



e-Invoicing

A comprehensive overview of electronic invoicing implementation, benefits, and compliance requirements for taxpayers and businesses in India.

What is E-Invoice?

E-Invoice Defined

Digital invoice with standardized format

Generated through Invoice Registration Portal (IRP)

Contains unique Invoice Reference Number (IRN)

Key Players

Supplier: Issues e-invoice through IRP

Customer: Receives authenticated document

IRP: Government platform for validation

Introduction to E-Invoicing

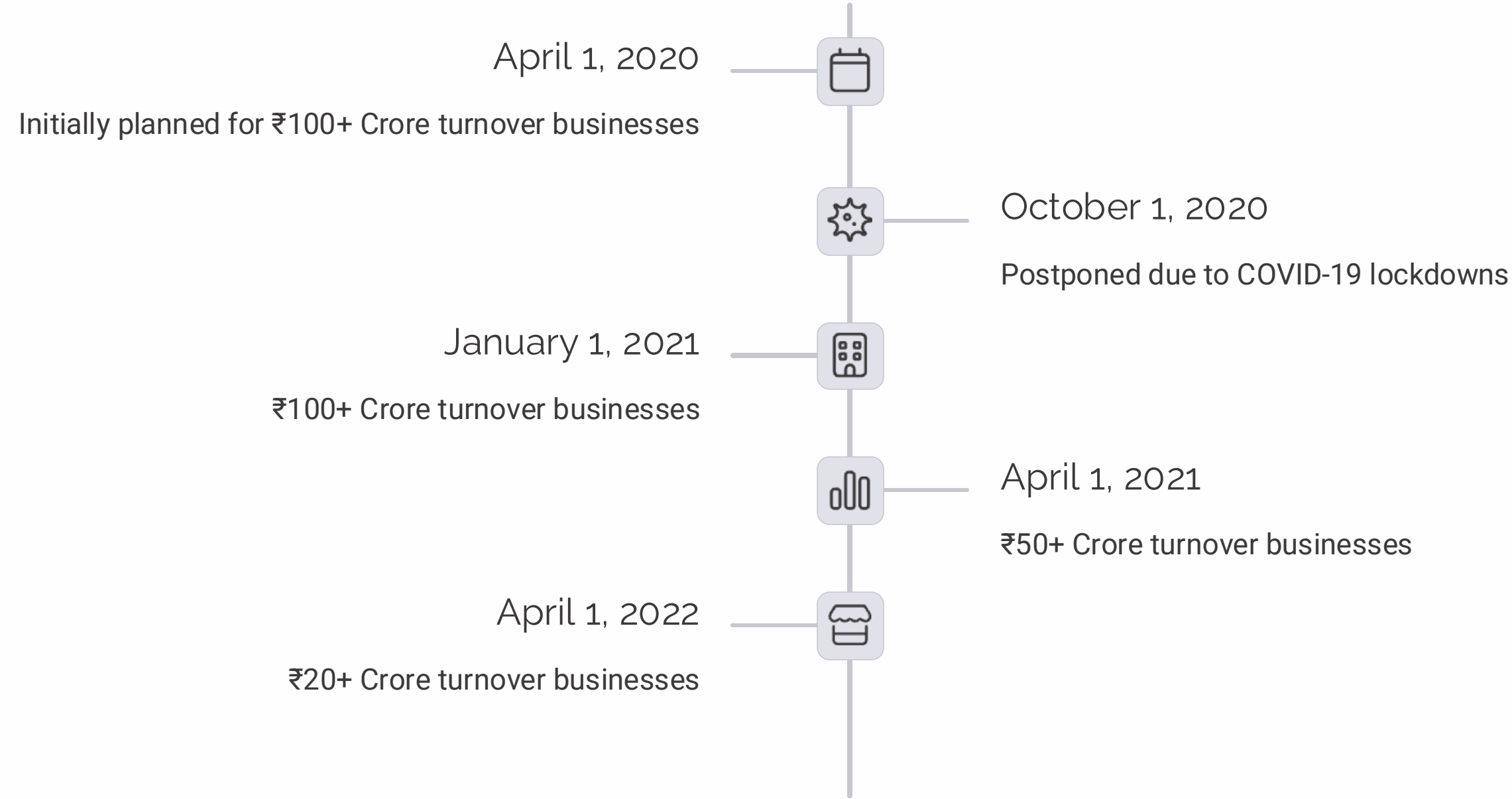




Global E-Invoicing Adoption

Country	Implementation Started
Chile	2003
Mexico	2004
Brazil	2005
Guatemala	2012
Ecuador	2014
Colombia	2015
Argentina	2016
Costa Rica	2018
Bolivia	2019

E-Invoicing Rollout Timeline in India



Registered Person as Supplier

Who Must Issue E-Invoices

GST registered businesses

Above turnover threshold (₹20+ Cr)

