



E-Invoicing under GST

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Background

- The GST Council has approved the introduction of 'E-invoicing' or 'Electronic invoicing' in phases for reporting of Business to Business(B2B) invoices starting from 1st January 2020 on voluntary basis and it is mandatory from 1st October 2020 for specified taxpayers.(Notification No:13/2020 Dt 21/03/2020)
- Since there was no standard for e-invoice existing in the country, standard for the same has been finalized after consultation with trade/industry bodies as well as ICAI after keeping the draft in public domain.
- Generation of e-invoice will be the responsibility of the taxpayer who will be required to report the same to Invoice Registration Portal (IRP) of GST, which in turn will generate a unique Invoice Reference Number (IRN) and digitally sign the e invoice and also generate a QR code.

Background

- Having a standard is a must to ensure complete inter-operability of e-invoices across the entire GST eco-system so that e-invoices generated by one software can be read by any other software, thereby eliminating the need of fresh data entry – which is a norm and standard expectation today.
- The machine readability and uniform interpretation is the key objective.
- This is also important for reporting the details to GST System as part of Return.
- Apart from the GST System, adoption of a standard will also ensure that an e-invoice shared by a seller with his buyer or bank or agent or any other player in the whole business eco-system can be read by machines and obviate and hence eliminate data entry errors.

Notifications for E-Invoicing

- The Government has issued 5 Notifications (Notification No 68/2019 to 72/2019 of Central Tax) to make e-invoice mandatory for specified category of person from specified date.
- The dates for implementation of e-invoicing and QR Code has been deferred to 01.10.2020.(Notification No 13/2020 and 14/2020 Dt 21/03/2020)

Benefits of E-Invoicing

- Better taxpayer services:
 - One time reporting on B2B invoice data in the form it is generated to reduce reporting in multiple formats (one for GSTR-1 and the other for e-way bill).
 - To generate Sales and purchase register (ANX-1 and ANX-2) from this data to keep the Return (RET-1 etc.) ready for filing under New Return. E-Waybill can also be generated using e-Invoice data.
 - It will become part of the business process of the taxpayer
- Reduction of tax evasion:
 - Complete trail of B2B invoices
 - System level matching of input credit and output tax
 - Elimination of fake invoices



What is E-Invoice and its workflow ?

- Electronic invoicing (also called e-invoicing) is a form of electronic billing.
- It does not mean generation of invoice by any computer system or tax portal.
- As per Rule 48(4), [vide notification no- 68-2019-CT], the invoice shall be prepared by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.



What is E-Invoice and its workflow?

- E-invoice will be invoice with the entire requirement as per rule 46 and will have invoice reference number generated from Common Goods and Services Tax Electronic Portal as per rule 48(4).
- Steps involved for generation of E-invoice which are to be followed in sequence-
 - Generation of invoice by taxpayer in its accounting or billing software
 - Creation of JSON file of the same to upload it on Invoice Registration Portal (IRP)
 - Uploading the JSON file of the invoice to IRP
 - Generation of IRN by IRP and its validation by IRP by digitally signing and attaching QR code



What is E-Invoice and its workflow ?

