ Objective	Easy
OQ • PYQ 2023-Jun [6] (c) (ii) • 1M • Pg 833	OQ Objective	Easy
OQ • PYQ 2023-Dec [1] (xii) {C} • 2M • Pg 833	OQ Objective	Easy
OQ • PYQ 2024-Dec [1] (x) {C} • 2M • Pg 834	OQ Objective	Easy
OQ • PYQ 2025-Dec [1] (xiii) {C} • 2M • Pg 835	OQ Objective	Easy

REMEMBERING recall and reproduce • 1 question

- The five-mark short note asks for the **contents of a receipt voucher**. Open by citing **section 31(3)(d) read with rule 50** and saying when the voucher is issued — on receipt of an advance payment, before any supply is made. Then give the eleven particulars as a list. A short note on contents is marked on the list, so spend the space there rather than on an introduction.
- The particulars that separate a receipt voucher from an invoice are the ones to be sure of: the **amount of advance taken** in place of the value of supply, the **rate and amount of tax**, the **place of supply with the State and its code** for an inter-State supply, and **whether tax is payable on reverse charge**. Close with the rule 50 taxpoint — 18% where the rate is not determinable, inter-State where the nature is not.

TQ 1.15 • PYQ 2018-Dec [7] (d) • 5M • Pg 845

SN
Short note**Medium****UNDERSTANDING** explain with reasons • 1 question

- The five-mark question asks for the time limit for issuing an invoice in a **continuous supply of goods** and a **continuous supply of services**. Answer in two labelled parts, each opening with its sub-section. Goods, **section 31(4)**: where successive statements of account or successive payments are involved, before or at the time each statement is issued or each payment is received.
- Services, **section 31(5)**, is a three-row table and the marks are in the rows, so draw it: due date of payment **ascertainable** from the contract — on or before the due date; **not ascertainable** — before or at the time the supplier receives the payment; payment **linked to the completion of an event** — on or before the date of completion of that event. Three rows, three marks; the two definitions are worth the rest.

TQ 1.17 • PYQ 2022-Dec [4] (a) • 5M • Pg 847

DESC
Descriptive**Medium****ANALYSING** break down and compare • 1 question

- The five-mark question prints a tax invoice and asks you to **identify any five mistakes**. Do not write prose. Number the defects and name the particular of **rule 46** each one breaches: no serial number; the supplier's address missing; the supplier's GSTIN wrong; the purchaser's address missing; no rate per unit; **no HSN code**; **no rate of GST**; no signature of the authorised person; and **no place of supply**, although the supply is inter-State.
- The examiner asks for five, so give the five that are easiest to justify and stop — there is no credit for a sixth. Anchor the answer with one opening line, "**As per section 31 read with rule 46**", and one closing line on the signature: a computer printout is not exempt from signature unless the invoice is issued electronically under the Information Technology Act, 2000, which the stem does not say.

PQ 1.1 • PYQ 2018-Dec [6] (b) • 5M • Pg 847

PRAC
Practical**Medium**

EVALUATING judge and justify • 1 question

- The five-mark question asks whether a supplier who wants to keep his rates confidential may show a **consolidated value of goods and GST together**. The answer is no, and it must be reasoned from rule 46, not asserted: the invoice has to carry the **taxable value**, the **rate of tax** and the **amount of tax** as separate particulars, and each of those is a separate clause of the rule.
- Add the point the stem plants for you — he will also be making **inter-State** supplies, so the invoice must additionally show the **place of supply along with the name of the State**. Close with the commercial answer: confidentiality is not a ground recognised anywhere in section 31 or rule 46, and an invoice that omits a prescribed particular is not a valid tax invoice for the recipient's credit.

