



E - Invoicing

*CERTIFICATE COURSE ON GST -
12th BATCH*

Introduction

- e-Invoice is a system in which B2B invoices are authenticated electronically by GSTN for further use on the common GST portal.
- Under the electronic invoicing system, an identification number will be issued against every invoice by the Invoice Registration Portal (IRP) to be managed by the GST Network (GSTN).
- The e-Invoice System is for GST registered person for uploading all the B2B invoices to the Invoice Registration Portal (IRP).
- The IRP generates and returns a unique Invoice Reference Number (IRN), digitally signed e-invoice and QR code to the user.
- All invoice information is transferred from einvoice1.gst.gov.in portal to both the GST portal and e-way bill portal in real-time.
- Therefore, it eliminates the need for manual data entry while filing GSTR-1 return as well as generation of part-A of the e-way bills, as the information is passed directly by the IRP to GST portal.

Introduction

Businesses have the following benefits by using e-invoice initiated by GSTN

- E-invoice resolves and plugs a major gap in data reconciliation under GST to reduce mismatch errors.
- E-invoices created on one software can be read by another, allowing interoperability and help reduce data entry errors.
- Real-time tracking of invoices prepared by the supplier is enabled by e-invoice.
- Backward integration and automation of the tax return filing process – the relevant details of the invoices would be auto-populated in the various returns, especially for generating the part-A of e-way bills.
- Faster availability of genuine input tax credit.
- Lesser possibility of audits/surveys by the tax authorities since the information they require is available at a transaction level.

E-invoicing – Legal Provisions

As per Rule 48(4) of CGST Rules,

- notified class of registered persons
- to prepare invoice
- by uploading specified particulars in FORM GST INV-01
- on Invoice Registration Portal (IRP) and
- obtain Invoice Reference Number (IRN)

Introduction

What is E-Invoicing?

Electronic invoicing or e-Invoicing is a system of raising invoices, under which invoices generated by one software can be read by any other software, eliminating the need for any fresh data entry or errors.

In simpler words, it is an invoice generated using a standardized format, where the electronic data of the invoice can be shared with others, thus ensuring the interoperability of data.

IRN: fd3996ef75afb002401301c9b3ccc3e18d6b74cb899b3856c144ade574625d51

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APPLICABILITY

The e-invoicing system under GST was implemented from 1st Oct 2020.

Applicable from	Taxpayers with Aggerate T/O exceeding
1 st Oct 2020	Aggregate turnover exceeding Rs 500 Crores
1 st Jan 2021	Extended to business having turnover exceeding Rs 100 Crores
1 st April 2021	Extended to business having turnover exceeding Rs 50 Crores
1st April 2022	Extended to business having turnover exceeding Rs 20 Crores
1st Oct 2022	Recently , the system expanded to cover businesses with turnover over Rs 10 Crores

Hence, GST registered persons whose aggregate turnover in any previous financial years (2017-18 to 2021-22) exceeds Rs 10 crore then such business shall generate e-Invoicing from 1st October 2022

The following transactions and documents listed below fall under e invoicing applicability

Documents

1. Tax Invoices
 2. Credit Notes
 3. Debit Notes
- } u/s 34 of CGST Act

Transactions

1. Taxable Business-to-Business sale of goods or services
2. Business-to-government sale of goods or services
3. Exports & deemed exports
4. Supplies to SEZ (with or without tax payment)
5. Stock transfers or supply of services to distinct persons
6. SEZ developers
7. Supplies under reverse charge covered by Section 9(3) of the CGST Act.



However, e-invoicing shall NOT be applicable to the following categories of registered persons, irrespective of the turnover.

(notified in the CBIC Notification No.13/2020 – Central Tax)

- An insurer or a banking company or a financial institution, including an NBFC
- A Goods Transport Agency (GTA)
- A registered person supplying passenger transportation services
- A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services
- An SEZ unit (excluded via CBIC Notification No. 61/2020 – Central Tax)
- A government department and local authority. (excluded via CBIC Notification No. 23/2021 – Central Tax)
- Persons registered under the Rule 14 of CGST Rules (OIDAR)

Creating an Electronic Invoice

The process to create an e-invoice varies with the following four methods:

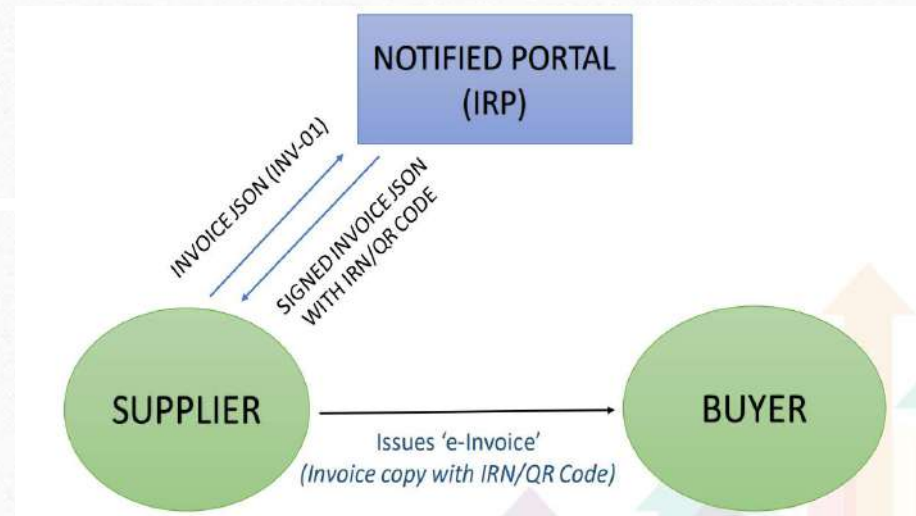
- a) Offline tool
- b) Using ClearIRP.com, the government's certified/ authorised IRP provider
- c) Using GST Suvidha Provider
- d) Through Direct Integration with IRP (**Invoice Registration Portal**)
- e) Via API integration with sister concern GSTIN
- f) Using E-way Bill API credentials (**application programming interface**)
- g) GePP



For methods other than offline tool, the taxpayer must register his APIs by logging into the e-invoice portal and using the API credentials to connect and generate IRN (**Invoice Reference Number**) and e-way bills.

7 Steps to E-Invoice Generation

1. Invoice Creation
2. Invoice Registration Number (IRN) Generation
3. Upload on Invoice Registration Portal (IRP)
4. IRP Validation of Invoice Information
5. Digital Signature and QR Code Generation
6. E-Invoice data transmission to E-Way Bill Portal and GST System
7. E-Invoice Receipt back to Supplier's ERP



Supplier



- Seller to have system or offline utility to prepare/receive JSON
- Uploads e-invoice JSON to IRP as per schema (INV-01)



B2G APIs

- Receives signed JSON with IRN & e-way bill (where required)
- Issues 'e-invoice' to buyer, i.e. invoice with IRN/QR Code



Seller's GSTR-1 gets updated with invoice details

CMA Kedarnath

Invoice Registration Portal (IRP)



IRP

- Validates the data
- Generates IRN
- Sends invoice payload to the GST System

IRP

- Adds a QR Code
- Signs the invoice JSON
- Pushes data to e-way bill system (where required)



G2G APIs



GST System



Rules out existence of same IRN in GST System

- Saves invoice Details in GST System
- Auto-populates invoice details into GSTR-1/2A



Buyers



Buyers can view invoice details in their GSTR-2A

- With QR code on invoice copy or by uploading e-invoice JSON (sent by supplier), buyer can verify authenticity of e-invoice

14-Jan-2023

12

Supplier sends the e-invoice to the receiver, in the same way as he is doing now. However, a mechanism to enable system-to-system exchange of e-invoices will be provided in due course.

While transporting goods, wherever the e-way bill is needed, the requirement continues to be mandatory.

In case both Part-A and Part-B of e-way bill are provided in the e-invoice schema, the details will be used to generate e-way bill.

The IRP will push the relevant invoice data (payload) to GST System. The GST system will auto-populate them into GSTR-1 of the supplier.

For all the taxpayers, who are generating e-invoice, their GSTR-1 (Sections B2B, CDN, EXP, Table12) will be auto-populated with e-invoice data.

GSTR-1 Table no.	GSTR-1 Table description
4A,4B,4C,6B,6C	B2B Invoices
6A	Export Invoices
9B	Credit/Debit Notes
12	HSN-wise summary of outward supplies

GST system will do mapping of E-invoice fields with GSTR1 fields, aggregate items on rate and populate GSTR-1.

In case the e-invoice is cancelled, the auto-populated details will be removed from GSTR-1, automatically. The status also will be updated accordingly.

Taxpayer will be able to edit auto-populated e-invoice data in GSTR-1.

GST system will provide G2B API to get complete e-invoice data.