Making taxable supplies

Registration Requirements

Active GSTIN status

E-invoice portal registration

API or portal access setup

Supplier Responsibilities

Generate standardized invoices

Validate through IRP

Maintain digital records

Benefits of E-Invoicing



Curbs Tax Evasion

Real-time validation prevents fake invoices



Real-Time Tracking

Instant visibility of transactions



Saves Cost & Time

Reduces manual processing and errors



Standardization

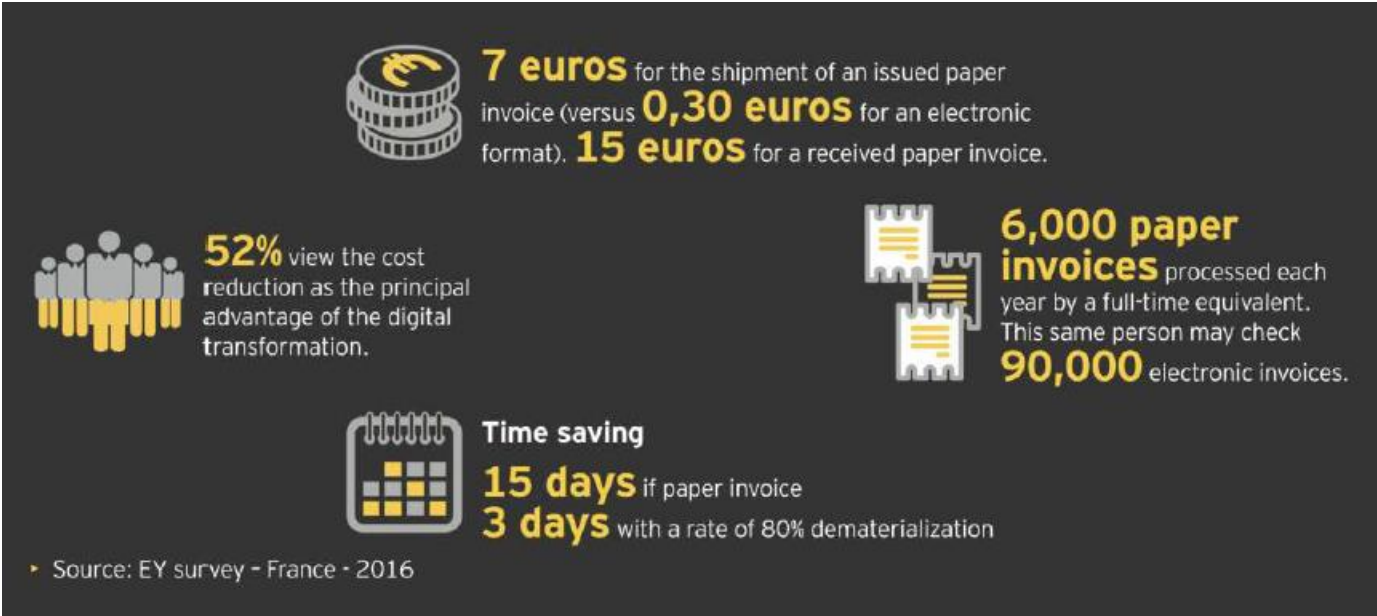
Uniform format across businesses







Eco-friendly

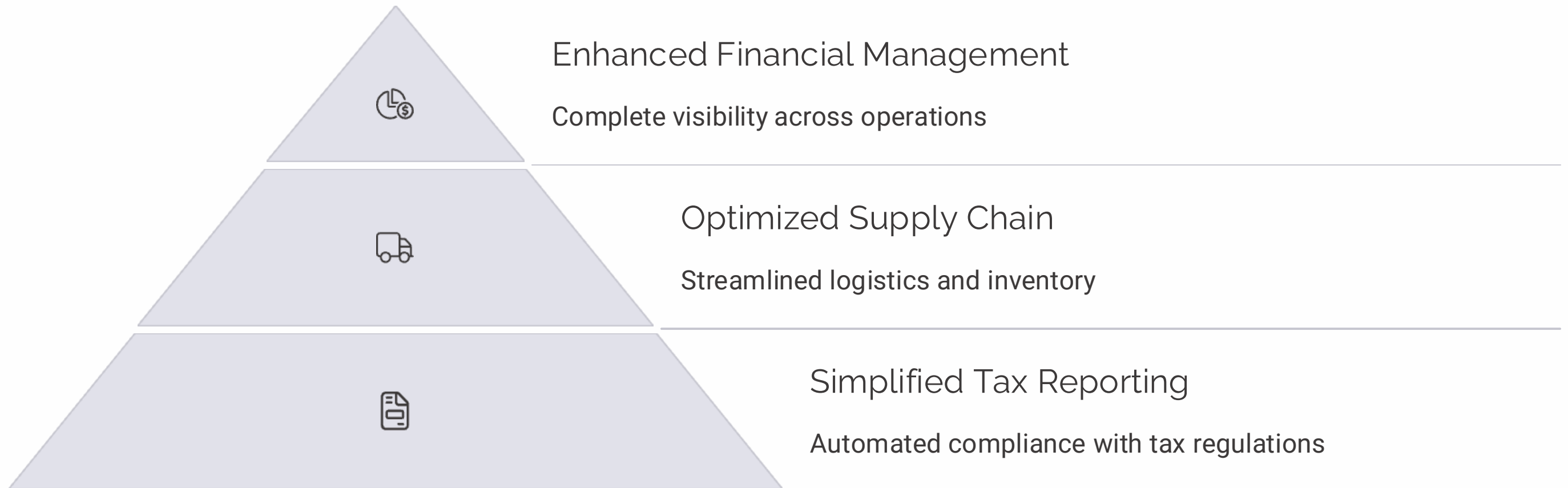
Reduces paper consumption

E-Invoicing System Benefits



	Automated Data Entry Eliminates manual invoice processing
	Improved Compliance Built-in validation reduces filing errors
	Enhanced Reporting Real-time data for business analytics
	Streamlined Business Processes Faster payment cycles and dispute resolution

Why Implement E-Invoicing?





E-Invoicing System Advantages



E-Invoicing Models

Supplier Direct Model

Supplier sends e-invoice directly to buyer

No intermediary involved

Simple but limited standardization

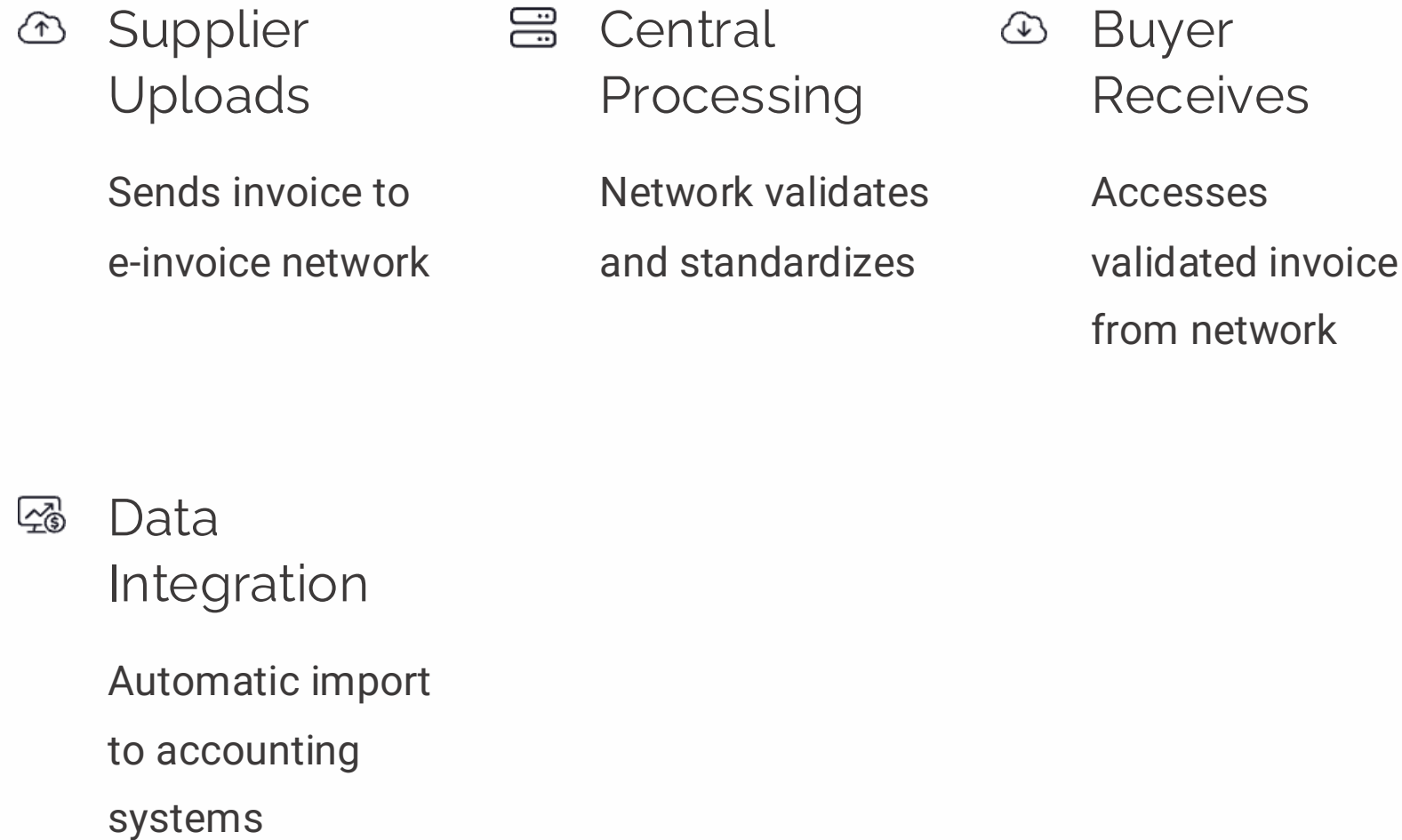
Buyer Direct Model

Buyer extracts data from supplier's system

Buyer controls invoice format

Supplier adapts to buyer requirements

Network Model for E-Invoicing



Legal Provisions - First Set

Notification	Details
68/2019-Central Tax	Changes in CGST Rules, 2017
69/2019-Central Tax	Common portal notification for e-invoice
70/2019-Central Tax	Class of registered persons required to issue e-invoice
71/2019-Central Tax	Provisions of rule 46 of CGST Rules
72/2019-Central Tax	Class of persons required to issue QR Code invoices
02/2020-Central Tax	Revised format of FORM INV-01
13/2020-Central Tax	Exemptions and implementation extension



Legal Provisions - Second Set

- 1 Notification 68/2019
Amendments to CGST Rules
establishing e-invoicing system
- 2 Notification 69/2019
Designated common portal for e-
invoice generation
- 3 Notification 70/2019
Specified businesses required to
implement e-invoicing
- 4 Notification 71/2019
Invoice format and field requirements
- 5 Notification 72/2019
QR code requirements for B2C invoices

Additional Legal Provisions

Notification 73/2020	Notification 88/2020	Notification 89/2020	Notification 01/2022
Special procedures for Oct 2020 transition period	₹100 Cr+ turnover implementation from Jan 2021	Penalty waiver for non-compliance during transition	₹20 Cr+ turnover implementation from Apr 2022
Temporary relaxations for implementation	Extended timeline due to pandemic	Relief for businesses adapting to new system	Latest expansion of mandate

Circular on QR Code Requirements

Circular 146/02/2021-GST

Clarifies Dynamic QR Code for B2C invoices

Implementation guidance for businesses

Compliance with notification 14/2020

Key Clarifications

Required elements in QR codes

Format and placement requirements

Digital payment information inclusion

Applicability

B2C invoices issued by specified taxpayers

Transactions above specified value

Exemptions for certain business types



Technical Aspects of E-Invoicing



IRN

Invoice Reference Number, unique identifier



IRP

Invoice Registration Portal for validation



SSL-TLS (1.2)