TQ 1.16 • PYQ 2019-Dec [4] (a) • 5M • Pg 846

DESC
Descriptive**Hard****PRACTICE** practise — model questions set by the Scanner, not from a past paper • 14 questions

- Fourteen model questions sit here and nine of them are one-line date problems. Work them by asking the same two questions each time: is this **goods or services**, and is it **ordinary, continuous, or on approval**. Sultan Industries removes the spare parts on 29 September for a 30 September delivery, so the invoice is due **on or before 29 September** — removal, not delivery, because the supply involves movement of goods.
- MBM Caretakers is the continuous-supply-of-services model: quarterly maintenance under a one-year contract with payment due on the day the service is rendered is a continuous supply, the due date is ascertainable, so the invoice goes out **on or before each due date of payment**. Sangri Services combines two rules — registration effective from 12 August because the application was within 30 days, and revised invoices for the gap up to the certificate.
- Shyam Fabrics is the composition model and the answer is one sentence with one citation: a person paying tax under **section 10** issues a **bill of supply**, not a tax invoice [Sec. 31(3)(c)]. Write the citation even in a model question — the examined questions in this unit are marked on section and rule numbers, and the model questions are where you build the habit of putting them in.
- The five multiple-choice models rehearse the limits you will meet again in Section A: **30 days** for services generally, **45 days** for an insurer, **on or before the due date of payment** where it is ascertainable and **before or at the time of receipt** where it is not, and **the earlier of supply or six months from removal** for goods sent on approval. Learn them as a set of five.

TQ 1.1 • Model Question • Pg 836

DESC
Descriptive

TQ 1.2 • Model Question • Pg 838

DESC
Descriptive

TQ 1.3 • Model Question • Pg 839

DESC
Descriptive

TQ 1.4 • Model Question • Pg 840

DESC
Descriptive

TQ 1.5 • Model Question • Pg 840

DESC

	Descriptive
TQ 1.6 • Model Question • Pg 841	DESC Descriptive
TQ 1.7 • Model Question • Pg 841	DESC Descriptive
TQ 1.8 • Model Question • Pg 842	DESC Descriptive
TQ 1.9 • Model Question • Pg 843	DESC Descriptive
TQ 1.10 • Model Question • Pg 843	DESC Descriptive
TQ 1.11 • Model Question • Pg 844	DESC Descriptive
TQ 1.12 • Model Question • Pg 844	DESC Descriptive
TQ 1.13 • Model Question • Pg 844	DESC Descriptive
TQ 1.14 • Model Question • Pg 845	DESC Descriptive

Topic 2: E-Invoicing

CMAL2P7-C5-U5.7-T02

Read first Read the e-Invoice passage in §5.7 and rule 48(4) in §5.7.11, ICAI Study Material 7B, pages 187, 191 and 192 — the turnover threshold and the six classes of registered person to whom e-invoicing does not apply, and then the three consequences the Study Material draws in rule 48(4): the Commissioner's power to exempt, the rule that an invoice issued otherwise than as prescribed is not an invoice at all, and the disapplication of the triplicate and duplicate sub-rules.

NOTES

What e-invoicing is: rule 48(4) requires a notified class of registered persons to prepare the invoice by including the particulars of **Form GST INV-01** and **obtaining an Invoice Reference Number** by uploading that information on the Common GST Electronic Portal. It is not an invoice sent by e-mail and it is not a PDF. The output is an invoice that carries an **IRN**, and rule 46(r) then requires a **QR code with the IRN embedded in it** on the face of the invoice.

The turnover threshold: to A.Y. 2025-26, e-invoicing must be complied with where turnover exceeds ₹5 crore in any financial year from 2017-18, aggregate turnover being taken **PAN-wise across all GSTINs in India**. The earlier threshold was ₹50 crore in any preceding financial year from 2018-19. Give the current figure, name the year it belongs to, and answer on the law of your own assessment year.

The six exclusions from e-invoicing: (a) an insurer, a banking company or a financial institution

including an NBFC; (b) a **goods transport agency**; (c) a supplier of **passenger transportation services**; (d) a supplier of services by way of **admission to the exhibition of cinematograph films in multiplex screens**; (e) an **SEZ unit**, by Notification 61/2020-CT; and (f) a **Government department and a local authority**, by Notification 23/2021-CT. The exclusions apply **irrespective of turnover**.

Inside the SEZ exclusion: it is the **SEZ unit** that is exempt; an **SEZ developer is not**. The same care is needed with the financial exclusion — it covers the insurer, the banking company and the financial institution including an NBFC, and does not extend to every company that happens to lend money. Match the person to the words of the list, not to its general sense.