GST System will enhance GSTR1, GSTR2A, GSTR2B, GSTR6A APIs and offline tool to include IRN and IRN date.

To start with, data from e-invoice will be pulled once every night, so data uploaded in e-invoice system on 'T' will be available on 'T+1' basis, in GSTR-1 and GSTR-2A/GSTR-6A. After stabilization, this will be made available in near real-time basis.

Along with signed invoice, IRP will also gives a QR code* containing the unique IRN and below key particulars:

- i. GSTIN of supplier
- ii. GSTIN of Recipient
- iii. Invoice number as given by Supplier
- iv. Date of generation of invoice
- v. Invoice value (taxable value and gross tax)
- vi. Number of line items.
- vii. HSN Code of main item (the line item having highest taxable value)
- viii. Invoice Reference Number (IRN)
- ix. Date of generation of IRN

Mapping of GSTR-1 and e-Invoice Fields

S No	E-invoice Field name	GSTR1 field name
1	Supply_Type_Code	Invoice type (This Field will be used for mapping invoice to different sections of GSTR1 like B2B/SEZWOP/SEZWP/DEXP invoices will be mapped to B2B section of GSTR1)
2	Document_type_code	It will be used to decide CDN or other sections.
3	Document_Num	Supplier Invoice number
4	Document_Date	Supplier Invoice Date
5	Reverse_charge	Reverse Charge
6	Supplier_Legal_Name	Supplier_Legal_Name
7	Supplier_trading_name	Trade Name of Supplier
8	Supplier_GSTIN	Supplier GSTN
9	Recipient_Trade_Name	Buyer Tade name
10	Recipient_GSTIN	Receiver GSTIN
11	Place_Of_Supply_State_Code	Place of Supply (POS)
12	Total_Invoice_Value_INR	Supplier Invoice Value
13	HSN code	HSN code (Table-12)

S No	E-invoice Field name	GSTR1 field name
14	Quantity	Quantity (Table 12)
15	UQC (UOM)	UQC (Unit of Measure) of goods sold (Table 12)
16	GST Rate	Rate
17	Taxable Value	Taxable value of Goods or Service as per invoice
18	IGST_amt	IGST Amount as per item
19	CGST_amt	CGST Amount as per item
20	SGST_UTGST Amt	SGST Amount as per item
21	Comp_Cess_Amt_Ad_Valorem	CESS Amount as per item
22	Shipping_Bill_Number	Shipping Bill Number
23	Shipping_Bill_Date	Shipping Bill Date
24	Port_Code	Port Code

Verifying the Authenticity or Correctness of E-invoice

- By uploading the signed JSON file or Signed QR Code into e-invoice system:

einvoice1.gst.gov.in > Search > 'Verify Signed Invoice'

- Alternatively, with “Verify QR Code” mobile app which may be downloaded from

einvoice1.gst.gov.in > Help > Tools > Verify QR Code App

CANCELLATION:

- ❖ IRN can be cancelled within 24 hours (from the time of generation of IRN).
- ❖ However, if the connected e-way bill is active or verified by officer during transit, cancellation of IRN will not be permitted.
- ❖ In case of cancellation of IRN, GSTR-1 also will be updated with such 'cancelled' status.

AMENDMENTS:

- ☐ Amendments are not possible on IRP.
- ☐ Any changes in the invoice details reported to IRP can be carried out on GST portal (while filing GSTR-1).
- ☐ However, these changes will be flagged to proper officer for information.

Benefits of E-Invoicing

- One-time reporting of B2B invoices while generation, which reduces reporting in multiple formats.
- Most of the data in form GSTR-1 can be kept ready for filing while using e-invoicing system.
- E-way bills can also be generated easily using e-Invoice data.
- There is minimal need for data reconciliation between the books and GST returns filed.
- Real-time tracking of invoices prepared by a supplier can be enabled, along with the faster availability of input tax credit. It will also reduce input tax credit verification issues.
- Better management and automation of the tax-filing process.
- Reduction in the number of frauds as the tax authorities will also have access to data in real-time.
- Elimination of fake GST invoices getting generated.