Secure communication protocol



API

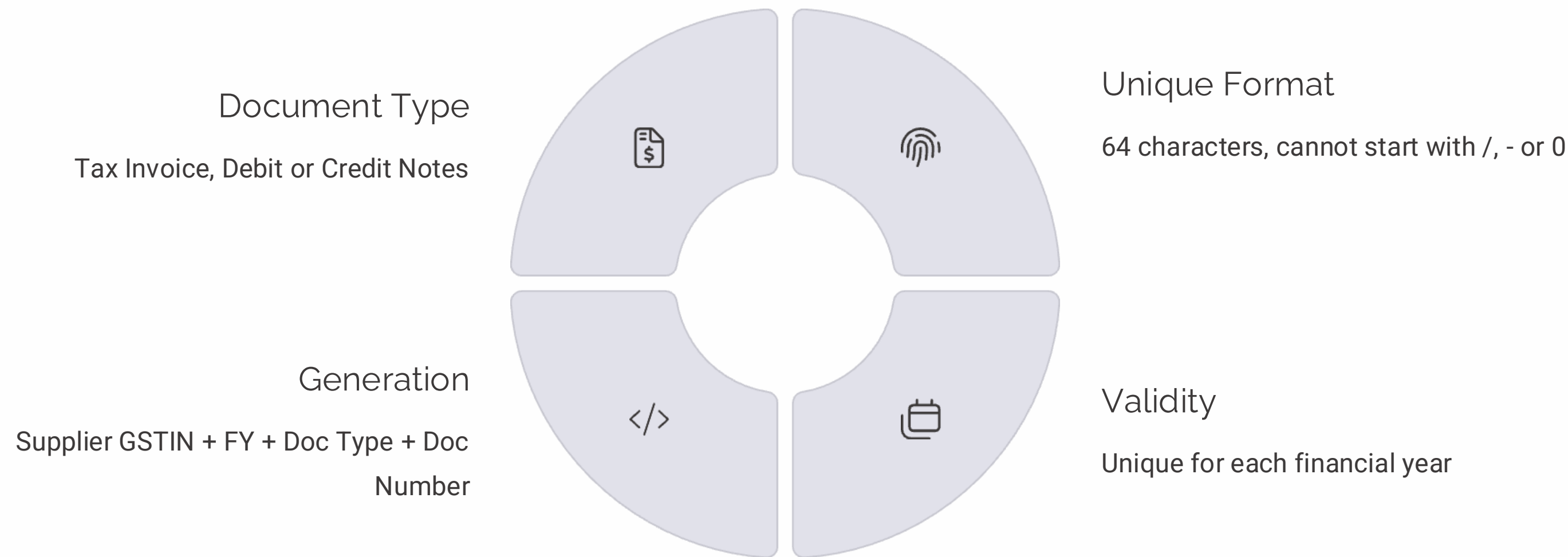
Application Programming Interface for integration



Sandbox

Testing environment for implementation

IRN: Invoice Reference Number



Supplies Requiring IRN Generation

B2B Supplies

Business-to-business transactions

Regular domestic supplies

SEZ Supplies

With payment of tax

Without payment of tax

Export Transactions

With payment of tax

Without payment of tax

Deemed Exports

Supplies treated as exports under GST

Special category transactions



Businesses Exempted from E-Invoicing

01

Transport Services

Goods Transport Agencies exempt

02

Financial Sector

Banking and insurance providers exempt

03

Special Zones

SEZ units exempt from issuing e-invoices

04

Passenger Services

Passenger transport providers exempt

05

Entertainment

Multiplexes and cinema halls exempt



Documents Requiring IRN



Tax Invoice

Primary document for
taxable supplies



Credit Note

For returns, price
reductions, discounts



Debit Note

For additional charges
or underpayments

Total Invoice Value: **Rs. 751930.83**

QR Code on E-Invoice



Purpose

Quick verification of invoice authenticity



Generation

Automatically created by IRP after validation



Verification

Scannable by recipient for validation



Content

Contains key invoice data in encrypted form

QR Code Data Elements

1 Supplier GSTIN

Tax identification of seller

3 Invoice Details

Document number, type, and date

5 Product Classification

Main HSN code for goods/services

2 Recipient GSTIN

Tax identification of buyer

4 Value Information

Total value and line item count

6 IRN Information

Unique reference number and generation date

Sample E-Invoice Format

Header Information

Contains supplier and recipient details

Invoice number and date

Line Items

Product/service details with HSN codes

Quantity, rate, and tax breakup

QR Code Section

Machine-readable invoice summary

Used for quick verification

e-Invoice

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INPM9430M1KL

galore

9f725ab42b94c86e873a4a8bb5af8b61a5fbc653

ACK No. 112010033975596

ACK Date: 07/12/2020

Document No. 5465

Document Date 07/12/2020

IGST on INTRA: 0%

IM1KL

Recipient

GSTIN: 29ABCD1234F1LI

Vijaya Traders

1st Cross, 3rd Main, Gandhi Nagar

Kollegal Main Road

Bangalore. Place of Supply: KARNATAKA

560009KARNATAKA

8554566567

beamani.vijaya@gmail.com

on	HSN Code	Quantity	UQC	UNIT Price	Discount	Taxable Amount	Tax Rate (GST+CESS State Cess+CESS Non-Advol)
	7216	85	NOS	1000	0	85000	18 + 0 0 + 0
	7216	50	KGS	2000	0	100000	18 + 0 0 + 0
t	SGST Amount	IGST Amount	CESS Amount	State CESS Amount	Discount	Other Charges	Round Off A
io	16650	0	0	0	0	0	0

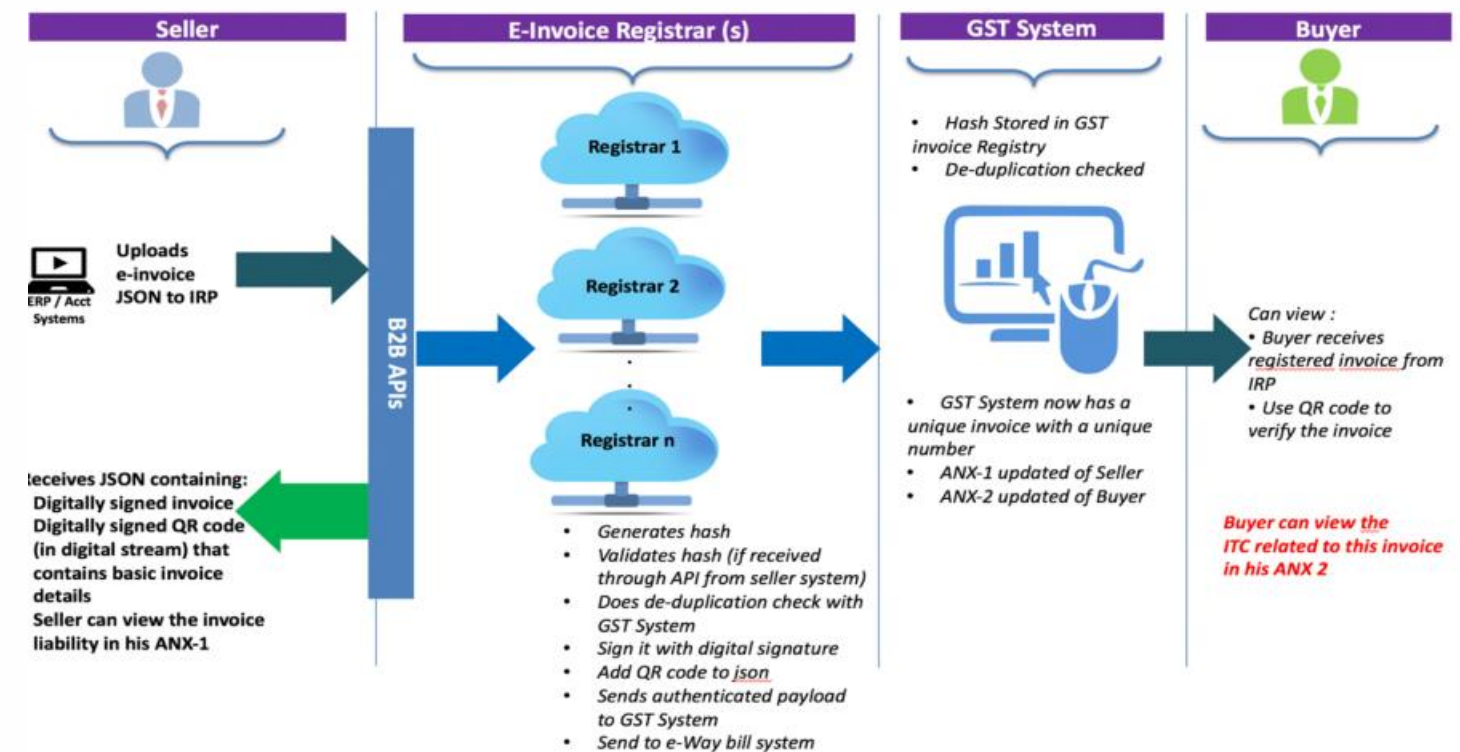
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Technical System Architecture