Three consequences of rule 48(4): the Commissioner may, on the Council's recommendation, **exempt a person or class of persons for a specified period**; **sub-rules (1) and (2) do not apply**, so an e-invoice is **not issued in multiple copies** and the triplicate-for-goods and duplicate-for-services rule falls away; and **every invoice issued by a person to whom e-invoicing applies, in any manner other than the prescribed manner, shall not be treated as an invoice at all**. A failed e-invoice is not a defective invoice; it is no invoice.

Where e-invoicing reappears: rule 46(r) adds the **QR code carrying the IRN** to the particulars of every invoice issued under rule 48(4); and **rule 138A(2)** allows the person in charge of a conveyance to **produce that QR code electronically in lieu of the physical copy of the tax invoice** when the proper officer verifies the consignment. That is the link between the e-invoice and the e-way bill.

APPLYING take the provision to the facts • 1 question

- The eight-mark question gives two independent cases and asks whether e-invoicing applies in May 2025. Answer each separately, in three steps: state the threshold rule, apply the turnover, then check the person against the exclusion list. Geetha Pharma at **₹60 crore** in 2024-25 is above the threshold and is not an excluded person, so e-invoicing applies to its **B2B supplies and exports** — not to its supplies to unregistered persons.
- Unicorn Fincap is the trap, and it is not the turnover. **₹75 crore** clears any threshold, but if the entity is a **financial institution or an NBFC** it is excluded **irrespective of turnover** by the first item on the list. Say which limb of the exclusion you are relying on and why the turnover is then irrelevant. An answer that stops at the turnover has done half the question.
- The threshold in the printed answer is superseded and you must say so rather than copy it. The Scanner works from **₹50 crore in any preceding financial year from 2018-19**; the Study Material for **A.Y. 2025-26** gives **₹5 crore in any financial year from 2017-18**. On these facts the conclusion is the same either way, which is why the printed answer survives — but write the current figure, name the year, and answer on the law of your own assessment year.
- Two smaller defects in the stem are worth a line each in your answer. The second case gives the preceding financial year as **2023-24** for a May 2025 supply, when the preceding year is 2024-25; it does not change the result, because the test is **any preceding financial year from the notified year onwards**. And close by listing the exclusions you checked and rejected — the marks for this question are in the list.

Topic 3: Credit & Debit Notes [Sec. 34]

CMAL2P7-C5-U5.7-T03

Read first Read §5.7.10 Credit and debit notes [Sec. 34], ICAI Study Material 7B, pages 189 and 190 — the three occasions on which a credit note may be issued, the outer limit of 30th November following the end of the financial year on the adjustment, the bar where the incidence of tax has been passed on, and the debit note limb with the taxpoint that a debit note includes a supplementary invoice.

NOTES

When a credit note may be issued — three occasions, and the section says "may": where one or more tax invoices have been issued and **the taxable value or the tax charged exceeds** the taxable value or tax payable on that supply; where **the goods supplied are returned by the recipient**; or where **the goods or services supplied are found to be deficient**. The supplier, and only the supplier, issues it, and he may issue one or more credit notes for supplies made in a financial year [Sec. 34(1)].

The declaration and the outer limit: a registered person who issues a credit note must **declare its details in the return, GSTR-1, for the month in which it is issued**. The tax liability may be adjusted only up to the earlier of (a) **the 30th of November following the end of the financial year in which the supply was made** and (b) **the date of furnishing the relevant annual return**. The year that matters is the year of the **supply**, not the year of the credit note.

The bar on reducing the liability: **no reduction in the output tax liability of the supplier is permitted if the incidence of the tax and interest on that supply has been passed on to any other person**. A credit note may still be issued as a commercial document; what is barred is the reduction of the supplier's liability. This is the unjust-enrichment principle appearing inside section 34.

The debit note: where the **taxable value or tax charged in the invoice is less than** what is payable, the supplier **shall** issue a debit note — mandatory, where the credit note is permissive [Sec. 34(3)]. Its details are declared in **GSTR-1 for the month of issue** and the liability adjusted accordingly. There is **no 30th November limit on a debit note**, because it increases the liability rather than reducing it. **A debit note includes a supplementary invoice.**

Direction — who issues which document: both documents are issued **by the supplier**. A credit note is issued by the supplier **for reducing** the tax or the taxable value; a debit note by the supplier **for increasing** it. A document raised by the recipient is not a credit note or a debit note for the purposes of the Act, however it is described in the books. Where goods are returned, it is the **supplier** who later issues the **credit note** for the returned value.

