PETPOOJA

SOP MANUAL

Retail Store Billing SOP

Standard Operating Procedures for GST-compliant billing at the counter. Tax invoices, B2B and B2C rules, e-invoicing, MRP and discounts, payment reconciliation, returns, and day-end closing for Indian retail stores.

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What's Inside

01 Billing Counter Setup & Opening

02 Creating a GST-Compliant Tax Invoice

03 B2B vs B2C Billing

04 E-Invoicing & E-Way Bills

05 Pricing, MRP & Discounts

06 Payments & Reconciliation

07 Returns, Exchanges & Credit Notes

08 Composition Dealers & Bill of Supply

09 Day-End Closing & Reconciliation

10 Records, Retention & Common Billing Errors

55+
SOP Items
Step-by-step procedures

10
Billing Areas
Counter open to day-end

GST
Compliant
Rule 46 aligned

B2B+B2C
Both Covered
GSTIN to consolidated

E-invoice
Ready
IRN, QR, e-way bill

01 Billing Counter Setup & Opening

Before you ring up the first sale of the day

- [ ] **Boot the POS or billing system and confirm it syncs with today's stock** — Daily
  Switch on the billing machine, log in with the cashier's own ID, and confirm product prices and stock counts have synced. A price that is stale by even a day means you either overcharge the customer or lose margin.

- [ ] **Set the correct invoice series and starting number for the day** — Critical
  Every tax invoice needs a serial number that is unique and continuous for the financial year, up to 16 characters. Confirm the series has not reset or duplicated. A broken sequence is the first thing a GST officer checks.
  Rule 46, CGST Rules 2017

- [ ] **Count and record the opening cash float** — Daily
  Note the starting cash in the drawer (notes and coins by denomination) in the cash register. A fixed float of ₹2,000 to ₹5,000 makes the day-end tally clean. Have the cashier and a supervisor both sign.

- [ ] **Check the receipt printer, paper roll, and card or UPI terminal** — Daily
  Load a fresh thermal roll, print a test bill, and confirm the card machine and UPI QR are live. Verify the UPI QR shows the correct merchant name. A dead terminal at peak hour pushes customers to walk out.

- [ ] **Verify the store GSTIN, legal name, and address on the bill header**
  Open a test invoice and confirm your GSTIN, registered trade name, and address print correctly. These are mandatory on every tax invoice. A wrong GSTIN on hundreds of bills is expensive to correct later.
  Rule 46(a) & (b), CGST Rules 2017

- [ ] **Confirm MRP labels and shelf prices match the system**
  Spot-check 10 to 15 fast-moving items. The price the scanner charges must never exceed the printed MRP. Under the Legal Metrology rules you cannot sell above MRP, and shelf-price mismatches are the top cause of counter disputes.
  Legal Metrology (Packaged Commodities) Rules 2011, Rule 18(2)

- [ ] **Load the day's offers, coupons, and combo prices into the system**
  If a festival discount or a buy-one-get-one offer starts today, set it in the billing system before opening, not manually at the counter. Manual discounts invite errors and are hard to reconcile at day-end.

02 Creating a GST-Compliant Tax Invoice

The fields every retail bill must carry

Mandatory Fields on Every Tax Invoice

✓ **Print supplier name, address, and GSTIN** — Mandatory

Your registered trade name, principal place of business, and 15-digit GSTIN. Pre-set in the bill header so it appears on every invoice automatically.

Rule 46(a)(b), CGST Rules 2017

✓ **Assign a unique, consecutive invoice number and date** — Mandatory

A serial number up to 16 characters, unique for the financial year, with no gaps. The invoice date is the date of the bill. Let the system auto-number so no two bills ever share a number.

Rule 46(b), CGST Rules 2017

✓ **Show the HSN or SAC code for each item**

Stores with turnover up to ₹5 crore must show a 4-digit HSN on B2B bills; above ₹5 crore, 6 digits. Map every product to its HSN once in the system so the code prints automatically.

Notification 78/2020-Central Tax

✓ **List description, quantity, unit, and taxable value per line**

Each item on its own line with a clear description, quantity, unit (piece, kg, litre), rate, and taxable value before tax. Vague descriptions like 'goods' do not meet the rule.