-  JSON Creation
Invoice data in standardized format
-  API Submission
Secure transmission to IRP
-  Validation
Schema and content verification
-  IRN & QR Generation
Digital signature applied
-  Response Processing
Integration with business systems

IRN Generation Process Flow



Invoice Data Preparation

Compile required fields in JSON format



Authentication

Secure login to IRP with credentials



Data Submission

Send invoice data through API or portal



Validation Processing

IRP checks format and business rules



IRN Receipt

Receive digitally signed invoice with QR

IRN Number Format

IRN Example

11f8ef701fe294d4a14aad0b12457e62775d0fdc41a0acf05b74fbb2ddc47acb

Structure

64-character hexadecimal hash value

Generated using SHA-256 algorithm

Components

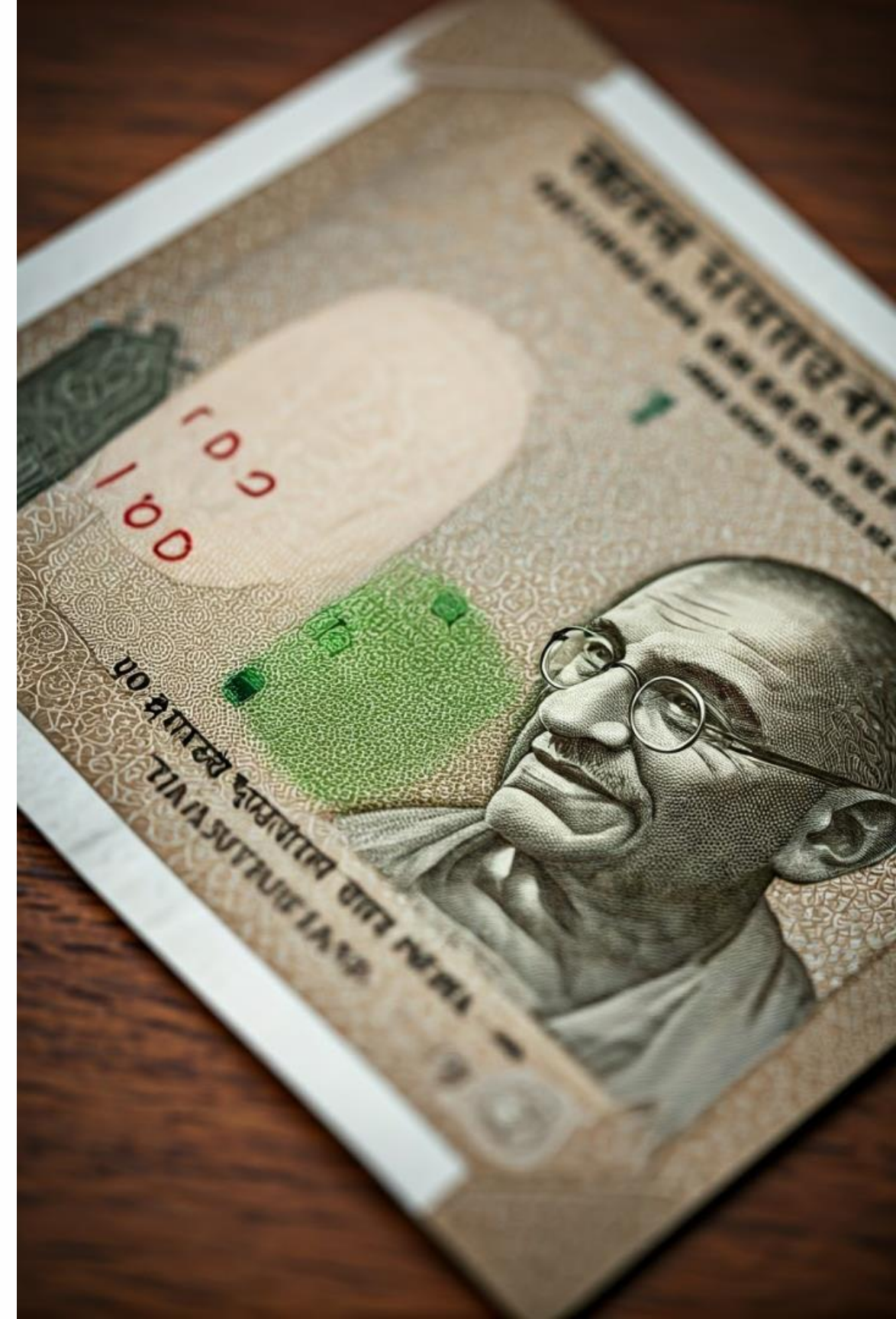
Based on supplier GSTIN, document number

Financial year and document type

Uniqueness

Cannot be duplicated or reused

One IRN per invoice across India



Signed QR Code String

QR Code Generation

IRP creates unique string containing invoice data

Digital Signing

Government's private key encrypts data

Base64 Encoding

Converts binary signature to text format

QR Code Embedding

Signed data converted to machine-readable format

Example string beginning: eyJhbGciOiJSUzI1NiIsImtpZCI6IjExEx...



IRN Data Attributes

Mandatory Fields

45 required attributes

- Supplier details
- Recipient information
- Invoice particulars
- Item details
- Tax components

Optional Fields

88 additional attributes

- Shipping information
- Payment details
- Reference documents
- Additional remarks
- Custom fields

Annexure Attributes

Attribute Category	Number
Mandatory Annexure Fields	21
Optional Annexure Fields	38
Total Annexure Fields	59

The complexity of implementation depends on business factors:

- Number of locations
- Number of users
- Connectivity requirements
- System integration complexity
- Implementation cost

Key Validations - Part 1

1 Supplier Status
Only active GSTINs allowed

2 Document Number
Format
Cannot start with 0, / or -

3 Date Restrictions
Only documents from Oct 1, 2020
onward

4 Uniqueness Check
Invoice number must be unique per financial year

5 Re-generation Restriction
Cancelled IRNs cannot be regenerated

Key Validations - Part 2

- 1** Reverse Charge Flag
Only for B2B and SEZ invoices
- 2** SEZ Supply Validation
Recipient must be SEZ Unit or Developer
- 3** Recipient Status Check
GSTIN must be registered and active
- 4** SEZ Developer Supplies
Only IGST applicable regardless of location
- 5** Export Transaction Rules
Recipient GSTIN must be URP, state code 96