What these documents must contain [Rule 53]: the supplier's name, address and GSTIN; **the**

nature of the document — debit note, credit note, supplementary invoice or revised invoice; the consecutive serial number unique for a financial year; the date of issue; the recipient's name and address, and GSTIN or UIN if registered; the name, address and address of delivery with the State and its code where the recipient is **unregistered**; and the **serial number and date of the corresponding tax invoice**, which is the particular that ties the note to the supply.

The revised invoice: the word "**Revised Invoice**" **must be indicated prominently** on the face of the document, and the rest of the particulars follow the credit and debit note list. Keep the three apart by their trigger: a **revised invoice** corrects invoices issued between the effective date of registration and the certificate; a **debit note** corrects an undercharge; a **credit note** corrects an overcharge, a return, or a deficiency.

OBJECTIVE recognise the right answer — Section A of the Scanner, 1 and 2 marks • 4 questions

- Three objectives sit here and each is one distinction. The document raised where **the taxable value or tax in the invoice is less than** the actual value is a **debit note**, not a revised invoice and not a refund voucher. A **credit note is issued by the supplier for reducing the tax or the taxable value** — read the four options carefully, because two of them offer the recipient as the issuer and both are wrong.
- The 2025-Jun objective is a date problem. A credit note issued on 27.03.2026 relates to a supply made on **12.12.2025**, so the supply falls in **F.Y. 2025-26** and the outer limit is **30.11.2026**, or the date the annual return for that year is actually furnished if earlier. Candidates lose it by taking the year of the **credit note** or by reaching for the 31 December annual-return date.
- The 2026-Jun objective on goods worth ₹10,000 returned out of a ₹1,00,000 supply carries **no printed answer in the Scanner**. It is a **credit note**: section 34(1) names the return of goods as one of the three occasions, and it is the supplier, Mr. Ram, who issues it. A debit note would increase the liability, which is the opposite of what a return of goods does.

OQ • PYQ 2021-Dec [13] • 1M • Pg 830	OQ Objective	Easy
OQ • PYQ 2024-Jun [1] (xiii) {C} • 2M • Pg 834	OQ Objective	Easy
OQ • PYQ 2025-Jun [1] (xiv) {C} • 2M • Pg 834	OQ Objective	Easy
OQ • PYQ 2026-Jun [1] (xii) {C} • 2M • Pg 835	OQ Objective	Easy

REMEMBERING recall and reproduce • 2 questions

- Two five-mark short notes sit here. The one on **contents of a revised tax invoice and credit or debit note** is marked on the list of particulars from rule 53, and the first item is the one candidates omit — the word "**Revised Invoice**" **indicated prominently** where applicable, followed by the **nature of the document** and the **serial number and date of the corresponding tax invoice**.
- The short note on the **debit note** wants the provision, not a description. Quote **section 34(3)** — where the taxable value or tax charged is found to be **less than** what is payable, the supplier **shall** issue a debit

note — then the declaration in **GSTR-1 for the month of issue**, then the taxpoint that a **debit note includes a supplementary invoice**. Five marks will hold all three plus one line of contrast with the credit note.

- In either short note, add the sentence that shows you know the asymmetry: the **30th November outer limit** and the **passing-on bar** apply to the credit note only, because only a credit note reduces the supplier's output tax. A candidate who applies the November limit to a debit note has told the examiner he has learnt the two documents as one.

