

Debit Note	Credit Note
1. Situations where debit note to be issued A. The supplier has erroneously <u>declared a value which is less than the actual value</u> of the goods or services or both provided. B. The supplier has erroneously declared a lower tax rate than what is applicable for the kind of the goods or services or both supplied. C. The quantity received by the recipient is more than what has been declared in the tax invoice. D. Any other similar reasons	1. Situations where credit note to be issued A. The supplier has erroneously <u>declared a value which is more than the actual value</u> of the goods or services provided. B. The supplier has erroneously declared a higher tax rate than what is applicable for the kind of the goods or services or both supplied. C. The quantity received by the recipient is less than what has been declared in the tax invoice. D. The quality of the goods or services or both supplied is not to the satisfaction of the recipient thereby necessitating a partial or total reimbursement on the invoice value. E. Any other similar reasons
2. Basic information to be contained in the Debit Note A. Name, address and Goods and Services Tax Identification Number of the supplier;	2. Basic information to be contained in the Credit Note: A. Name, address and Goods and Services Tax Identification Number of the supplier;

B. nature of the document; C. a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year; D. date of issue; E. name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient; F. 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; G. serial number and date of the corresponding tax invoice or, as the case may be, bill of supply; H. value of taxable supply of goods or services, rate of tax and the amount of the tax Debit to the recipient; and I. signature or digital signature of the supplier or his authorized representative	B. nature of the document; C. a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year; D. date of issue; E. name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient; F. 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; G. serial number and date of the corresponding tax invoice or, as the case may be, bill of supply; H. value of taxable supply of goods or services, rate of tax and the amount of the tax credited to the recipient; and I. signature or digital signature of the supplier or his authorized representative
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3. Tax Liabilities : The issuance of a debit note creates additional tax liability. The treatment of a debit note or a supplementary invoice would be identical to the treatment of a tax invoice as far as returns and payment are concerned.	3. Tax Liabilities The output tax liability of the supplier gets reduced once the credit note is issued and it is matched
4. Records The records of the debit note or a supplementary invoice have to be retained until the expiry of seventy two months from the due date of furnishing of annual return for the year pertaining to such accounts and records. Where such accounts and documents are maintained manually, it should be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business where such accounts and documents are maintained digitally	4. Records The records of the credit have to be retained until the expiry of seventy-two months from the due date of furnishing of annual return for the year pertaining to such accounts and records. Where such accounts and documents are maintained manually, it should be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business where such accounts and documents are maintained digitally
5. Time period for issuance. Debit note has to be whenever there is an increase in the value of the tax invoice,	5. Time period for issuance. Credit note has to be issued not later than September following the end of the financial year which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier.
6. It may be noted that annual return is required to be filed under section 30(2) on or before 31st December of the financial year following the relevant financial year. In cases where such annual return is filed after 30th September, the time limit for issuing credit note will be 30th September only.	