✓ **Show CGST and SGST (or IGST) separately with the rate** — Mandatory

For a sale within your state, split the tax into CGST and SGST at half the slab each. For inter-state, charge IGST at the full rate. Never club them into one 'tax' line. The rate and amount for each must be visible.

Rule 46(m), CGST Rules 2017

✓ **State the place of supply and a reverse-charge flag where it applies**

Place of supply is normally your store's state for over-the-counter sales. Mark 'reverse charge: yes/no'. Most retail counter sales are 'no', but the field must still be present.

Applying the Right GST Rate & Rounding

✓ **Apply the correct GST slab after the 22 September 2025 reform** — Updated

GST now runs on two main rates, 5% and 18%, plus a special 40% rate for select luxury and sin goods, and 0% exempt items. The old 12% and 28% slabs were removed. Confirm each product's rate is updated in your system, not left at an old slab.

GST reform effective 22-Sep-2025 (PIB)

✓ **Charge tax on the value after any on-bill discount**

A discount shown on the face of the invoice is deducted before GST is calculated. So a ₹1,000 item with a ₹100 counter discount is taxed on ₹900, not ₹1,000.

Section 15(3)(a), CGST Act 2017

✓ **Round the tax amount to the nearest rupee**

Round the tax payable to the nearest rupee, applied per tax head (CGST, SGST, IGST): 50 paise and above rounds up, below 50 paise rounds down. Let the system handle it so the rounding is consistent on every bill.

Section 170, CGST Act 2017

✓ **Never issue a tax invoice if you are not registered for GST**

Only a GST-registered business can collect GST and issue a tax invoice. If your turnover is below the registration threshold and you are unregistered, you issue a plain bill and cannot charge GST. Collecting tax without registration is an offence.

Let the System Own the Fields

Getting Rule 46 right by hand on every bill during a rush is impossible. Petpooja Invoice builds each field into the bill layout: GSTIN, sequential numbering, HSN codes, CGST/SGST split, and rounding all print automatically, so a busy cashier cannot skip a mandatory field.

03 B2B vs B2C Billing

Who is buying decides what the bill must show

- ✓ **Ask business buyers for their GSTIN before billing** — B2B
  If the customer is a business buying for resale or claiming input credit (a B2B sale), capture their GSTIN and registered name on the invoice. Without it, they cannot claim input tax credit and will come back to redo the bill.

- ✓ **Issue a consolidated bill for small B2C sales under ₹200**
  For sales below ₹200 to unregistered walk-in customers, a separate invoice is not compulsory if the buyer does not ask for one. You may raise one consolidated invoice at day-end for all such sales. Still hand the customer a receipt.
  Rule 46, CGST Rules 2017

- ✓ **Capture name, address, and state for B2C sales of ₹50,000 or more** — High value
  When an unregistered customer buys goods worth ₹50,000 or more, the invoice must carry their name, delivery address, and state, even though they have no GSTIN. This matters for high-value electronics and appliance sales.
  Rule 46, CGST Rules 2017

- ✓ **Confirm the place of supply for delivery or inter-state orders**
  For a counter sale, place of supply is your store's state, so you charge CGST + SGST. If you ship to another state, place of supply is the delivery state and you charge IGST. Getting this wrong sends tax to the wrong government.

- ✓ **Give every customer the option of a printed or digital bill**
  A digital bill sent on WhatsApp or email is valid and cuts paper cost. Offer it as a choice. Keep your own copy in the system regardless of what the customer takes.

04 E-Invoicing & E-Way Bills

The extra steps once you cross the turnover threshold

- ✓ **Know whether e-invoicing applies to your store** — Above ₹5 cr
  E-invoicing is mandatory for businesses with aggregate turnover above ₹5 crore, effective since 1 August 2023. It applies to B2B, export, and SEZ supplies only, not to B2C counter sales. Below ₹5 crore, it is not required.
  Notification 10/2023-Central Tax

- ✓ **Generate the IRN and QR code for every B2B invoice when covered**
  If e-invoicing applies, each B2B invoice must be reported to the Invoice Registration Portal to get an Invoice Reference Number (IRN) and a signed QR code before you hand it over. An unreported B2B invoice is treated as no invoice.
  Rule 48(4)(5), CGST Rules 2017

- ✓ **Raise an e-way bill for goods movement above the value limit** — Over ₹50,000
  Moving goods worth more than ₹50,000 (the common state threshold, some states differ) needs an e-way bill with the transporter and vehicle details. Relevant for deliveries, stock transfers between branches, and bulk B2B orders.
  Rule 138, CGST Rules 2017

- ✓ **Check your state's e-way bill threshold for intra-state moves**
  The ₹50,000 limit is the general rule, but several states set their own intra-state thresholds and exemptions. Confirm your state's limit with your tax consultant so you neither skip a required bill nor raise unnecessary ones.

