

E-circular dated 27th August 2017 :
Missing Signatures on “Purchase Invoices” ?

Integrated Association of Micro, Small & Medium Enterprises of India

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Dear Members,

Beware ! Your purchase bill might be “invalid”
if it is not “signed” properly

Short Summary

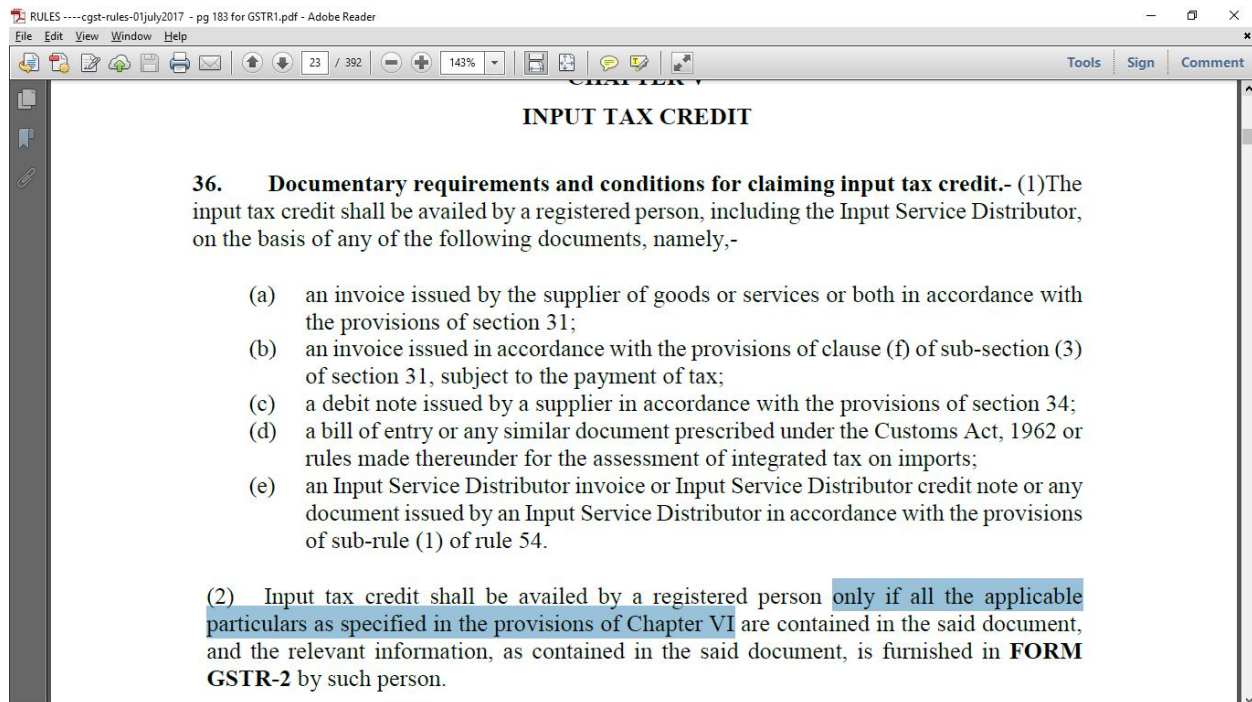
- 1) It is a fact, that many vendors especially some service providers send you their Sales bills, mentioning “Computer Generated Invoice, need not be signed”.
- 2) This is NOT VALID as per Law.
- 3) If caught on wrong foot, **100% Modvat** on those bills will be reversed