Key Validations - Part 3

1 GSTIN State Code Match

First two digits must match state code

2 PIN Code Validation

Verified against state master database

3 Shipping Party Details

Indicates Bill To-Ship To transaction

4 Dispatching Party Details

Indicates Bill From-Dispatch From transaction

5 Combined Transaction

Both shipping and dispatching details present

Key Validations - Part 4

1 Export Transactions

Ship-To must be Indian port for e-way bill

2 IGST on Intrastate

Supplier state and POS state must match

3 Export and SEZ Supplies

Always treated as interstate

4 Unit Quantity Code

Must be valid UQC for goods

5 Rounding Tolerance

Allowed within $\pm ₹1$

E-Way Bill Validations

1 Document Type
Restriction

Not for debit notes, credit notes, or
services

2 Goods Requirement

At least one item must have goods
HSN

3 Transporter ID Only

Generates only Part-A of e-way bill

4 Road Transport Mode

Requires vehicle number and type

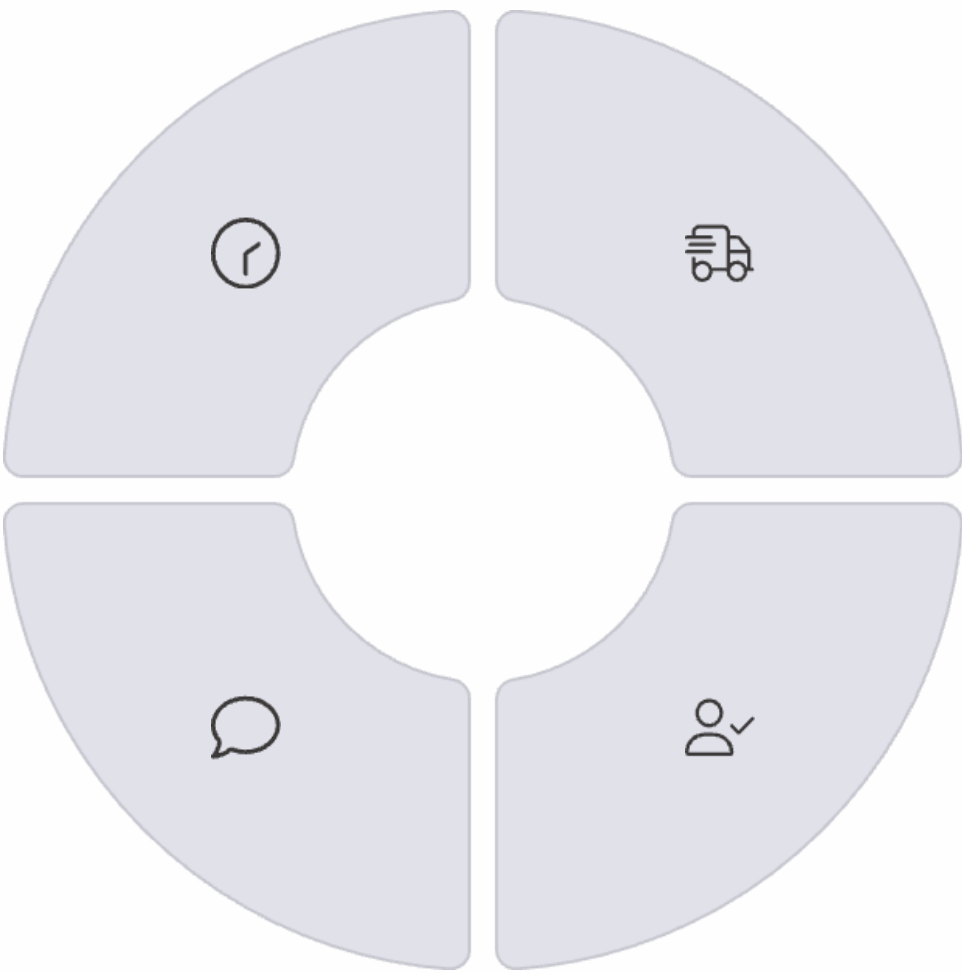
5 Air/Rail Transport

Requires transport document number and date

IRN Cancellation Rules

Time Limit
Must cancel within 24 hours of
generation

Reason Required
Must provide cancellation reason



E-Way Bill Restriction
Cannot cancel if active e-way bill exists

Taxpayer Status
Active or suspended taxpayers can
cancel

Business Benefits Beyond Compliance



Compliance

Meet regulatory requirements
with ease



Future Tracking

Analyze sales and purchase
patterns



Customer Communication

Standardized and
professional invoicing



Cross Reference

Link invoices with orders and
payments



Tax Authority Relations

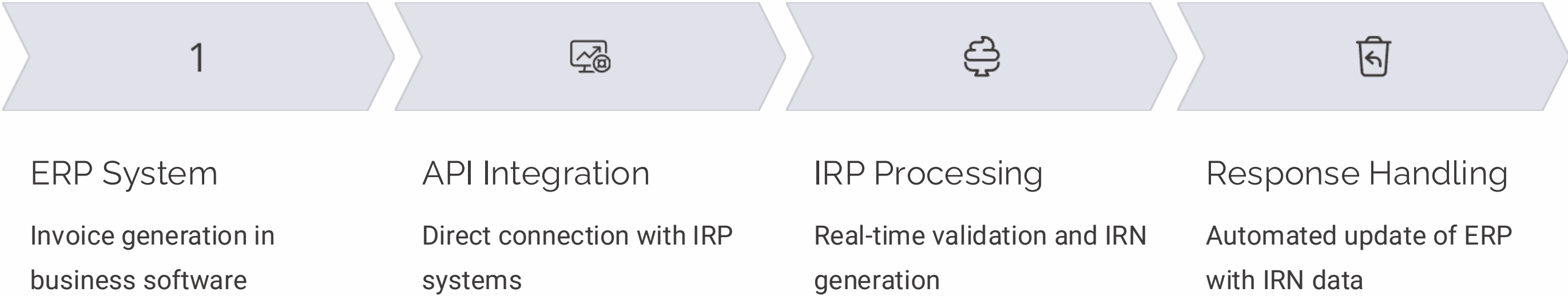
Structured data exchange
reduces queries

E-Invoice Implementation Methods

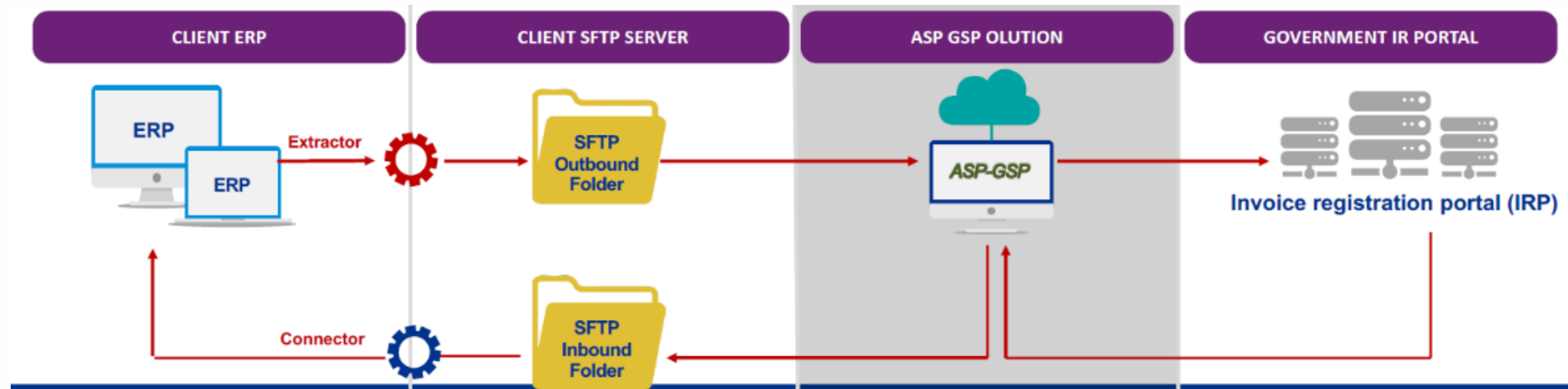
API Method	Bulk JSON	Single JSON	SFTP Transfer
Direct connection between ERP and IRP	Multiple invoices uploaded in batches	One file per invoice uploaded individually	Secure file transfer protocol
REST APIs for real-time processing	Efficient for scheduled processing	Simpler integration approach	Folder-based exchange system
Best for high-volume businesses	Reduces API call volume	Suitable for lower volumes	Automated file pickup and delivery



