

# E-Invoicing

# E-INVOICING

<b>WHAT IS E-INVOICING ??</b>	E-invoicing means reporting details of GST invoices to Government-notified portal and obtaining a unique reference number i.e. Invoice Reference Number, digitally signed with QR code
<b>WHY IT IS INTRODUCED ??</b>	<ul style="list-style-type: none"><li>• To improve business-to-business communication by reducing transcription errors and cost involved;</li><li>• To simplify exchange of documents between suppliers and buyers, just like sending/receiving e-mail;</li><li>• GST reporting will be a lot more easier and indeed a by-product</li></ul>
<b>WHEN COMING TO FORCE</b>	1st October 2020
<b>WHICH SUPPLIES ARE COVERED???</b>	<ul style="list-style-type: none"><li>• Invoice</li><li>• Credit Note</li><li>• Debit Note</li></ul> <p><b>in respect of B2B Supplies &amp; Exports</b></p> <p>Reporting B2C invoices is not applicable/allowed currently</p>

# E-INVOICING

## APPLICABILITY OF E-INVOICING

Taxpayers whose aggregate turnover (based on PAN) in a financial year > **Rs 500 Crores** .  
**Following sectors are exempted from the e-invoicing mandate**

- Special Economic Zone Units (But not SEZ Developers)
- Insurer or a banking company or a financial institution, including a non-banking financial company
- Goods transport agency supplying services in relation to transportation of goods by road in a goods carriage
- Suppliers of passenger transportation service
- Suppliers of services by way of admission to exhibition of cinematograph films in multiplex screens

**Qua Business and not entity**



# E-INVOICING



Uploads e-invoice  
(Containing GSTIN,  
Invoice Number,  
Date, Value etc.)

Receives the  
digitally signed  
JSON of e-invoice  
that contains the QR  
Code

Seller's GSTR-1 gets  
updated with  
liability entered in  
the invoice

B2B APIs



IRP-

- Signs the invoice
- Sends the invoice to the GST System
- Adds a QR to the JSON
- Sends back signed JSON to buyer

APIs



GST System:

- Updates the outward and inward supplies for buyer and seller
- Now has a unique invoice with a unique number



Buyer can view the  
ITC related to the  
invoice in his GSTR-  
2A





Whenever you Upload Invoice on portal or Request for IRN No.

```
graph LR; A((Whenever you Upload Invoice on portal or Request for IRN No.)) --- B[IRN (Invoice Reference No.)]; A --- C[E-way Bill No. (If Requested)]; A --- D[Signed QR Code]; A --- E[Signed Invoice];
```

The diagram features a central pink circle on the left containing the text 'Whenever you Upload Invoice on portal or Request for IRN No.'. Four lines radiate from the right side of this circle to four orange rounded rectangular boxes stacked vertically on the right. The boxes contain the following text from top to bottom: 'IRN (Invoice Reference No.)', 'E-way Bill No. (If Requested)', 'Signed QR Code', and 'Signed Invoice'. The background of the slide is a dark purple gradient with a pink vertical bar in the top right corner.

IRN (Invoice Reference No.)

E-way Bill No. (If Requested)

Signed QR Code

Signed Invoice

# MYTH ABOUT E-INVOICING

- ▶ Taxpayers will continue to create their GST invoices on their own Accounting/Billing/ERP Systems . They don't need to make any invoice on E-invoicing Portal . e-invoice does not mean generation of electronic invoice by GST Portal but **reporting of Invoice electronically and getting an IRN**
- ▶ Only Change: Reporting of invoice data generated in a particular format which can be understood by government portal as well as at buyers' end i.e as **per INV-01 Schema**

ABC Private Limited



### e-Invoice System

**1. Invoice Details**  
IRN : 85d7b40d2f8c34e3d16f59f627bc6d579c9ade3e482339c3f5d54733c0a8f Ack. No : 15100044393 Ack. Date : 30-06-2020 11:19:00