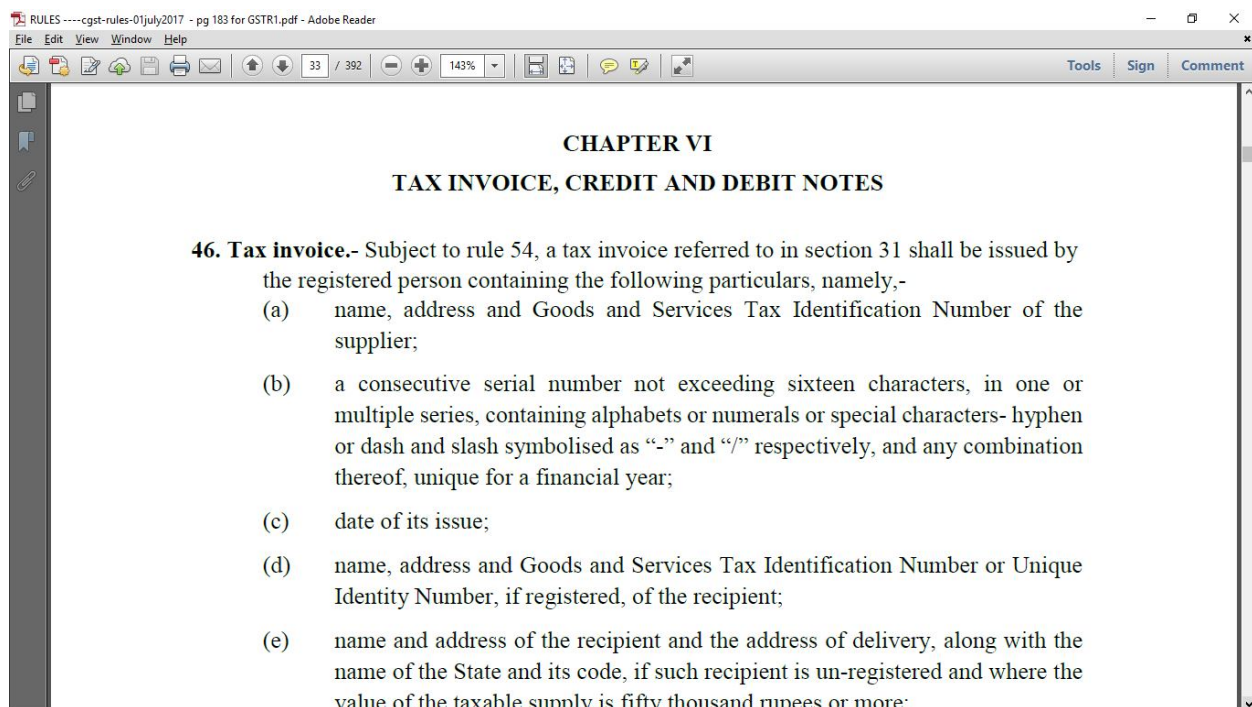
Source 1 :

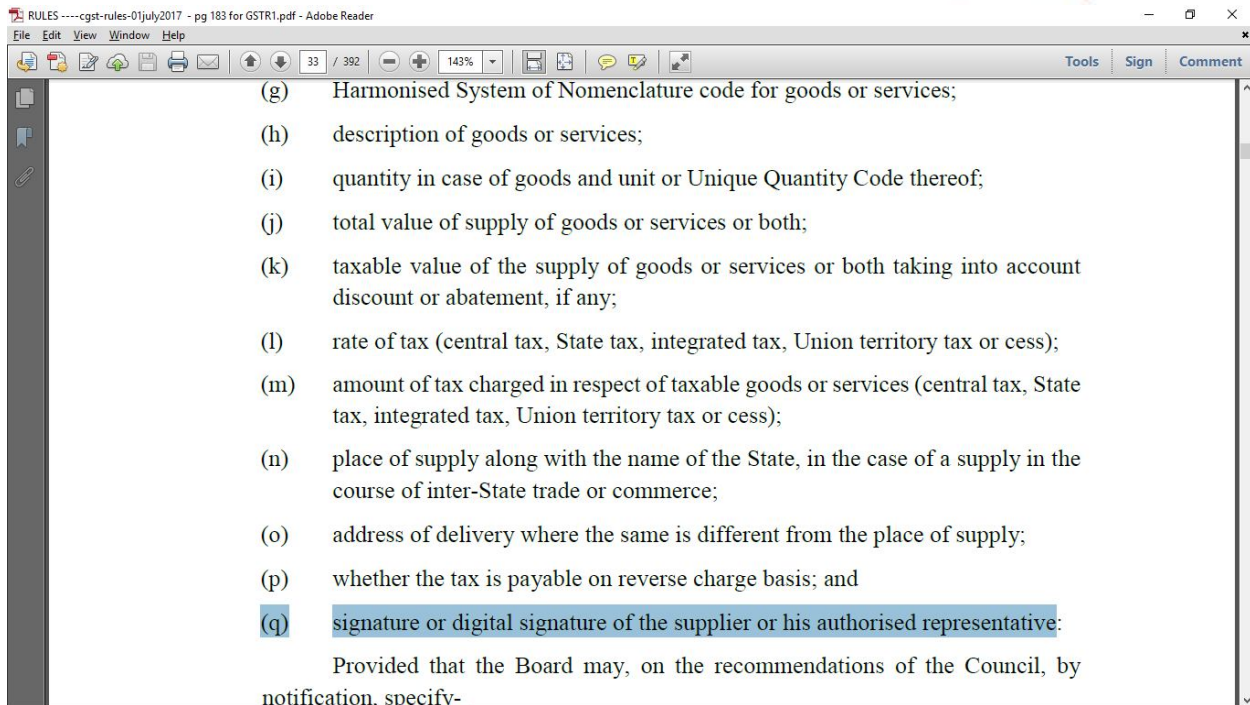
CGST Rule 36(2) says :