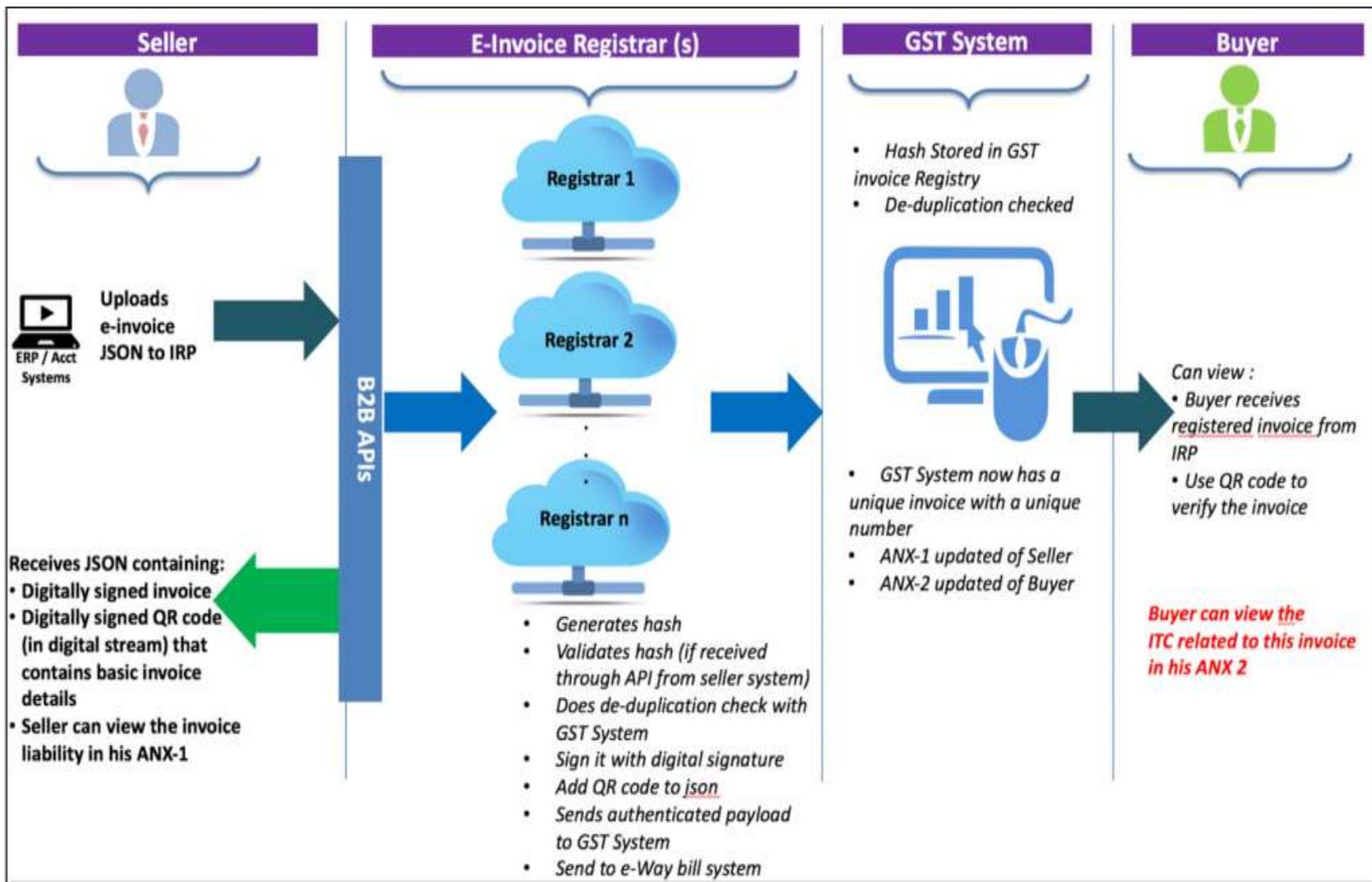
- Signing of invoice is required by the rules notified by the Govt of India. A placeholder for digital signature has been added in the e-invoice schema and hence if a signed e-invoice is sent to IRP, the same will be accepted.
- QR Code will be provided on uploading the invoice to the IRP. Seller must print the QR code on the printed invoice.
- Once the invoice (JSON) is digitally signed by IRP, it becomes an E-invoice and same will be sent to supplier & recipient by IRP on mail
- IRP transfer the details of E-invoice to invoice registry of GST and E-way Bill system.
- The maximum number of line items supported per e-invoice is 100.



What is E-Invoice and its workflow ?

- The e-invoice has a provision for capturing discount / Other Charges at line item level. The discounting & Other Charges at line item level is to be mentioned only when and if it is applicable in the particular transaction.
- The seller can provide the address and bill-to party and PAN details in E-Invoice.
- IRP System after registering the invoice, will share back digitally signed e-invoice for record of supplier.
- Request for the IRN/e-Invoice can be made only by the supplier of the goods or services. However, the e-Commerce Operator can request for the IRN/e-invoice on behalf of the supplier. In this case, the e-Commerce Operator should have registered on the GST portal accordingly.

Process Flow





What type of documents are to be reported to GST System?