- ✓ **Keep the IRN, QR, and e-way bill numbers linked to each sale**
  Store the IRN and e-way bill number against the invoice in your records. At reconciliation and audit time you must be able to tie every reported invoice back to its counter sale.

E-invoice Without the Portal Juggling

Petpooja Invoice generates the IRN and signed QR code at the moment you create a B2B bill, and produces the e-way bill in one click. No separate login to the government portal, no re-keying invoice data, no missed reporting deadline.

05 Pricing, MRP & Discounts

Selling at the right price without breaking the law

MRP & Price Display

✓ **Never charge above the printed MRP** — Mandatory

The Maximum Retail Price is the ceiling. You may sell at or below it, never above. Charging even ₹1 over MRP is a Legal Metrology offence and the fastest way to a customer complaint and a penalty.

Legal Metrology (Packaged Commodities) Rules 2011, Rule 18(2)

✓ **Confirm MRP is inclusive of all taxes**

MRP already includes GST. You do not add GST on top of MRP for a pre-packaged item; the tax is worked back out of the MRP. Adding GST above MRP overcharges the customer and is non-compliant.

✓ **Display prices clearly on shelves and at the counter**

Shelf labels and system prices must match. When a scanned price differs from the shelf tag, honour the lower price and fix the mismatch immediately. Consistent price display prevents disputes and builds trust.

✓ **Keep MRP labels legible on every packaged item**

Packaged commodities must carry a clear MRP, net quantity, and manufacturer details. Do not sell items where the MRP sticker is torn or overwritten. Inspectors check this during Legal Metrology drives.

Discounts & Offers on the Bill

✓ **Show pre-sale discounts on the face of the invoice**

A discount known at the time of sale (festival offer, membership discount, markdown) is shown on the bill and reduces the taxable value before GST. This is the clean, compliant way to discount.

Section 15(3)(a), CGST Act 2017

✓ **Handle post-sale discounts through a credit note, not a cash refund**

A discount agreed after the sale (a later scheme or volume rebate) is passed through a GST credit note linked to the original invoice, subject to the conditions of the law. Do not just hand over cash and skip the paperwork.

Section 15(3)(b) & Section 34, CGST Act 2017

✓ **Set combo and BOGO offers in the system, not by manual override**

Buy-one-get-one and combo prices should be configured as offers so the bill shows the right taxable value automatically. Manual price overrides at the counter are the top source of end-of-day mismatches.

✓ **Cap and log manual discount rights by role**

Decide who can give a manual discount and up to what limit. A cashier might give up to 5%, a manager up to 15%. Log every manual discount with the reason so you can review margin leakage weekly.

06 Payments & Reconciliation

Cash, UPI, card, wallet, and making them all tally

- ✓ **Record the payment mode against every bill** — Every bill
  Tag each sale as cash, UPI, card, wallet, or split. This is what lets you reconcile the drawer, the UPI settlement, and the card settlement separately at day-end. An untagged payment is a reconciliation headache waiting to happen.

- ✓ **Confirm the UPI or card payment succeeded before handing over goods** — Critical
  Wait for the 'payment received' confirmation on your device, not just the customer's phone screen. A screenshot is not proof of credit. For UPI, match the reference number or the amount in your merchant app.

- ✓ **Do not add a surcharge for UPI or RuPay debit card payments**
  The merchant discount rate on UPI and RuPay debit cards is currently nil by law, so there is no cost to pass on. Charging the customer extra to pay by UPI is not allowed and drives them away.
  Section 269SU, Income Tax Act & Section 10A, PSS Act 2007

- ✓ **Handle split payments as a single bill with multiple tenders**
  When a customer pays part cash and part UPI, record both against the one invoice. The bill total stays one number; only the tender split changes. This keeps sales and tax figures clean.