“...36(2) Input tax credit shall be availed by a registered person only if all the applicable particulars as specified in the provisions of Chapter VI are contained in the said document,”



Source 2 : What does Chapter VI say ? Rule 46 of CGST Rules





Rule 46(q) clearly says that

“.....a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars, namely,-

(q) “signature or digital signature of the supplier or his authorised representative” is a fundamental part of the “valid invoice”.....”

The obvious Inference is :

This means that if we read the “two lines together”

CGST Rule 36(2) read with Rule 46(q) says :

“...**Input tax credit shall be availed** by a registered person **only if.... Signature** or Digital Signatures of the supplier or his authorised representative are affixed on the invoice.

Conclusion

This was a point earlier too. But with GST coming in, better see this point clearly in future.

The Danger is that “When the **Government Excise/GST Audit team** comes” for assessment / audit of ITC after some months/years, there is a possibility, that **they may refuse to give you the credit** of the ITC on the bills that are not signed properly. Think... Can you handle that ?

Moral of the Story :

Get your Purchase Bills Audited properly.....
to protect yourself against unexpected ITC (GST) losses.

For queries, suggestions and feedback , you can e-mail us

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For personalised suggestions, and solutions, contact our I am SME of India Team and Consultants

Our sponsors :



	<p>Mr Rajiv Chawla Chairman, I am SME of India, with Mr M L Gupta, and Mr Puneet Gupta, mentors of Finsys ERP Team, at the GST Conclave At Hotel Vibe by Lalit, Faridabad</p>
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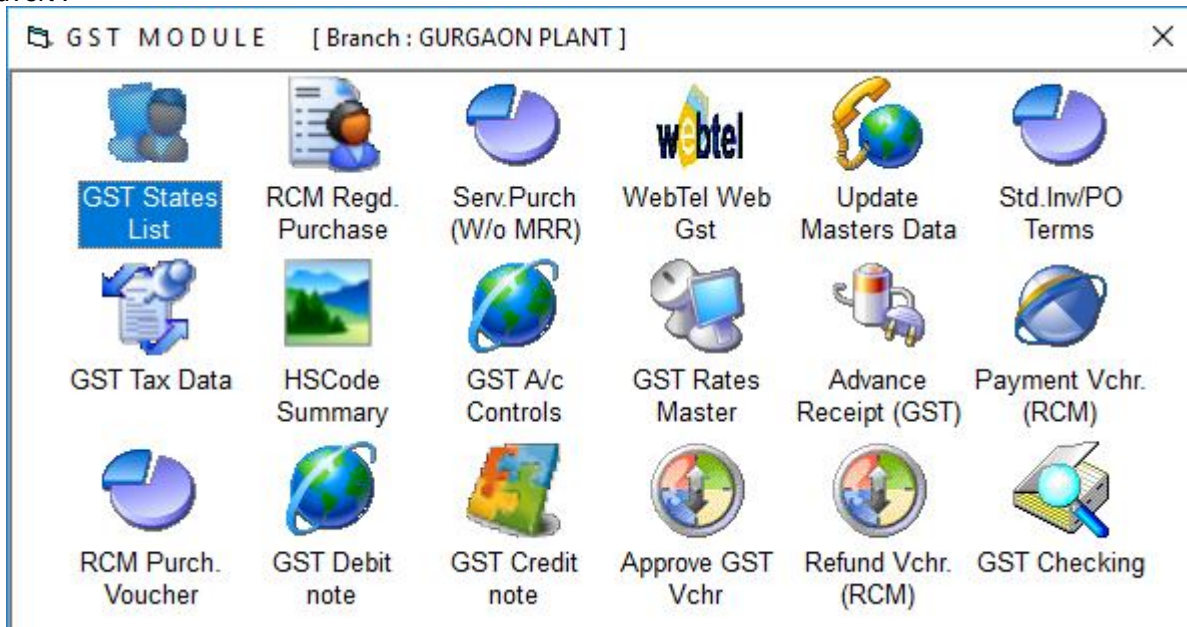
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This facility has begun on the request of some Finsys ERP customers.

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For details, feel free to call their Vice President, Mr. Sanjay Bansal at 9310008912

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