TQ 3.2 • PYQ 2018-Jun [7] (c) • 5M • Pg 850

SN
Short note

Medium

TQ 3.3 • PYQ 2019-Jun [7] (c) • 5M • Pg 851

SN
Short note

Medium

UNDERSTANDING explain with reasons • 1 question

- The seven-mark question printed under this topic is **not about credit and debit notes at all** — it asks about the eligibility for the **QRMP scheme** and whether the option is GSTIN-wise or PAN-wise. That is a returns question and its material is in unit 5.8; the Scanner has filed it in the wrong place. Answer it from the QRMP rules, not from section 34, and do not be thrown by where it is printed.
- The substance it wants is short. **New registration**: a taxpayer with aggregate turnover up to **₹5 crore** may opt from the beginning of the quarter if registration is granted in the **first month** of the quarter, and only **from the next quarter** if granted in the latter two months. **Others**: opt in from the first day of the second month of the preceding quarter to the last day of the first month of the quarter, once only, valid for future periods.
- The last limb has a one-word answer and a reason. The option is **GSTIN-wise, not PAN-wise** — so some GSTINs under one PAN may be in the scheme and others outside it. Say that expressly, because the question asks it as a separate sub-part and it is the half candidates guess. The ₹5 crore eligibility, by contrast, is tested **at PAN level**, and holding those two together is the whole point of the question.

TQ 3.4 • PYQ 2025-Dec [8] (a) • 7M • Pg 852

DESC
Descriptive

Medium

PRACTICE practise — model questions set by the Scanner, not from a past paper • 1 question

- The single model question asks for the **contents of credit notes, debit notes and supplementary tax invoices**. Work it as a list under **rule 53** and use it to fix the two particulars that only this family has: the **nature of the document**, named expressly, and the **serial number and date of the corresponding tax invoice**. Everything else repeats rule 46, so learn the differences rather than the whole list twice.

TQ 3.1 • Model Question • Pg 850

DESC
Descriptive

Topic 4: Delivery Challan (Rule 55)

CMAL2P7-C5-U5.7-T04

CONCEPT BASE — no exam question asked yet • essential for full preparation

Read first Read the delivery challan references in §5.7.17, ICAI Study Material 7B, pages 197 to 202 — the document number and date in Part A of Form GST EWB-01 on page 197, the transporter generating an e-way bill from the challan on page 198, the twenty-kilometre weighbridge exception in rule 138(14) on page 200 that requires movement to be accompanied by a challan issued under rule 55, and rule 138A(1) and 138A(4) on pages 201 and 202.

N O T E S

What the delivery challan is for: a tax invoice covers a movement of goods that is a supply. Goods also move for **reasons other than supply** — a stock transfer, goods sent for job work, goods sent to a weighbridge, goods sent on approval before the supply takes place — and for those the document that travels with the consignment is the **delivery challan issued under rule 55**. It is the third member of a set always named together: **the invoice, the bill of supply, or the delivery challan**.

Where the challan appears in the e-way bill machinery: Part A of **Form GST EWB-01** carries the **document number and date**, the document being a **tax invoice, bill of supply, delivery challan or bill of entry**; the documents required to **generate** an e-way bill begin with the **invoice, bill of supply or challan** relating to the consignment; and where neither consignor nor consignee has generated the bill, the **transporter may do so from the invoice, bill of supply or delivery challan handed to him**.

The document the person in charge of the conveyance must carry [Rule 138A(1)]: he shall carry **the invoice or bill of supply or delivery challan, as the case may be**, together with a copy of the e-way bill in physical form, or the e-way bill number electronically, or the number mapped to an **RFID** embedded on the conveyance. The words "**as the case may be**" do the work: which of the three documents travels depends on whether the movement is a supply, an exempt or composition supply, or a movement for another reason.

The Commissioner's power to substitute the challan for the e-way bill [Rule 138A(4)]: where circumstances so warrant, the Commissioner may by notification require the person in charge of the conveyance to carry, **instead of the e-way bill**, either a **tax invoice, bill of supply or bill of entry**, or a **delivery challan**, where the goods are transported for reasons other than by way of supply. The challan is again matched to the non-supply movement.

The one exception in rule 138(14) that the challan carries on its own: no e-way bill is required where goods are moved **up to twenty kilometres from the consignor's place of business to a weighbridge for weighment, or back from the weighbridge** — but only **subject to the condition that the movement is accompanied by a delivery challan issued in accordance with rule 55**.

Without the challan the exception is not available, and the movement is an ordinary movement needing an e-way bill.

What a delivery challan does not do: it does not displace the e-way bill. A **stock transfer between head office and branch** exceeding ₹1,00,000 needs one even though a delivery challan accompanies it. Rule 138 requires the bill for movement **for reasons other than supply** just as much as for a supply; the challan is the document that accompanies such a movement, not a substitute for the bill.