**2. Transaction Details**  
Category : E2B Document No : DOC-1234/E2B  
Document Type : Invoice Document Date : 30-06-2020

**3. Party Details**  
**Seller**  
GSTIN : I - ABC - 21234F19A  
Sar Lakshmi Industries Pvt Ltd  
Lakshmi Paradise #147  
Kempagowda Road  
560009 KARNATAKA  
**Purchaser**  
GSTIN : B - GHI - 3079 - 123  
MEHAK GENERAL STORE  
#933, 2nd floor, 2nd Cross, Hanthvana Kudgelhall apakaranager  
post  
GANDHINAGAR Phase of Supply: HORNACHAL PRADESH  
176001 HORNACHAL PRADESH  
T : 0 851 46 52 | mail.com

**4. Goods Details**

SNo	Product Description	HSN Code	Quantity	Unit	Unit Price(Rs)	Discount(Rs)	Taxable Amount(Rs)	Tax Rate (GST+CESS+State Cess+CESS Non-Advol)	Other charges(Rs)	Total
1	SALT (INCLUDING TABLE SALT AND DENATURED SALT) AND PURE SODIUM CHLORIDE	25010020	1000	PAC	778.9	100	778900	0.10+3.00+0.00+100	200	803242.8
2	NATURAL GRAPHITE - IN POWDER OR IN FLAKES; GRAPHITE, CRYSTALLINE	25041010	500	BOX	99.99	50	49945	0.25+5.00+0.00+100	200	53867.11
3	OIL-CAKE AND OTHER SOLID RESIDUES, WHETHER OR NOT GROUND OR IN THE FORM OF PELLETS	23099015	250	CAN	450	40	112400	0.50+11.00+0.00+100	200	125693.9

Tax/levy Amt	CGST Amt	SGST Amt	IGST Amt	CESS Amt	State CESS Amt	Round off Amt	Total Inv. Amt
941205	0	0	1465.96	28531.85	0	0.19	961803.00

Generated By : I - ABC E123- IKA  
Print Date : 30-06-2020 11:19:30

 eSign  
Digitally Signed by NIC-DRP  
on: 30-06-2020 11:19:00

# POINTS TO REMEMBER ON PRINTING OF INVOICE

- ▶ Printing of QR Code on invoice is mandatory
- ▶ It can be placed anywhere in the invoice
- ▶ Quoting/Printing of IRN on paper Invoice is optional

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# MODES OF REPORTING OF E-INVOICE

- ▶ **Multiple modes to be made available so that taxpayer can use one based on his/her need:**
- ▶ **Direct API Integration** : It is direct integration of taxpayers system with e-invoicing system that will issue IRN. To make this work you need to test the API integration in sand-box environment (<https://einv-apisandbox.nic.in/>). If you have **already integrated with API under e-Waybill system, then you can use the same API credentials** for e-Invoice system.
- ▶ **API based Integration through GSP (GST Suvidha Providers)** : In this mode taxpayer system will route the request for IRN through Registered GSPs. Before starting to work on this, you need to test the API integration with the identified GSP in sand-box environment (<https://einv-apisandbox.nic.in/>). If you have registered with a GSP for E Way Bill and would like to continue with same GSP, no need to register for GSP again. Same credentials will work for eInvoice

# MODES OF REPORTING OF E-INVOICE

- ▶ **Free Offline Utility (Bulk Generation Tool)** : In this taxpayer prepare and upload the excel file containing multiple IRN requests to E-Invoice Portal . Invoice Registration Portal will process each one of them and generate multiple IRN.

This can be downloaded from the E-invoice portal

Four different type of tools are available as per the requirements of different classes of tax payers and transactions.

