

26<sup>th</sup> November 2015

Shri Rajiv Jalota  
Commissioner of Sales Tax  
Maharashtra,  
Mumbai

**Subject: Issuing of tax invoice bills, cash payment etc**

***Honorable Commissioner,***

Greetings from Retailers Association of India (RAI)!

It is my pleasure to write to you on behalf of RAI.

The purpose of this representation is to convey a practical difficulty faced in compliance of draft trade circular {VAT/AMD-2015/1C/4/Adm-8} issued by your Honorable office dated 29 October 2015. This is of significant concern to retailers and the general business community and we wish to seek a meeting with the view of effecting suitable amendments to the circular.

As per the circular, all dealers who are liable to pay tax, shall discontinue the practice of issuing invoice, bill, and cash memo on thermal paper. In addition, such dealers are supposed to issue either a tax invoice, bill or cash memo on a normal paper so that such a bill and the matter printed thereon shall last for a period of atleast eight years.

The key pointers and probable solutions/recommendations are stated herein below:

1. There should not be a mandatory provision to use normal paper for invoice. Electronic bill or Thermal Invoice or Printed Invoice should be allowed as a valid invoice. None of state VAT laws specify the nature of paper to be used for invoice.
2. This is an electronic world. When the whole world and even Central Government departments are going electronic (take the Income Tax Department and the Ministry of Corporate Affairs as immediate examples), hanging on to paper cash memos is an anachronism (i.e. totally out of tune with the times).

**RAI National Council**

**Atul Chand,**  
ITC - LRBD

**B A Kodandarama Setty,**  
Vivek Ltd.

**B S Nagesh,**  
Chairman, RAI

**Kishore Biyani,**  
Future Group

**Bhaskar Bhat,**  
Titan Industries Ltd.

**Govind Shrikhande,**  
Shoppers Stop Ltd.

**J Suresh,**  
Arvind Brands

**Jamshed Daboo,**  
Trent Hypermarket Ltd.

**Kabir Lumba,**  
Lifestyle International (P) Ltd.

**Noel Tata,**  
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**Rafique Malik,**  
Metro Shoes Ltd.

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**Vinay Nadkarni,**  
Globus Stores Pvt. Ltd.

3. Government should encourage retailers to issue electronic bills. Retailers can start a campaign to educate all the customers to start using electronic bill facility. The electronic bill practice is aimed at reducing environmental impacts of using paper.
4. The customers to whom the invoices are issued do not avail VAT credit hence there is no need to have invoices printed on other paper which is very costly. We recommend that the Government mandates the declaration on the bill advising customer to take a photocopy of the invoice so that there is no issues faced by the customer in case of claim during the warranty period.
5. Signature on Invoice: Considering the number of cash memos generated at a typical modern retail outlet in a day, it is impractical to sign each and every invoice. It will not only inconvenience the business but also the customer because of the increased waiting time at the cash counter. We recommend that both digital signatures be considered as well valid as physical signatures.
6. Second copy of invoice: It should be allowed to store the Invoice digitally, instead of only in hard copy. Preserving hard copies of numerous invoices is extremely complex and creates additional costs of compliance. The practice is against the government move of ease of doing business. In addition, such practice creates conflict as businesses move to an electronic transaction environment.
7. We, at RAI, believe that excessive use of paper has an immense impact on the environment. There is a strong need to prevent the massive deforestation that takes place for manufacturing of paper considering that the compound annual growth rate of the Indian paper industry is 11.7% as of 2014.

We believe that our recommendation would surely bear fruitful results in supporting the industry and the consumers as well as taking forth the objectives of the Government.

We hope and believe that you will receive our representation favorably and look forward to your kind action in this regard.

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We propose that a delegation from our Industry be given an opportunity to place our views in person to you at your earliest convenience. We eagerly look forward to such an opportunity.

Looking forward for your kind response.

Warm Regards,

For and on behalf of Retailers Association of India,



Gautam Jain  
Authorized Signatory

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### **About Retailers Association of India (RAI)**

Retailers Association of India (RAI) is the unified voice of Indian retailers, working with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. RAI is the body that encourages, develops, facilitates and supports retailers to become modern and adopt best practices that will delight customers.

RAI is the representative body of Retailers in India having over 1000 member establishments including large and small retailers in the country and represents over 1,00,000 stores in India. RAI has a three charter aim of Retail Development, Facilitation and Propagation.

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