

#### □ **12.16 Credit and debit notes. [Sec. 34 of CGST Act, 2017]**

A credit note or a debit note, for the purpose of the GST Law, can be issued by the registered person who has issued a tax invoice, *i.e.*, the supplier. Any such document, by whatever name called, when issued by the recipient to the registered supplier, is not a document recognized under the GST Law.

**(A) Credit Notes :** Where one or more tax invoices have been issued for supply of any goods or services or both and

- ✓ the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or
- ✓ where the goods supplied are returned by the recipient, or
- ✓ where goods or services or both supplied are found to be deficient,

the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year containing such particulars as may be prescribed.

**(B) Debit Note :** Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient one or more debit notes for the supply made in the financial year or supplementary invoices containing such particulars as may be prescribed.

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**Question.**

M/s ABC Ltd. has issued eight invoices to M/s PQR Ltd during financial year 2018-19, now they have to issue credit note to M/s PQR Ltd for discount agreed as per terms of contract. Can they issue single credit note or they have to issue a credit note for each invoice ?

**Answer.**

M/s ABC Ltd can issue single credit note for all the invoices, however the credit note should contain the details of the invoices against which the credit note is issued.

**(C) Particulars of credit or debit notes :** Credit or debit notes shall contain the following particulars, namely :

- name, address and GSTIN of the supplier;
- nature of the document;
- a consecutive serial number not exceeding sixteen characters;
- date of issue of the document;
- name, address and GSTIN or UIN, if registered, of the recipient;
- name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
- serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
- value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and
- signature or digital signature of the supplier or his authorised representative.