Maximum allowed file size for upload is 2 MB

**Other Bulk Uploads facility like Bulk IRN Cancellation and Bulk E-Waybill Generation is also available**

# INVOICE REFERENCE NUMBER

- ▶ IRN is a 64 digit unique Alpha Numeric No.
- ▶ The unique IRN will be based on the computation of hash of
  - GSTIN of generator of document (invoice or credit note etc.),
  - Financial Year and
  - Document number like invoice number.
- ▶ Invoice no. is different from IRN
- ▶ A GST invoice will be valid only with a valid IRN

# QR CODE

The QR code generated will contain the unique IRN (hash) along with some important parameters of invoice and digital signature so that it can be verified on the central portal as well as by a mobile App. **The QR code will consist of the following key particulars of e-invoice:**

- a. GSTIN of Supplier
- b. GSTIN of Recipient
- c. Invoice number, as given by Supplier
- d. Date of generation of invoice
- e. Invoice value (taxable value and gross tax)
- f. Number of line items
- g. HSN Code of main item (*line item having highest taxable value*)
- h. Unique IRN (Invoice Reference Number/hash)

# AMENDMENT OF E-INVOICE

- ▶ IRN once generated cannot be amended on E-invoice portal
- ▶ Amendment of invoices is not possible through the IRP. Amendment of Invoice will only be possible on GST Portal .
- ▶ Any amended e-invoice, if reported to IRP, will get rejected as its IRN (unique hash) will already be existing in the IRP system
- ▶ Amendment of E-way Bill will be possible on E-way Bill Portal

# CANCELLATION OF E-INVOICE

- Cancellation can be done within 24 HOURS of generation of IRN.
- IRN cannot be cancelled , if valid E-way bill exists for that IRN . First EWB needs to be cancelled and then IRN
- Cancellation can be done after 24 hours but the same needs to be done on GST Portal before returns are filed

# FAQ'S RELATED TO E-INVOICE

**Q1. What is the applicability of e-invoice for import transactions?**

**Ans.** E-invoicing is not applicable for import Bills of Entry.

**Q2. There is an SEZ unit and a regular DTA unit under same legal entity (i.e. having same PAN). The aggregate total turnover of the legal entity is more than Rs. 500 Crores (considering both the GSTINs). However, the turnover of DTA unit is below Rs. 100 crores for FY 19-20.**

**In this scenario, as SEZ unit is exempt from e-invoicing, whether e-invoicing will be applicable to DTA Unit?**

**Ans.** Yes, because the aggregate turnover of the legal entity in this case is > Rs. 500 Crores. The eligibility is based on aggregate annual turnover on the common PAN.



# FAQ'S RELATED TO E-INVOICE

**Q3. Is e-invoicing applicable to invoices issued by Input Service Distributor (ISD)?**

**Ans. No**

**Q4. Whether e-invoicing is applicable for supplies involving Reverse Charge?**

Ans. If the invoice issued by notified person is in respect of supplies made by him but attracting reverse charge under Section 9(3), e-invoicing is applicable

On the other hand, where supplies are received by notified person from (i) an unregistered person (*attracting reverse charge under Section 9(4)*) or (ii) through import of services, e-invoicing doesn't arise / not applicable

# FAQ'S RELATED TO E-INVOICE

- ▶ **Is e-invoicing voluntary, i.e. can entities with aggregate turnover < Rs. 500 Cr. also report invoices to IRP, if they wish to do so?**
- ▶ No, presently, only the notified class of persons will be allowed/enabled to report invoices to IRP.
  
- ▶ **Is there any time window within which I need to report an invoice to IRP, i.e. is there any validation to the effect that the 'document date' (in the payload to IRP) has to be within a specified time window, for reporting to IRP/generation of IRN?**
- ▶ No such validation is kept presently
  
- ▶ **Is the signature (DSC) of supplier mandatory while reporting e-invoice to IRP?**
- ▶ No



A blue ballpoint pen is shown in the upper right corner, angled downwards and to the left. The pen's tip is positioned at the end of the handwritten text 'Thank you!'. The text is written in a black, cursive script on a white background. The pen has a blue barrel and a silver-colored tip.

Thank you!

**REGARDS**  
**CA PARUL AGGARWAL**  
Email-id- [caparulagggarwal1@gmail.com](mailto:caparulagggarwal1@gmail.com)