Rule 55 is not set out in this module: pages 186 to 202 give the delivery challan only through the e-way bill rules that use it, and the rule 55 list of particulars is not printed there. Learn the challan from the four places above, and treat any list of its contents met elsewhere as needing its own citation before it goes into an answer.

Topic 5: E-Way Bill [Sec. 68, Rule 138]

CMAL2P7-C5-U5.7-T05

Read first Read §5.7.17 E-Way Bill under GST, ICAI Study Material 7B, pages 197 to 202 — section 68 and the two components of Form GST EWB-01 on page 197, the ₹50,000 consignment value and the two cases that ignore it on pages 197 and 198, the generation table on pages 198 and 199, the fifteen exclusions of rule 138(14) on pages 199 and 200, the validity table on page 200, and rule 138A on pages 201 and 202.

NOTES

Section 68, in three limbs: (1) the Government may require the **person in charge of a conveyance carrying a consignment of goods of value exceeding such amount as may be specified** to carry prescribed documents and devices; (2) those documents **shall be validated** in the prescribed manner; and (3) where the conveyance is **intercepted** by the proper officer at any place, the person in charge **shall produce the documents and devices for verification and allow the inspection of the goods**. Goods moving without a bill that rule 138 requires are moving without the very document section 68 obliges him to produce. Rules 138 to 138E carry the detail.

What the e-way bill is, and its two parts: Form **GST EWB-01** is an electronic document generated on the common portal evidencing the movement of goods of consignment value **more than ₹50,000**. **Part A** carries the GSTIN of supplier and recipient, the **place of despatch and place of delivery by PIN code**, the **document number and date**, the value of the goods, the HSN code and the **reason for transportation**. **Part B** carries the **transport document number and, for road, the vehicle number**.

When it must be generated — three occasions: a movement of goods in a conveyance of value more than ₹50,000, taken **either on each invoice or in aggregate of all invoices in the conveyance, in relation to a supply; for reasons other than a supply**, such as a return or a stock

transfer; or **due to an inward supply from an unregistered person**. Supply here covers a sale, a **branch transfer**, a barter or exchange, and a supply **without consideration**. For the exempted goods listed in the Annexure, Part A must still be furnished where the **value of the supply exceeds ₹2,00,000**.

The two consignments that need a bill however small they are: **inter-State movement of goods by a principal to a job worker**, generated by the principal or by the registered job worker, and **inter-State transport of handicraft goods by a dealer exempted from registration**. Both are **irrespective of the value of the consignment**. In the opposite direction, a registered person or a transporter **may** generate and carry an e-way bill voluntarily even where the value is below ₹50,000.

Who generates it: every registered person fills **Part A** before the movement; where he is consignor or consignee and carries the goods himself he fills **Part B**; where he hands them to a transporter he gives the **transporter's details in Part B** and the **transporter generates the bill from Part A**. Where the supplier is **unregistered** and the recipient registered, the **recipient complies as if he were the supplier**. **Unregistered persons are also required to generate an e-way bill**; unregistered transporters are issued a **Transporter ID** on enrolling. A transporter carrying **multiple consignments in one conveyance** may generate a consolidated bill in **Form GST EWB-02**.

The fifty-kilometre relaxations: where goods are moved **fifty kilometres or less within the same State or Union territory, from the consignor's place of business to the transporter's place of business for further transportation**, the supplier or transporter **may not furnish the conveyance details in Part B**. Where the supply is **by air, ship or railway**, Part A must be filled by the **consignor or the recipient**. Part A is never relaxed; only the transport details are.

The cases in which no e-way bill is required at all [Rule 138(14)] — the goods: **LPG for household and non-domestic exempted category customers; kerosene sold under the PDS; postal baggage of the Department of Posts; pearls and precious or semi-precious stones and precious metals; jewellery and goldsmiths' and silversmiths' wares; currency; used personal and household effects; and unworked and worked coral**. Where the value of a supply of these goods exceeds ₹2,00,000, Part A of EWB-01 must still be furnished before the movement begins.