API Implementation Method



SFTP Implementation Method



ERP Export

Generate JSON invoice files from system

Outbound Folder

Place files in secure SFTP upload location

IRP Processing

Files retrieved and processed by IRP

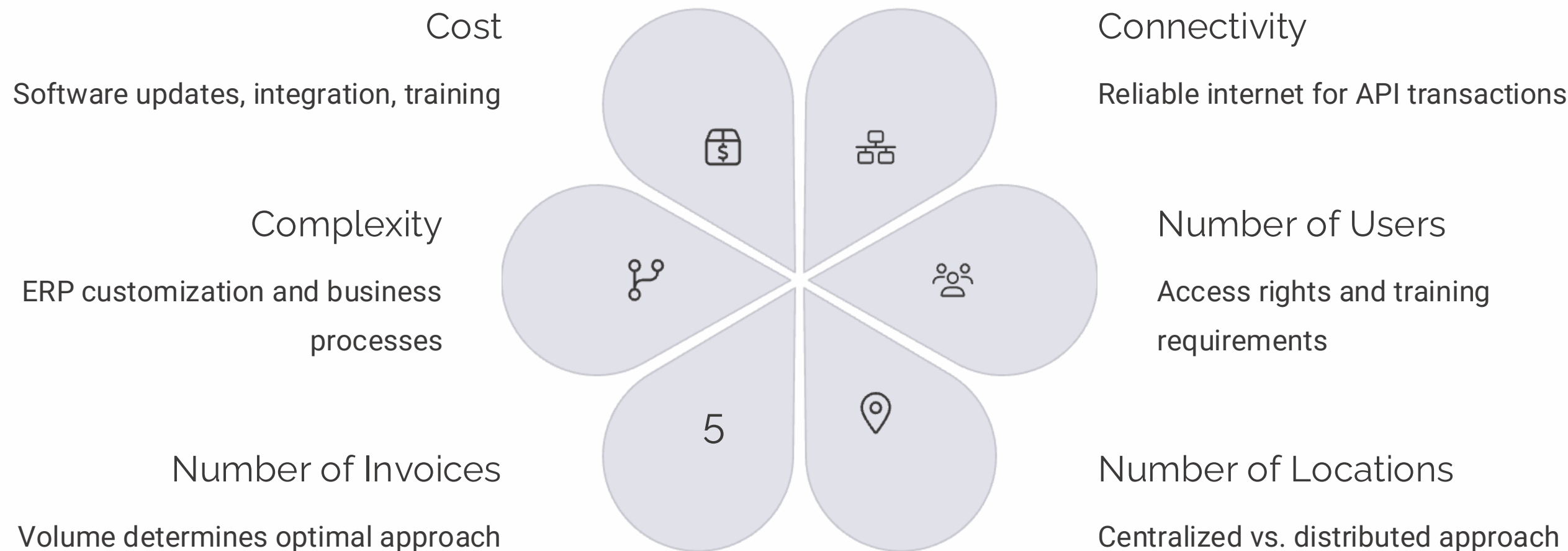
Inbound Folder

Processed files with IRN returned to download folder

ERP Import

System retrieves and updates records with IRN

Implementation Considerations



Implementation Team Composition



Management

Strategic oversight and resource allocation



Tax Team

Compliance and regulatory requirements



IT Team

Technical integration and system updates



Sales Team

Customer communication and process changes



Accounts Team

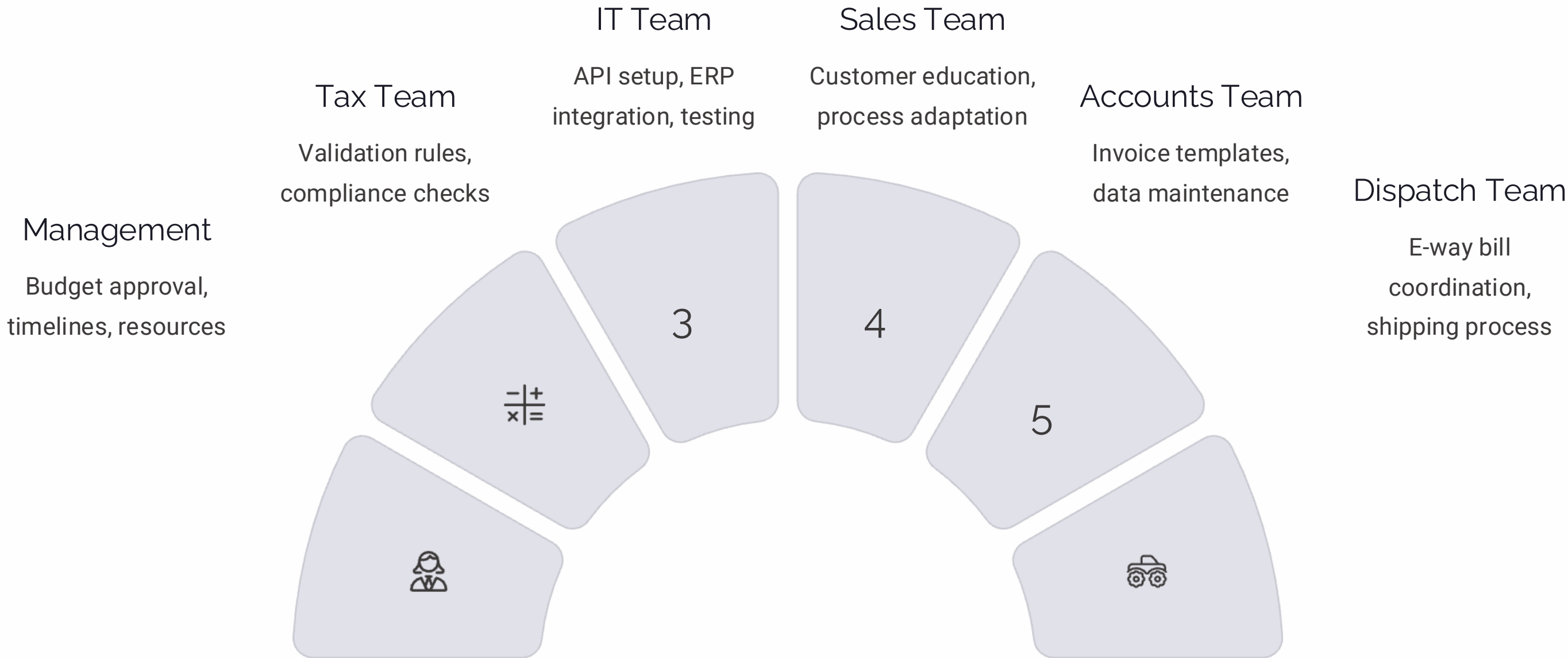
Invoice processing and record keeping



Dispatch Team

E-way bill integration and logistics

Implementation Team Responsibilities



Implementation Steps



Impact Analysis

Assess business processes affected



Provision Review

Understand applicable requirements



Strategy Development

Plan approach and resource allocation



Implementation

Execute technical and process changes



Support

Provide ongoing assistance and training



Non-Compliance Penalties

Section 122(1)(ii)

Issuing invoice without supply

₹10,000 or tax amount,
whichever higher

Section 125

General penalty provision

Up to ₹25,000 for rule violations

Impact Areas

Missing IRN for eligible transactions

Incorrectly formatted e-invoices

QR code requirement violations

E-Invoicing Access Details



Sandbox Environment

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



Production Portal

<https://einvoice1.gst.gov.in>



Access Requirements

Valid GSTIN credentials



Authentication

OTP verification on registered mobile

Bharat e-Invoice

Login to Bharat e-Invoice portal

Username



Password



Login

Need Assistance?

REGISTRATION



GePP Tool: E-Invoice Preparation

Target Users

Businesses without accounting/ERP systems

Low-volume invoice generators

Key Features

Simple invoice preparation interface

QR code generation capabilities

Direct printing of compliant invoices

Availability

Currently on trial portal

Coming soon to production environment

The screenshot displays the GePP Tool interface for E-Invoice Preparation. The header features the GePP logo and a user profile icon. Below the header, there's a navigation bar with a close button. The main content area is titled 'INVOICE' and includes a 'Dossier US Version' dropdown. A table lists invoice details: 'Dossier', 'Date', and 'Code'. Below this, there's a 'Description' field and a 'QR Code' button. The 'Invoice Details' section includes fields for 'Invoice Number', 'Customer', and 'Invoice Date'. The 'Payment Details' section includes fields for 'Payment Method', 'Payment Amount', and 'Payment Date'. A 'Generate Invoice' button is located at the bottom right.

Dossier	Date	Code
123456789	2023-10-27	1234

Invoice Number: 123456789

Customer: 123456789

Invoice Date: 2023-10-27

Payment Method: 123456789

Payment Amount: 123456789

Payment Date: 2023-10-27

Generate Invoice

Sample E-Invoice with QR Code

QR Code Location
Prominently displayed for easy scanning

Required Elements
All mandatory fields included

Authentication Mark
Digital signature verification

Document Format
Standardized layout for all businesses

e-Invoice

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galore

9f725ab42b94c86e873a4a8bb5af8b61a5fbc653

ACK No. 112010033975596

ACK Date: 07/12/2020

Document No. 5465

IGST on INTRA: Nil

Invoice

Document Date 07/12/2020

IM1KL

Recipient

GSTIN: 29ABCD1234F1LI

Vijaya Traders

1st Cross, 3rd Main, Gandhi Nagar

Kollegal Mang Road

Bangalore. Place of Supply: KARNATAKA

560009KARNATAKA

8554566567

beamani.vijaya@gmail.com

Item	HSN Code	Quantity	UQC	UNIT Price	Discount	Taxable Amount	Tax Rate (GST+CESS State Cess+CESS Non-Advol)
	7216	85	NOS	1000	0	85000	18 + 0 0 + 0
	7216	50	KGS	2000	0	100000	18 + 0 0 + 0
Total	SGST Amount	IGST Amount	CESS Amount	State CESS Amount	Discount	Other Charges	Round Off A
10	16650	0	0	0	0	0	0