While the word invoice is used in the name of e-invoice, it covers other documents that will be required to be reported to IRP by the creator of the document:

- Invoice by Supplier
- Credit Note by Supplier
- Debit Note by Supplier
- The exports would also require e-invoice compliance
- E-invoice system has a reverse charge mechanism (only B2B reporting as well)
- Any other document as required by law to be reported by the creator of the document.

- No E-Invoicing required for following
 - Delivery Challan – Sales on Approval Basis, Job Work, Intra-State Br. Trf., etc



What are the modes of getting E-invoice registered?

- Web based
- API based
- SMS based
- mobile app based
- offline tool based and
- GSP based.



What if e-invoice is not prepared by the taxpayer to whom E-Invoicing is applicable?

- As per Rule 48(5), every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.
- All the consequence of supply without generating invoice may apply like penalty under section 122(1), detention under section 129 etc.



Which class of registered person is notified for generation of E-Invoice?

- The registered persons whose **aggregate turnover** in a financial year **exceeds one hundred crore** rupees shall be required to prepare e-invoice in terms of rule 48(4) in respect of supply of goods or service or both to a registered person.



Is E-invoice compulsory when supply is made to receiver whose turnover is more than Rs. 100 cr?

- E-invoice requirement is imposed on the supplier only when their aggregate turnover in a financial year exceeds specified limit of Rs.100 crore.
- If the supplier turnover is less than specified limit and the receiver turnover exceeds the specific limit of Rs.100 Crore then E-invoice is not required, as requirement is imposed based on turnover of supplier not based on the turnover of the receiver.

Exemption to Prepare for E-Invoicing

Exemption has been granted from the requirement of E-Invoice and QR Code to following class of registered person:.

Below are the proposed Class of Regd. Person:

- Insurance Company
- Banking Company
- FIs
- Non-Banking FIs
- GTA
- Passenger Transport Services, etc.



What is the official website notified for the generation of E-Invoice?

Following portal designated as IRP which will be made operational for E-invoicing

- www.einvoice1.gst.gov.in
- www.einvoice2.gst.gov.in
- www.einvoice3.gst.gov.in
- www.einvoice4.gst.gov.in
- www.einvoice5.gst.gov.in
- www.einvoice6.gst.gov.in
- www.einvoice7.gst.gov.in
- www.einvoice8.gst.gov.in
- www.einvoice9.gst.gov.in
- www.einvoice10.gst.gov.in



What are the content required to be uploaded for generating E –Invoice?

Below are the minimum contents required for generating E-Invoice as per rule 46 :

I. Details of Supplier (details which will be auto populated)

II. Date & Serial number of Invoice

III. Details of Recipient & Consignee

IV. Type of Supply (Tax Invoice, CN, DN)

V. Details of Supply (Item wise, HSN wise)

VI. Authorization or Signature



**Adobe Acrobat
Document**

IRN-Invoice Reference Number

- Each Invoice uploaded by the tax payer will get the unique number called as Invoice Reference Number (IRN).
- IRN is of 64 Characters length. This IRN is unique number in the GST system, irrespective of tax payer, financial year and document type.
- IRN is generated by the e-invoice system once the tax payer uploads the invoice details.
- IRN can also be prepared by the tax payer and uploaded with the invoice details. The e-invoice system verifies this and accepts it accordingly.
- IRN is hash of Supplier GSTIN + Fin. Year + Doc Type + Doc Number.
- Document types are INV for Invoice, CRN for Credit Note, DBN for Debit Note.
- Document Number is a number printed on the Document, being issued to the purchaser, and it is to be of maximum of 16 alphanumeric. The prefixing zeros, / - are ignored. However appearance of these characters in the middle and suffixing places are accepted as it is.



Is furnishing of Quick Response (QR) Code mandatory in E-invoice?

- Registered person whose aggregate turnover in a financial year exceeds Rs. 500 Crore shall issue invoice containing Quick Response (QR) Code in case of supply made to unregistered person.
- QR Code on B2C(supplies made to URD) Invoices shall become mandatory from 01.10.2020.



How many copies of E-invoice need to be generated?

- The invoice shall be prepared in triplicate as per rule 48(1), in the case of supply of goods and in duplicate copy as per rule 48(2), in the case of supply of services.
- However the newly introduced rule 48(6) provides that, the provisions of sub-rules (1) and (2) shall not apply to an invoice prepared in the manner specified in sub-rule (4) i.e. to E-invoice.



