**Title: Streamlining Business Transactions: A Comprehensive Guide to E-Invoicing under GST**

**Introduction:**

Goods and Services Tax (GST) was introduced in India with the aim of creating a unified and simplified taxation system. In line with this objective, the government has implemented electronic invoicing (e-invoicing) to enhance transparency, reduce tax evasion, and streamline business processes. This article explores the concept of e-invoicing under GST, its benefits, implementation process, and its impact on businesses.

**Understanding E-Invoicing:**

E-invoicing is a digital method of invoicing where businesses generate, exchange, and authenticate invoices electronically. Under GST, the e-invoicing system was introduced to bring uniformity and standardization in the generation of invoices. This system aims to eliminate manual intervention in the preparation and processing of invoices, reducing errors and enhancing overall efficiency.

**Recent Updates:**

“**einvoice1.gst.gov.in**” or **the e-invoice portal** is the first invoice registration portal, maintained by the National Informatics Centre (NIC) for generating IRN for e-invoices. The e-invoicing system initially became applicable on 1st October 2020 for large taxpayers and is extended to small taxpayers with a turnover over **Rs.10 crore since 1st October 2022**. Recently, the department mandated e-invoicing for businesses with more than **Rs 5 crore turnover w.e.f. 1st August 2023**.

**National Informatics Centre Advisory on NEW Time limit**

It is to update you that it has been decided by the GST Authority to impose a time limit of **30 days for reporting of invoices** from date of invoice, on e-invoice portals. This time limit is applicable for taxpayers with **AATO greater than or equal to 100 crores**.

Hence, the taxpayers in this category will not be allowed to report invoices older than 30 days on the date of reporting. Please note that this restriction will apply to the all-document types for which IRNs are to be generated. Thus, the Credit / Debit note will also have to be reported within 30 days of issue from date of issue. For example, if an invoice has a date of Nov. 1, 2023, it cannot be reported after Nov. 30, 2023.

This validation will come into **effect from 1st Nov, 2023**.

**10th May 2023**  
CBIC notified the 6th phase of e-invoicing. Hence, taxpayers having more than Rs 5 crore turnover in any financial year from 2017-18 shall issue e-invoices w.e.f 1st August 2023.

**06th May 2023**  
The GST department has deferred the time limit of 7 days to report the old e-invoices on the IRP portals by three months. Further, the department is yet to announce the new implementation date.

**13th April 2023**  
As per the GST Network's advisories dated 12th April 2023 and 13th April 2023, taxpayers with annual turnover equal to or more than Rs.100 crore must report tax invoices and credit-debit notes to IRP within 7 days of invoice date from 1st May 2023.

**30th January 2023**  
Few updates are made on the NIC's e-invoice portal- (1) User can select POS state code of '96-Other Country' against items where HSN codes are 9965 and 9968 (Services by way of transportation of goods, including by mail or courier).

(2) The documents dated 1/10/2021 or after shall only be considered on the portal.

(3)  The portal has added a new error code 2295 for duplicate requests apart from 2150, with error as 'IRN is already generated and registered with GSTN Lookup Portal by other IRP'.

**11th October 2022**  
The GST Council may implement the next phase of e-invoicing for businesses with an annual turnover of more than Rs.5 crore from 1st January 2023. The system may get extended to businesses with a turnover of over Rs.1 crore by the end of the next fiscal year.

**1st August 2022**  
The e-Invoicing system for B2B transactions has now been extended to those with an annual aggregate turnover of more than Rs.10 crore up to Rs.20 crore starting from 1st October 2022, vide notification no. 17/2022.

**24th February 2022**  
The e-Invoicing system will get extended to that annual aggregate turnover of more than Rs.20 crore up to Rs.50 crore starting from 1st April 2022, vide notification no. 1/2022.

**Key Features and Benefits of E-Invoicing:**

**Standardization:** E-invoicing ensures a standardized format for invoices, facilitating easy exchange and understanding between businesses and government authorities. This consistency enhances transparency and reduces the chances of errors.

**Real-time Reporting:** One of the significant advantages of e-invoicing is the ability to report transactions in real-time to the GST Network (GSTN). This enables quicker and more accurate data processing, helping businesses and tax authorities to make informed decisions promptly.

**Reduced Compliance Burden:** E-invoicing automates the generation of invoices and facilitates direct data transmission to the GSTN. This significantly reduces the compliance burden on businesses, as the information is readily available and can be seamlessly integrated into the GST return filing process.

**Minimized Errors:** Manual data entry is prone to errors, which can lead to discrepancies in tax filings. E-invoicing minimizes such errors by automating the process, ensuring that the data is accurate and consistent across all documents.

**Faster Processing and Payments:** With e-invoicing, the entire invoicing process becomes more efficient. Faster processing of invoices means quicker payment cycles, improving cash flow for businesses.

Implementation Process:

**Registration on the Invoice Registration Portal (IRP):** Businesses with a turnover above a specified threshold are required to generate e-invoices. They need to register on the Invoice Registration Portal (IRP), a centralized platform that validates and authenticates e-invoices.