- ✓ **Reconcile UPI and card collections against settlement reports** — Weekly
  Your bank or aggregator settles UPI and card money in a batch, often the next day. Match the settlement report to your billed digital sales. Flag any shortfall or missing transaction the same week.

- ✓ **Count the cash drawer against system cash sales at day-end**
  Physical cash minus the opening float should equal the system's cash sales for the day. A small variance happens; a large or repeated one needs investigation. Have the cashier and supervisor both sign the tally.

One Screen for Every Tender

Petpooja Invoice records cash, UPI, card, and wallet payments against each bill and produces a day-end summary by tender. The cash tally, UPI settlement, and card settlement reconcile from one report instead of three separate registers.

07 Returns, Exchanges & Credit Notes

Reversing or adjusting a sale the compliant way

- ✓ **Display your return and exchange policy at the counter**
  A clear, written policy (time window, condition of goods, receipt required) prevents arguments and protects the store. Keep it visible near the billing counter and on the bill footer.

- ✓ **Issue a GST credit note for a returned or reduced sale** — On return
  When goods come back or the billed value drops, raise a credit note linked to the original invoice number. This reverses the sale and the GST charged on it. A credit note, not an informal cash return, is what the law recognises.
  Section 34(1), CGST Act 2017

- ✓ **Issue a debit note when the customer owes more**
  If you undercharged or the value goes up after billing, a debit note tops up the original invoice and the tax. Same rule, opposite direction.
  Section 34(3), CGST Act 2017

- ✓ **Declare credit notes within the deadline to reduce your tax** — By 30 Nov
  A credit note that reduces your output tax must be declared in your returns by 30 November following the end of that financial year, or the annual return date, whichever is earlier. Miss it and you cannot claim the reduction.
  Section 34(2), CGST Act 2017

- ✓ **Link every credit and debit note to its original invoice**
  Each note must reference the invoice it adjusts. Never issue a floating credit note with no parent bill. The link is what lets both you and the buyer reconcile the change.

- ✓ **Refund to the original payment mode where possible**
  Refund a UPI sale back to UPI, a card sale back to the card. It closes the loop cleanly for reconciliation. Where a store-credit or exchange is offered instead, record it against the credit note.

08 Composition Dealers & Bill of Supply

Billing rules for small retailers under the composition scheme

- ✓ **Know if your store is under the composition scheme** — Up to ₹1.5 cr
  A trader with turnover up to ₹1.5 crore (₹75 lakh in specified states) can opt for the composition scheme and pay a flat 1% on turnover of taxable goods instead of regular GST. The billing rules are different, so confirm your status first.
  Section 10, CGST Act 2017

- ✓ **Issue a Bill of Supply, not a tax invoice** — Mandatory
  A composition dealer cannot collect GST from customers, so you issue a Bill of Supply that shows no tax. Do not print a tax invoice with CGST/SGST lines; that is not permitted under the scheme.
  Section 31(3)(c) & Rule 49, CGST Rules 2017

- ✓ **Print the composition declaration on every bill**
  The Bill of Supply must carry the wording: 'composition taxable person, not eligible to collect tax on supplies'. This tells the customer why there is no GST line and keeps you compliant.
  Rule 5(1)(f), CGST Rules 2017

- ✓ **Do not claim input tax credit on purchases**
  The trade-off for the low flat rate is that you cannot claim input credit on what you buy. Do not attempt to offset purchase GST; the scheme does not allow it. Factor this into your pricing.

- ✓ **File CMP-08 quarterly and GSTR-4 annually**
  A composition dealer pays through the quarterly CMP-08 statement and files the annual GSTR-4. Keep your turnover records clean so these filings are simple.
  Rule 62, CGST Rules 2017

- ✓ **Watch the turnover limit and inter-state rule**
  You lose composition eligibility if turnover crosses ₹1.5 crore or if you make inter-state outward sales. Track turnover monthly so you switch to regular GST billing before you breach, not after.