The remainder of rule 138(14): no bill is needed for a **non-motorised conveyance**; movement **from a customs port or airport to an ICD or CFS for clearance by Customs; alcoholic liquor for human consumption, petroleum crude, high speed diesel, petrol, natural gas or aviation turbine fuel; a supply treated as no supply under Schedule III; movement under customs bond or customs seal; transit cargo from or to Nepal or Bhutan; movements caused by a defence formation; goods where the consignor is the Central or a State Government or a local authority transporting by rail; empty cargo containers; the twenty-kilometre weighbridge movement accompanied by a rule 55 delivery challan; and empty LPG cylinders moved otherwise than for supply**.

Type of conveyance	Distance
Other than over dimensional cargo	Less than 200 km

Other than over dimensional cargo	For every additional 200 km or part thereof
Over dimensional cargo	Less than 20 km
Over dimensional cargo	For every additional 20 km or part thereof

How to read the validity table: validity runs **from the date and time of generation**. Work the distance in slabs: 280 km is 200 plus a part slab, so **2 days**; 290 km is likewise **2 days**; 450 km would be three. For **over dimensional cargo** the slab is **20 km**, not 200. The table prints "**less than 200 kms**" where the slab is more naturally read as **up to 200 km**, so a consignment of exactly 200 km is the one distance on which its wording is unsafe.

Cancellation, acceptance and the small mechanics: an e-way bill **once generated cannot be deleted**, but the generator may **cancel it within 24 hours of generation**, and **not at all once it has been verified by the proper officer**; cancellation is available where the goods are not transported, or not transported as described. Under **rule 138(11)** the details are made available to the supplier or the recipient, whichever did not furnish Part A, and **he shall communicate his acceptance or rejection** of the consignment. Generation, cancellation, updation and assignment are all available by SMS.

Documents and devices to be carried [Rule 138A], and what happens when the conveyance is stopped: the person in charge carries **the invoice or bill of supply or delivery challan and a copy of the e-way bill, or its number, or the number mapped to an RFID** embedded on the conveyance — the second limb **does not apply to movement by rail, air or vessel**. For **imported goods** he also carries a **copy of the bill of entry** and its number and date go in Part A. Where an e-invoice has been issued, the **QR code with the IRN may be produced electronically in lieu of the physical invoice**.

OBJECTIVE recognise the right answer — Section A of the Scanner, 1 and 2 marks • 6 questions

- Six objectives sit here and two of them are the same arithmetic. Distance is worked in slabs of **200 km** for ordinary cargo: 280 km and 290 km each give **2 days**, because both are one full slab plus a part slab. The monetary limit is **more than ₹50,000** — read the options carefully, because "**₹50,000 or more**" is offered alongside it and is wrong by one rupee.
- Two are true-or-false and both answer against the natural reading. "**An unregistered person cannot generate an e-Way bill**" is **False** — unregistered persons are required to, and unregistered transporters get a Transporter ID for the purpose. "**No e-way bill on a head office to branch stock transfer above ₹1,00,000 if a delivery challan is available**" is **False** — rule 138 covers movement for reasons other than supply, and the challan accompanies the bill rather than replacing it.
- The consignment-value objective is the one worth learning as a rule rather than as an answer. What is **excluded** from the transaction value for the e-way bill threshold is the **value of the exempt supply where the invoice covers both taxable and exempt goods**. Packing charges and delivery charges are in;

the taxes are in, not out. Candidates lose it by reading the option list as if it were asking what is included.

- The validity figures are among those that have moved, so answer on the table in front of you and say which table you used. The Study Material for **A.Y. 2025-26** and the Scanner's printed answers agree on the **200 km** slab, so nothing turns on the gap here — but a distance question worked on any other slab length will be wrong, and it is worth one line in a descriptive answer to name the slab you applied.