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☒ **Android (V2.4.1)**

☐ **iOS (V2.4.1)**

Enter Mobile No. : *

Submit

Exit

E-Invoice Portal Interface

Dashboard

Status of recent e-invoices

Quick access to key functions

Main Functions

Generate, view, and cancel e-invoices

Download reports and analytics

User Management

Sub-user creation and rights
assignment

API user management functions

JSON Preparation Options



Direct ERP Integration

Automatically generates JSON from system



Offline Utility Tool

Convert invoice data to JSON format



Bulk Generation Tool

Excel-based template for multiple invoices



Portal Manual Entry

Web interface for direct data input

Common Questions - Part 1

1 Exempted Goods Suppliers

Yes, still need e-invoice if above threshold

2 RCM Supplies

E-invoice required for reverse charge supplies

3 Government Departments

Yes, e-invoice needed even with GST-TDS

4 IRN Cancellation

Possible within 24 hours of generation

5 ERP Updates

IRN should be recorded in your systems

Common Questions - Part 2

1 E-Way Bill Generation

Can be generated simultaneously with e-invoice

2 Transport Documentation

E-invoice copy needed with e-way bill

3 Post-Shipment E-Way Bills

Not allowed; must be generated before movement

4 Services E-Way Bill

Not required; only for goods movement

5 Branch Transfers

E-invoice needed for same-GSTIN transfers

6 Record Retention

Minimum 72 months (6 years)

Common Questions - Part 3

1 Threshold Verification

Check GSTIN on portal for eligibility

2 ITC Safeguards

Verify vendor e-invoices in GSTR-2B

3 Accounting Changes

Update templates and add IRN fields

4 GSTR-1 Updates

Still required despite e-invoice data

5 Invoice-cum-Bill of Supply

E-invoice required if meets criteria

Common Questions - Part 4

1 QR Code Format

Sent as string to be converted to image

2 Partial E-Way Bill

Submit Part A, update Part B later

3 B2C Transactions

Not required for B2C, different QR code applies

4 GSTR-1 Auto-Population

E-invoice data flows to GSTR-1

5 GSTR-2A/2B Updates

E-invoice data appears in buyer's returns

Common Questions - Part 5

1 Duplicate Usage

Cannot reuse invoice number for IRN generation

2 Vehicle Number Updates

Possible through e-way bill portal only

3 JSON Error Correction

Cancel IRN within 24hrs, regenerate correctly

4 IRN Cancellation Period

Maximum 24 hours after generation

5 Income Tax TCS

Include in other charges section of JSON

Non-Compliance Consequences

Section 122(1)(ii)

Penalty for invoice violations:

- ₹10,000 fixed penalty, or
- Tax amount evaded (whichever higher)

Section 125

General penalty provision:

- Up to ₹25,000 for rule violations
- Applies where specific penalty not provided

Common Error Codes - Part 1

Error Code	Message	Resolution
1004	Header GSTIN required	Pass GSTIN in header
1005	Invalid Token	Regenerate token (valid for 6 hours)
1007	Authentication failed	Check request payload format
1008	Invalid login credentials	Verify username and password





Common Error Codes - Part 2

Error Code	Message	Resolution
1013	Decryption failed	Use correct public key for encryption
1014	Inactive User	Verify GSTIN is active and e-invoice enabled
1015	Invalid GSTIN for user	Match GSTIN in header with auth token
3015	GSTIN deregistered	Check GSTIN status on GST portal

Common Error Codes - Part 3

1 Error 3030
Invalid GSTIN format or non-existent

2 Error 4000
IRN not active (may be cancelled)

3 Error 4003
Requested IRN data not found

4 Error 4005
E-way bill details not found

5 Error 4009
E-way bill requires goods HSN code

6 Error 4010
E-way bill not for debit/credit notes or services

E-Invoicing: Next Steps



Assess Your Business

Determine applicability and technical readiness



Select Implementation Method

Choose API, JSON, or portal approach



Prepare Your Systems

Update ERP and train staff



Test in Sandbox

Validate integration before going live



Go Live with Support

Implement with dedicated team assistance



CMA B Mallikarjuna Gupta

B. Com, ACMA, MFM, M.IOD, PGDCS

Certified Product Manager from Indian School of Business

With over 24 years of experience in Taxation, Product and Brand Management, Finance, Accounting, Sales, Operations, Marketing, Project Accounting, and ERP & BI Implementation, I have worked with leading organizations like Oracle, Infor, Logo, Systime, and the Dempo Group. Currently, He specializes in Indirect Tax - Litigation, Advisory, and Advocacy.

Associate Director - GST, RSM Astute Consulting Pvt Ltd

Awards/Recognitions

- Conferred the Indian Achievers' Award 2021 - In Recognition of Outstanding Professional Achievement & Contribution in Nation Building
- GUINNESS WORLD RECORDS title holder as a team member for the "Most people running up a single mountain."
- Selected one among the 100 Digital Influences for 2020 by YourStory
- His podcasts find place in the top 10 Taxation podcasts in India for 2021
- Recognized by the Cyberabad Police for Traffic Volunteering for 100 hours & for conducting the drunken drive.

Member of

- GST Grievance Redressal Committee – Hyderabad Zone
- Co-opted Member – Indirect Tax Committee at Institute of Cost Accountants of India, Kolkata
- Co-Chair – GST & Customs Committee, Federation of Telangana Chambers of Commerce and Industry
- Member - Regional Advisory Committee, Dattopanth Thengadi National Board for Workers Education and Development, Ministry of Labour and Employment, Govt. of India.
- Member – MSME & Startups Promotion Board at Institute of Cost Accountants of India, Kolkata for 2022-23
- Resource Person/Faculty - Institute of Cost Accountants of India, Regional Training Institute (CAG Auditors), National Academy of Customs, Indirect Taxes & Narcotics, Indian Navy, and National Institute for Micro Small and Medium Enterprises (NI-MSME)

Achievements

1 Litigation Success in GST and Service Tax

Successfully represented clients in GST and Service Tax litigations before various authorities across India, including tribunals. Achieved landmark orders favorable to clients, demonstrating effective legal representation and advocacy in tax-related disputes.

2 Comprehensive Advisory Experience

Advised numerous corporate houses, PSUs, product companies, and startups on various matters, providing guidance on internal audit, EPR & BI implementations & development, product management, costing, funding, cash management, internal controls, compliance management, and go-to-market (GTM) strategies.

3 Policy Advocacy

Actively engaged in policy advocacy, working closely with the Government to implement taxpayer-friendly measures in GST. Collaborated on various initiatives to simplify tax processes and improve compliance, contributing to a more efficient and equitable tax system.

4 Innovative Tax Solutions

Configured and developed a user-configurable tax engine for one of India's major ERPs for GST before its rollout. This solution continues to be used and highly praised by customers.

5 Prolific Authorship

Authored/Co-authored 13 books on vivid topics including 10 on Indian GST. Authored over 120 articles and blogs on GST, MSMEs, finance, and the economy, published in leading newspapers, magazines, the ICAI Tax Bulletin, and various online portals.

6 Extensive Training and Outreach

Led outreach programs and continuing education initiatives on GST, costing, internal audit, MSME survival strategies, and other critical topics for department officers, defense officials, traders, professionals, corporates, and students. Delivered over 48,000+ man-hours of training across 500+ sessions.