**Invoice Generation:** Once registered, businesses generate invoices in the prescribed format. The IRP validates the invoice and assigns a unique Invoice Reference Number (IRN) to each invoice.

**Transmission to GSTN:** The authenticated e-invoice is transmitted to the GSTN in real-time. This ensures that the transaction data is available to tax authorities for monitoring and analysis.

**Integration with GST Return:** The e-invoice data seamlessly integrates with the GST return filing process. This simplifies the compliance process and reduces the chances of errors in tax reporting.

**Impact on Businesses:**

**Increased Efficiency:** E-invoicing streamlines the entire invoicing process, reducing manual effort and the likelihood of errors. This leads to increased operational efficiency for businesses.

**Enhanced Compliance:** Businesses can ensure better compliance with GST regulations as e-invoicing facilitates accurate and real-time reporting.

**Cost Savings:** The automation of invoicing processes and reduced errors result in cost savings for businesses. Additionally, the streamlined compliance process minimizes the need for additional resources.

**Improved Cash Flow:** Quicker processing and payment cycles, facilitated by e-invoicing, contribute to improved cash flow for businesses.

**Conclusion:**

E-invoicing under GST represents a significant step towards creating a more efficient and transparent taxation system in India. While businesses may initially face challenges in adapting to the new system, the long-term benefits in terms of reduced compliance burden, increased efficiency, and improved transparency make it a crucial component of the evolving GST framework. As technology continues to play a pivotal role in the business landscape, embracing e-invoicing becomes not just a regulatory requirement but also a strategic imperative for businesses looking to thrive in the digital era.

**Frequently Asked Questions**

1. **[What are the methods/modes of e-invoice generation?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

There are two modes/methods of e-invoice generation.

* First one is using the offline/excel tool
* Second one is using the API mode – directly or through GSPs.

1. **[What are the access mechanism for the e-invoicing system?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

There are two access mechanism for e-invoicing system.

* Web based access for generation of IRN using the offline/excel based tools.
* API based access for generation of IRN using the APIs directly or through GSPs.

1. **[How to know the enablement of e-invoicing system for my Company?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

There is an option in the [https://einvoice1.gst.gov.in](https://einvoice1.gst.gov.in/) portal under search menu as ‘Status of Tax Payer’. Select and enter the GSTIN and see the enablement status for the entered tax payer.

1. **[Whether e-Invoice is required for Export of Services?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Yes, if you are eligible for e-Invoicing, all the invoices of B2B and Exports need to be registered.

1. **[Is there any time limit for delivery of goods or generation of e-waybill in e-Invoice?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, there is no time limit for delivery of goods or generation of e-waybill for the e-Invoice.

1. **[Do you need to upload RCM Invoices also?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Yes, if you are eligible for e-Invoicing, all the invoices including RCM invoices issued by the Supplier need to be registered.

1. **[How to generate E-invoice for Services?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

The e-Invoice for services may be generated like any other invoice, by mentioning related SAC code and the total price in unit rate and the quantity may be mentioned as one.

1. **[In how many days can we generate e-Invoice after preparing manual invoice and e-Waybill?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Ideally, the e-invoice must be generated after preparing the manual invoice and before issuing it to the customer. The system presently allows to register invoices for the previous periods also.

1. **[If we miss to upload the invoices, then what is the solution?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Presently, system allows for the invoices to be registered for previous period. So, if you have missed uploading, then you may still generate e-Invoice for the previous period invoices.

1. **[Whether E-Waybill is mandatory for service invoices?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, it is not required. e-Waybill is required only if at least one of the items in the invoice has Goods and the value of invoice exceeds Rs 50 thousand.

1. **[Whether Shipping bill number and date can be entered in e-Invoice?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Yes, they can be entered.

[Shipping bill is the main document on the basis of which the customs office gives the permission for export. Shipping bill contains particulars of the goods being exported, the name of the vessel, the port at which goods are to be discharged, country of final destination, exporter's name and address, and so on.]

1. **[Whether shipping bill number is mandatory while preparing E- Invoice?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, shipping bill number or date is not mandatory for preparing e-invoice.

1. **[Is there any time limit to prepare a credit note against E-invoice?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, there is no time limit to prepare the credit notes or debit notes against the e-Invoice.

1. **[I have crossed the notified Turnover in the current year, do I need to upload my invoices?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, e-Invoice is applicable only if the notified turnover is crossed in the previous years.

1. **[Can the regular invoice be maintained along with portal generated invoice? Instead of sending the portal generated invoice can we send the regular format to customer.](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Invoice sent to the customer must contain the IRN number and the QR Code. Along with this you may send the regular invoice also.

1. **[How do I upload invoices, in case I do not have ERP system?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

The e-invoice portal [https://gepp.einvoice1.gst.gov.in](https://gepp.einvoice1.gst.gov.in/" \t "_blank) helps the suppliers in registering the invoices without the necessity for ERP system. This is a browser based and user-friendly portal by which the e-invoices can be generated. The application may also be downloaded on to the mobile.