OQ • PYQ 2021-Dec [14] • 1M • Pg 831	OQ Objective	Easy
OQ • PYQ 2022-Dec [1] (c) (iv) • 1M • Pg 832	OQ Objective	Easy
OQ • PYQ 2022-Dec [1] (c) (v) • 1M • Pg 832	OQ Objective	Easy
OQ • PYQ 2023-Jun [6] (a) (v) • 1M • Pg 832	OQ Objective	Easy
OQ • PYQ 2023-Dec [1] (viii) {C} • 2M • Pg 833	OQ Objective	Easy
OQ • PYQ 2024-Jun [1] (ix) {C} • 2M • Pg 833	OQ Objective	Easy

REMEMBERING recall and reproduce • 2 questions

- The five-mark question asks you to **list any five cases where an e-way bill is not necessary**. Pick five that are easy to state and impossible to argue with: **non-motorised conveyance; no supply under Schedule III; empty cargo containers; the Central or a State Government or a local authority as consignor transporting by rail; and transit cargo from or to Nepal or Bhutan**. Cite **rule 138(14)** once at the top; the Scanner's own answer misprints it as rule 13(14).
- The ten-mark paper asks two short notes from this unit. **Acceptance of the e-way bill** is rule 138(11): the details are made available on the portal to the **supplier where the recipient or transporter furnished Part A**, and to the **recipient where the supplier or transporter did**, and that person **communicates his acceptance or rejection** of the consignment covered by the bill.
- The other limb of that paper asks for the **exceptions to the e-invoice provisions**, which is topic 2 of this unit. Answer it there — the insurer, bank or financial institution including an NBFC; the goods transport agency; the passenger transport supplier; the multiplex; the SEZ unit but not the SEZ developer; and the Government department and local authority. Ten marks across two notes means about five points each; do not spend the whole of it on the first.

TQ 5.6 • PYQ 2019-Dec [7] (b) • 5M • Pg 858	DESC Descriptive	Medium
TQ 5.8 • PYQ 2022-Dec [7] • 10M • Pg 859	SN Short note	Hard

UNDERSTANDING explain with reasons • 1 question

- The two-mark question asks when an e-way bill is needed **even though the consignment is worth less than ₹50,000**. There are exactly two answers and both must be given for full marks: **inter-State movement of goods by a principal to a job worker**, generated by the principal or the registered job worker, and **inter-State transport of handicraft goods by a person exempted from registration**.
- Two marks means two lines, so resist the surrounding material. Do not list the exclusions of rule 138(14), which answer the opposite question, and do not spend a line on the voluntary generation permitted below ₹50,000 — that is an option, not a requirement, and the stem asks what is **required**. Close each of the two cases with the words "**irrespective of the value of the consignment**", which is what the examiner is looking for.

TQ 5.7 • PYQ 2021-Dec [3] • 2M • Pg 858

DESC
Descriptive**Easy****PRACTICE** practise — model questions set by the Scanner, not from a past paper • 5 questions

- Five model questions cover the whole of the topic and they are best worked as one reading. **What is an e-way bill and its benefits** wants the definition of the waybill as a carrier's document with consignor, consignee, origin, destination and route, then the four benefits. **Inspection of goods in movement** wants **section 68** in its three sub-sections, and it is the only place the section is set out in full.
- The model question on **furnishing information prior to the commencement of movement** is where you fix rule 138(1) — **every registered person or transporter who causes movement of goods of consignment value exceeding ₹50,000**, in relation to a supply, for reasons other than supply, or due to an inward supply from an unregistered person, **shall before the commencement of the movement furnish Part A of Form GST EWB-01**. Learn that sentence; it opens half the answers in this topic.
- Work the exclusions model question by grouping rather than by listing: **goods** in the Annexure, **movements** that are not really supplies, **conveyances** that are not motorised, and **customs** movements. A grouped answer is easier to reproduce under pressure than fifteen unrelated items, and the examined five-mark question asks only for five of them.
- The model question on **documents and devices** is rule 138A and it is the bridge to the examined objectives on the tax invoice: the person in charge carries **the invoice or bill of supply or delivery challan plus the e-way bill or its number or an RFID mapping**, with the rail, air and vessel exception, the bill of entry for imports, and the QR code produced electronically where an e-invoice has been issued.

TQ 5.1 • Model Question • Pg 853

DESC
Descriptive

TQ 5.2 • Model Question • Pg 853

DESC
Descriptive

TQ 5.3 • Model Question • Pg 854

DESC
Descriptive

TQ 5.4 • Model Question • Pg 856

DESC
Descriptive

TQ 5.5 • Model Question • Pg 857

DESC

Descriptive