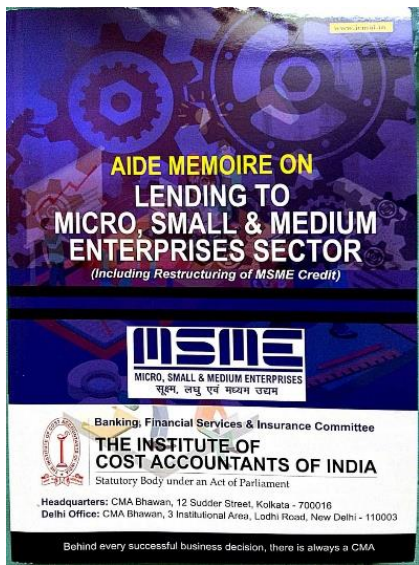
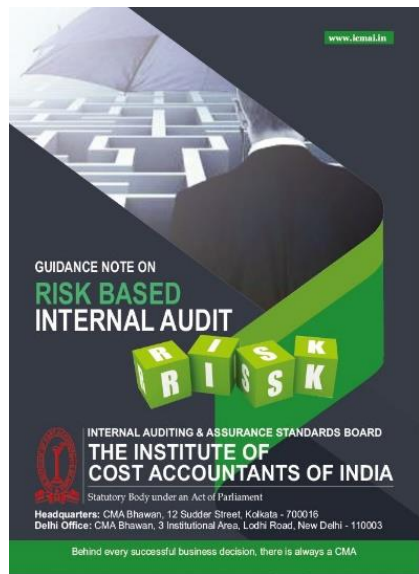
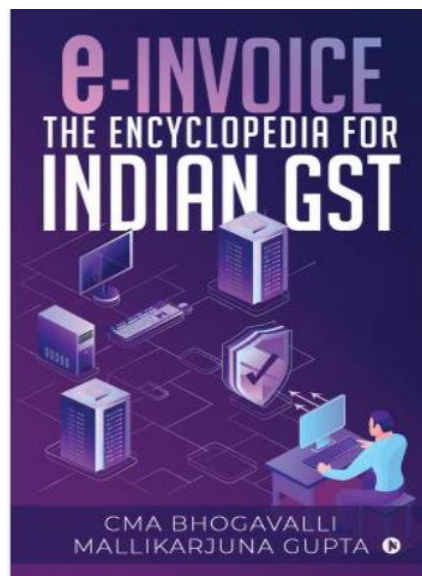
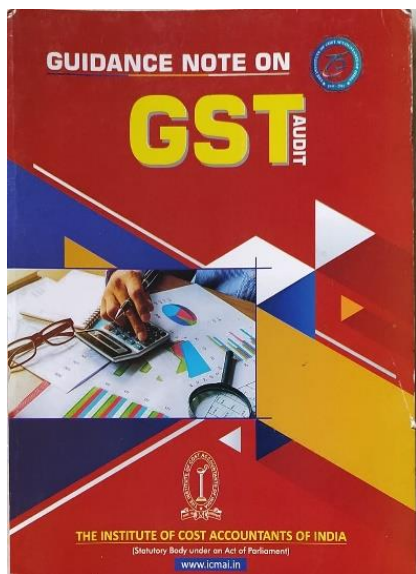
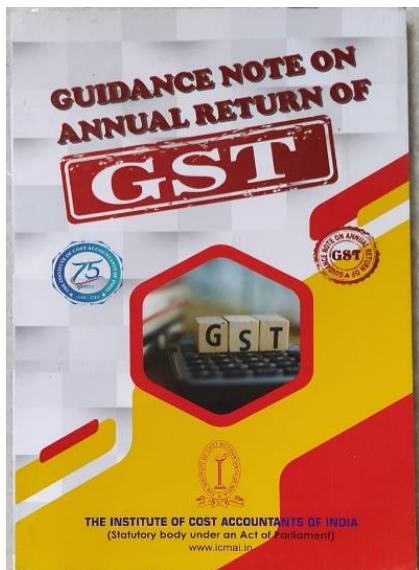
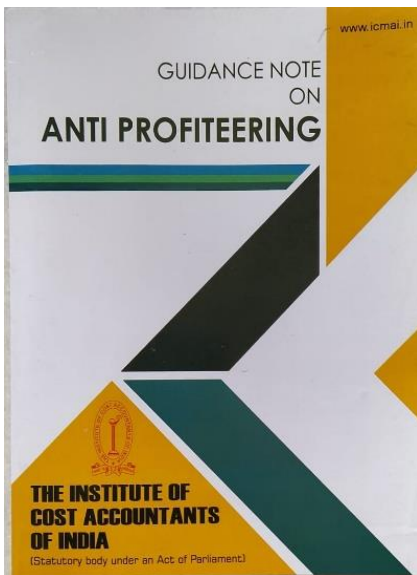
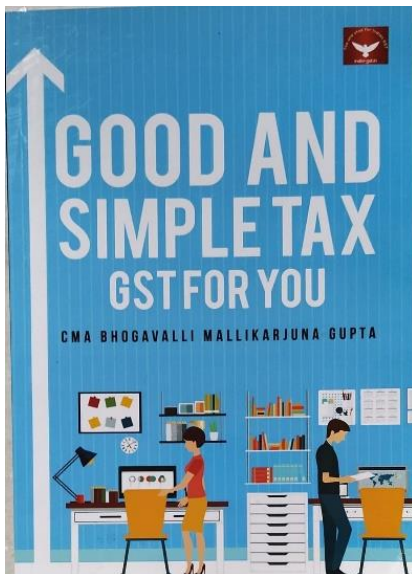
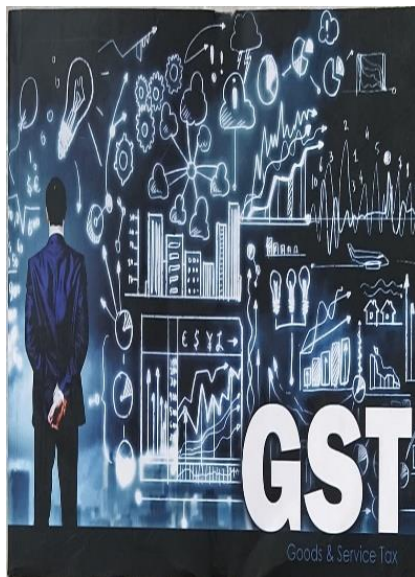
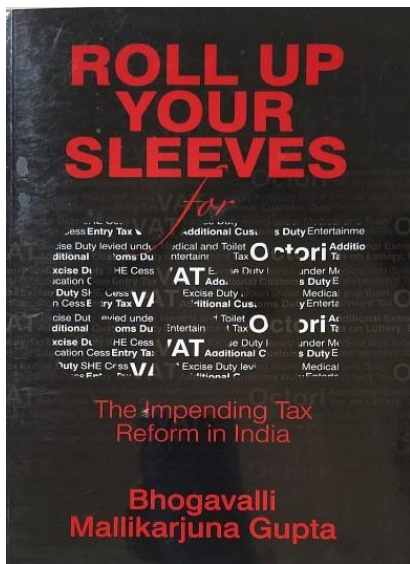
7 Costing Systems Implementation

Implemented and computerized costing systems for a BOPP plant and an upholstery plant in 1999, leading to significant utility consumption reductions through the integration of hot oil boilers. Developed a costing system for a pig iron plant, analyzing profitability based on detailed raw material consumption from vendors, batches, regions, dealers, and grades.

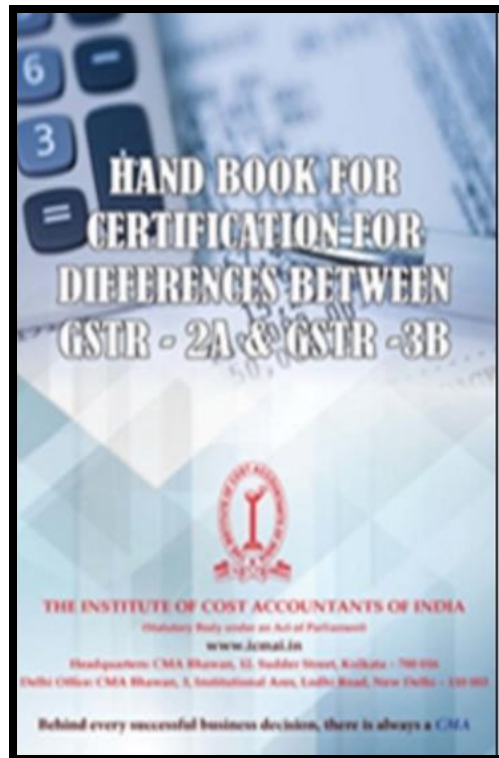
Educational Qualifications

- Indian School Of Business – Certification in Product Management
- Associate Member Institute of Cost Accountants of India
- Certificate Course on Credit Management of Banks conducted by the Institute of Cost Accountants of India
- Masters in Financial Management from Pondicherry University
- Post Graduate Diploma in Foreign Trade from World Trade Center Mumbai
- Qualified Online proficiency exam for Independent Directors from the Indian Institute of Corporate Affairs
- Associate Member of the Institute of Directors
- Bachelor of Commerce from Acharya Nagarjuna University
- Post Graduate Diploma in Computer Sciences from Software Solutions Integrated Limited

Books – Authored/Co Authored



Books – Authored/Co Authored



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