1. **[Is e-Invoicing applicable if my customers are of SEZ type?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Yes, its applicable. If the customer is of type SEZ, then e-Invoice may be generated using transaction type as SEZWP / SEZWOP by the Supplier.

['SEZWP' for SEZ supplies with payment of tax, 'SEZWOP' for SEZ supplies without payment of tax,]

1. **[Do we need to upload the Digital signature on E- Invoice portal?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, supplier cannot upload the digitally signed invoice to the portal. The e-invoice system will digitally sign the e-invoice details uploaded to the portal and return the signed invoice and QR code to the Supplier.

1. **[I’m unable to enter slash '/' in the document number, what should I do?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Document number in e-Invoice should not be starting with 0, / and -. You should pass the document number without such characters.

1. **Whether manual invoice with USD/EURO Currency and E-Invoice with INR be used? (Or) Can we upload export invoice details with foreign currency?**

All invoices to be registered on the portal should contain the values in INR, however there are some optional fields in the schema in which the foreign currency may be included.

1. **[I have already registered in GST Portal. Whether I need to register again on the E-invoice system Portal?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Yes. All the registered users under GST who wish to generate IRN need to register on E-invoice system separately using his GSTIN. Once GSTIN is entered, the system sends an OTP to his registered mobile number registered with GST Portal and after authenticating the same, the system enables him to generate his/her username and password for the E-invoice system. After generation of username and password of his/her choice, he/she may proceed to make entries to generate IRN.

1. **[I have already registered in EWB Portal. Whether I need to register again on the E-invoice Portal?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

No, Users who are already registered on the e-way bill portal need not to again register on the e-invoice system. User can use EWB login credentials to login at e-invoice system.

1. **[Will it be possible to allow invoices that are registered on invoice registration system/portal to be downloaded and/or saved?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Yes. The IRP after registering the invoice, will share a digitally signed e-invoice for record of the supplier. You can download the invoice for further use and action.

1. **[What is Invoice Reference Number (IRN)?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

The Invoice Reference Number (IRN) is a unique number (also known as hash) generated by the e-invoice system using a hash generation algorithm. For every document viz., an invoice or debit or credit note to be submitted on the e-invoice system, a unique 64-character Invoice Reference Number (IRN) shall be generated which is based on the computation of hash of GSTIN of supplier of document (invoice or credit note etc.), Year, Document type and Document number. This shall be unique to each invoice and hence will be the unique identity for each invoice for the entire financial year in the entire GST System for a taxpayer.

1. **[Can IRN be deleted or cancelled?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

The IRN, once generated cannot be modified or deleted. However, if IRN is generated with wrong information, it can be cancelled. Once cancelled, the same document (with same document number) can’t be reported again for generation of IRN. The cancellation is required to be done within 24 hours from the time of generation.

1. **[If there is a mistake or wrong entry in the e-invoice, what has to be done?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

If there is a mistake, incorrect or wrong entry in the e-invoice, then it cannot be edited or corrected. Only option is to cancel that invoice/IRN and report a new document (with new number) and generate a fresh IRN.

1. **[Whether e-invoices generated through GST system can be partially / fully cancelled?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

E-Invoice/IRN 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 triggered through the IRP within 24 hours.

1. **[What is the need to create sub-users?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0) [Why do I need sub-users?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Many of the businesses have multiple places of business or head office and branch at different locations or work remotely from the principal place of business. Generating IRN with a single login may be a challenge for them. To overcome this challenge business can create multiple sub-users. A sub-user can use the same login credentials created originally and perform the actions as per the access that is given to them. For example, a sub-user may be allowed to generate IRN and restricted to accept IRN.

Most of the times, the tax payer or authorized person himself cannot operate and generate IRN’s. He will be dependent upon his staff or operator to do that. He would not like to avoid sharing his user credentials to them. In some firms, the business activities will be operational 24/7 and some firms will have multiple branches. Under these circumstances, the main user can create sub-users and assign the roles to them. He can assign generation of IRN or report generation activities based on requirements. This facility helps him to monitor the activities done by sub-users. However, the main user should ensure that whenever employee is transferred or resigned, the sub-user account is frozen / blocked to avoid misuse of credentials.

1. **[How many sub-users can be created?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

For every principal/additional place of business, user can create maximum of 10 sub-users. That is, if tax payer has only (one) principal business place (and no additional place of business), he can create 10 sub-users. If tax payer has 3 additional places and one principal place of business (i.e. 4 places), then he can create 40 (4 X 10) sub users.

1. **[What are the Modes of Generation of e-invoice, the taxpayer can use?](https://einvoice1.gst.gov.in/Others/Faqs" \l "0)**

Multiple modes can be used for reporting invoices to IRP: • Bulk Upload, • API based, • Mobile app based, • GSP based.