What time the E-invoice will be generated?

- There will be no change in the timing of generation E-invoice; it will be same as per section 31.
- For goods the time of generation of invoice will be, before or at the time of removal of goods / delivery of goods etc. and for service before or after the provision of service within prescribed period as per section 31(2).



Will businesses now be required to generate e-invoices on the GST portal or the IRN portal?

- No. Businesses will continue to generate e-invoices on their internal systems – whether ERP or their accounting / billing systems or any other application.
- The e-invoicing mechanism only specifies the invoice schema and standard so as to be inter-operable amongst all accounting/billing software and all businesses.
- The GST portal or Invoice Registration Portal (IRP) will NOT provide facility to generate invoices. IRP is only to report the invoice data.



Will there be separate invoice formats required for Traders, Professionals and Contractors?

- No. Same e-invoice schema will be used by all kinds of businesses.
- The schema has mandatory and non-mandatory fields.
- Mandatory field has to be filled by all taxpayers.
- Non-mandatory field is for the business to choose.
- It covers all most all business needs and specific sectors of business may choose to use those non-mandatory field which are needed by them or their eco-system.



Can the seller place their LOGO in the e-Invoice Template?

- There will NOT be a place holder provided in the e-invoice schema for the company logo.
- This is for the software company to provide in the billing/accounting software so that it can be printed on his invoice using his printer.
- However, the Logo will not be sent to IRP.
- In other words, it will not be part of JSON file to be uploaded on the IRP.



Will it be possible for bulk uploading of invoices for e-invoicing as well?

- Invoices have to be uploaded on IRP one at a time.
- The IRP will be able to handle a large sequence of invoices for registration and validate them.
- Essentially bulk upload will be required by large taxpayers who generate large number of invoices.
- Their ERP or accounting system will have to be designed in such a way that it makes request one by one. For the user, it will not make any difference.



Will it be possible for bulk uploading of invoices for e-invoicing as well?

E-Invoice bulk generation tool is available in 4 format:

Format A: This format consists of a single worksheet in which invoice(B2B and B2G) and items details can be entered. As item details are entered in the same worksheet, the same invoice details will repeat for the items of the invoice.

Format B: This contains two separate worksheets in which invoice(B2B and B2G) and items details can be entered separately.

Format C: This consists of three worksheets for Invoice, item details and export payment and reference details are entered separately.

Format D: This consists of single worksheet in which invoice, item details, export payment and reference details can be entered in single worksheet.



Whether e-invoices generated through GST system can be partially/fully cancelled?

- E-Invoice can't be partially cancelled. It has to be fully cancelled.
- The e-invoice mechanism enables invoices to be cancelled.
- This will have to be reported to IRN within 24 hours.
- Any cancellation after 24hrs could not be possible on IRN, however one can manually cancel the same on GST portal before filing the returns.



How would amendments be allowed in e-invoice?

- Amendments to the e-invoice are allowed on GST portal as per provisions of GST law.
- All amendments to the e-invoice will be done on GST portal only.



What are the documents need to be carried during transit of goods?

For transportation of goods, the e-way bill will continue to be mandatory, based on invoice value guidelines, as hitherto fore.

Probable Errors in generating e-invoice on IRP

Error Code	Error Description
1005	Invalid Token
1007	Authentication failed. Pls. inform the helpdesk
1008	Invalid login credentials
1010	Invalid Client-ID/Client-Secret
1013	Decryption of password failed
1014	Inactive User
5001	Application Error, Please Contact the help desk

Probable Errors in generating e-invoice on IRP

Error Code	Error Description
2139	Error while creating invoice
2140	Error while validating invoice
2141	Error while cancelling invoice
2142	Incomplete Request Parameters
2143	Invoice does not belong to the user GSTIN
2144	Document Date is not in proper format
2145	IRN is not valid
2146	Unable to create IRN, Pls. try after some time
2147	Unable to sign invoice, PI try after some time
2148	Requested Invoice data is not available
2149	Uploaded invoice already exists
2150	Duplicate IRN

Questions ???



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THANK YOU !!