1. For queries on applicability, law, schema, procedure etc. relating to e-invoicing

<https://einvoice1.gst.gov.in/> > **Help > FAQs > Legal / Procedure**

www.gstn.org.in > **e-invoice > FAQs**

2. For queries on IRP i.e. Registration, Log in, Offline / Bulk Generation tool, Generation/Cancellation of IRN etc.

<https://einvoice1.gst.gov.in/> > **Help > FAQs**

3. For queries on e-invoice API Developers' Portal, i.e. API Specifications, Testing, Credentials to access Sandbox etc.

<https://einv-apisandbox.nic.in/> > **FAQs**

Points to be Noted

- E-invoice can be generated **after invoice date**.
- E-invoice applies to **Reverse Charge Mechanism** also.
- E-invoicing is **NOT** applicable to nil-rated or wholly-exempt supplies and B2C Supplies.
- If a business' turnover exceeds the prescribed limit in a financial year, it would be required to generate e-invoices from the **beginning of the next financial year**. Ex: If the threshold turnover was exceeded in FY 2022-23, then e-invoicing will be applicable from 1st April 2023.
- As soon as the JSON payload of the invoice is sent to the IRP, it will get registered immediately, at real-time. The **e-invoice will not be considered valid without an IRN** and validation and registration from IRP.

FAQ's

1. What documents are required while reporting to the GST system for e-Invoice?

- In addition to documents required by law, the creator of the invoice must submit the following documents to the IRP (Invoice Registration Portal) <https://einvoice1.gst.gov.in/>

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- ✓ Tax Invoice
 - ✓ Credit Note
 - ✓ Debit Note

2. Will invoices be generated directly from the government's tax portal?

- No. Taxpayers will have to generate invoices using accounting or billing software.
- Small taxpayers have the option of choosing from one of the eight free accounting software available on the government's website

FAQ's

3. Will the invoice formats differ for traders, health care facilities, and contractors ?

- Invoice is generally prepared by the tax payer himself. There is a standard invoice schema to be followed by all businesses. The form has the option to select from a range of mandatory and non-mandatory fields, which are likely to vary from business to business.

4. How long will the generated e-invoice be available in the government portal?

- Once the invoice registration system has validated and registered an invoice, it will be made available to the taxpayer in GST GSTR-1. The counter party can also access it from GSTR 2A immediately. Both the parties can refer to these documents for one financial year, after which it will be archived. It will be available for reference on IRP for only 24 hours.

FAQ's

5. Is a taxpayer also required to sign an e-invoice?

- The e-invoice schema has a field for accepting digital signature. If a signed e-invoice is sent to the Invoice Registration portal, it will be accepted. Based on the latest updates on the proposed system, the IRP will be validating and digitally signing the e-invoice. Following this, the signed e-invoice will be shared with the supplier and the recipient.

6. Can a supplier issue an invoice? If so, does the supplier have to mention invoice number and IRN?

- A supplier can issue an invoice which should comply with the e-invoice schema fixed by the GST Council. According to the process flow of the proposed system, the IRP will generate and return the IRN to the seller.

FAQ's

7. Is bulk-upload of invoices possible?

- Invoices will always be uploaded one at a time. When there are a huge number of invoices to be uploaded by large taxpayers, then it may appear like a bulk upload to the user. In reality, the ERP/ accounting system of these businesses are designed in a way where they can handle requests one at a time.

8. Is there a time limit for uploading e-invoices for registration?

- As soon as the JSON uploaded is sent to the IRP, it will get registered immediately, at real-time. The e-invoice will not be considered valid without an IRN and validation and registration from IRP.

FAQ's

9. Is it possible to partially or fully cancel an e-invoice generated via GST system?

- E-invoice mechanism does not allow invoices to be partially cancelled.
- They have to be fully cancelled. If the cancellation takes place within 24 hours, it will be triggered through IRP else it has to be done on the GST system. Cancellation will be done based on the process mentioned under the Accounting Standards. Once the invoice is cancelled, you cannot generate a new invoice using the same invoice number.

10. Can we amend the invoices uploaded on IRP? If yes, how will it be done?

- Yes. The invoices reported to IRP will be sent to GST system. Hence the amendments to be made will have to be done on the GST system and not on the IRP.

FAQ's

11. How can a foreign service provider integrate with IRP?

- If you are foreign service provider within Indian shores, then you can integrate with IRP.

12. Is it possible for an IRP to reject a submitted invoice?

- IRP is responsible for validating and checking duplication of invoices. If there are duplicate invoices found, then the IRP will return those invoices with an error message without completing the registration.

13. How frequently can you upload invoices to generate IRN?

- Invoices which were created on that particular date and a day before that will only be accepted to be pushed to the IRP for generating IRN.



*{Arise, awake and stop not until the goal is reached}
- Swami Vivekananda*



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