09 Day-End Closing & Reconciliation

Closing the counter with the numbers tied out

- [ ] **Generate the day-end sales summary (Z-report)** — Daily
  Pull the closing report: total bills, total sales value, sales by GST rate, sales by tender, and total tax collected. This one report is the backbone of your daily books and your monthly GST return.
- [ ] **Tally cash: drawer minus float equals system cash sales**
  Count the drawer, subtract the opening float, and match it to the system's cash sales. Record the variance. Repeated shortages point to a process or a people problem, not bad luck.
- [ ] **Reconcile UPI and card totals to the app or terminal**
  Match the system's UPI sales to your UPI merchant app total, and card sales to the card terminal batch. Note the settlement is often T+1, so track expected credits into the next day.
- [ ] **Verify total GST collected by rate**
  Confirm the tax collected splits correctly across 5%, 18%, and any 40% items, as CGST + SGST for local sales. This daily habit makes the monthly GSTR-1 and GSTR-3B a summary job, not a scramble.
- [ ] **Note voided bills, manual discounts, and returns for review**
  List every cancelled invoice, manual discount, and credit note from the day with a reason. A pattern of voids or discounts by one cashier is worth a closer look.
- [ ] **Back up the day's billing data**
  Confirm the day's invoices are saved to cloud or a secure backup. A billing machine that crashes with un-backed-up data means you cannot prove your sales or file returns. Automate this so it is not a manual step.
- [ ] **Prepare the float and notes for tomorrow's opening**
  Set aside the opening float, bank the surplus cash per your cash-handling policy, and leave a short note for the next shift: low stock, pending returns, terminal issues. The morning cashier should start informed.

Day-End in Minutes, Returns in a Click

Petpooja Invoice closes the day with a single summary: sales by GST rate, collections by tender, and tax collected, all reconciled. The same data flows into your GST returns, so month-end filing draws on numbers you have already verified daily.

10 Records, Retention & Common Billing Errors

Staying audit-ready and avoiding the usual traps

Record Keeping

- ✓ **Retain invoices and billing records for the statutory period** — Retention
  Keep every invoice, credit note, debit note, and Bill of Supply for the period required under GST, counted from the annual return due date. Digital records with a reliable backup are accepted.
  Section 36, CGST Act 2017

- ✓ **Keep the invoice series unbroken across the year**
  No gaps, no duplicates, no restart mid-year without a documented new series. A clean, continuous numbering is the single strongest signal of an honest billing system.

- ✓ **Match daily sales to bank and GST records monthly**
  Reconcile the month's daily summaries to your bank statements and your filed GST returns. Catch a mismatch in the same month, not a year later during an audit.

Common Billing Errors to Avoid

- ✓ **Charging an old GST rate after the September 2025 reform** — Watch
  Items that moved from 12% to 5% or from 28% to 18% must reflect the new rate. Billing at the old slab overcharges the customer and creates a mismatch in your returns.

- ✓ **Clubbing CGST and SGST into one tax line**
  The two must appear separately with their rates. A single combined 'GST' line does not meet Rule 46 and can be flagged on audit.

- ✓ **Skipping the GSTIN on a B2B sale**
  Without the buyer's GSTIN, a business customer loses input credit. This is the most common reason a B2B bill has to be cancelled and reissued.

- ✓ **Handling returns as cash with no credit note**
  An informal cash return leaves the original tax unreversed in your books. Every return needs a credit note tied to the original invoice.

- ✓ **Selling above MRP or adding GST on top of MRP**
  Both are non-compliant. MRP is the ceiling and already includes tax. Train every cashier on this before they touch the counter.

- ✓ **Breaking the invoice serial number sequence**
  Gaps, duplicates, or a mid-year restart with no documented new series are all red flags on audit. Let the system auto-number so the sequence stays unbroken across the financial year.

- ✓ **Adding a surcharge for UPI or RuPay debit card payments**
  The merchant discount rate on UPI and RuPay debit cards is currently nil by law, so there is no cost to pass on. Charging the customer extra to pay by UPI is not allowed and drives them away.

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This checklist is provided by Petpooja for informational purposes. Verify all compliance details with official sources before acting.

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AUTOMATE RETAIL BILLING

Stop patching GST rules onto a *basic billing machine*

Petpooja Invoice is built for Indian retail: GST-compliant tax invoices with correct HSN codes and CGST/SGST split, automatic e-invoice IRN and QR generation, one-click e-way bills, barcode billing, multi-counter and offline mode, and day-end reconciliation that feeds straight into your GST returns. 8,000+ businesses bill on it.

Book a Free Demo

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