E-invoicing Under GST

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AHMEDABAD BRANCH OF WIRC OF ICAI

5 Days Series on Practical Approach to GST Practice

MYTHs for E-invoicing

- Does it mean Invoice to be prepared on Government Portal with their format ?? – BIG NO

- E-invoice as a system where taxpayers can generate the invoices Centrally – NO

- It's a NEW / standard Invoice format being designed now – NO!

- Invoices generated by each software would look same – NEVER!

- It is only for Invoice and NOT for Credit / Debit Notes – NO!

- 'e-invoice' is about invoice being in soft copy like PDF etc. – NO!

What is E-Invoice?

- E-Invoice = Tax Invoice [Rule 46] + IRN + QR Code [embedded IRN]

  - 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)

- After following above 'e-invoicing' process, the invoice copy (with QR Code containing inter alia, IRN) issued by the notified supplier to buyer is commonly referred to as 'e-invoice'.

Benefits of E-invoice System

- Standardization
- Seamless Reconciliation
- Lesser Compliance
- Automation
- Elimination of fake invoices
- Information Availability
- Environment friendly

How E-invoice will be beneficial to taxpayers

- Save time
- Reduce costs
- Reduce mistakes
- Offer better customer service
- Easier to keep track of invoices
- A higher degree of control and insight into the invoicing process
- Invoice Financing

Applicability

- From 01-04-2022, Applicable to Taxpayers whose aggregate turnover **(based on PAN)** in a **any Preceding Financial Year** Starting From 17-18 > 20 Crore

- [enabled on IRP? What if not and vice versa?]

- Once Applicable, Always Applicable

- Previously,

E-Invoice Applicability Threshold	Applicable From
500 Crore	With Effect from 01-10-2020
100 Crore	With Effect from 01-01-2021
50 Crore	With Effect from 01-04-2021
20 Crore	With Effect from 01-04-2022

- What if Turnover Not exceeded in any of the Previous FYs [17-18 to 21-22], but exceeds in current Financial Year 2022-23, say on June 2022?
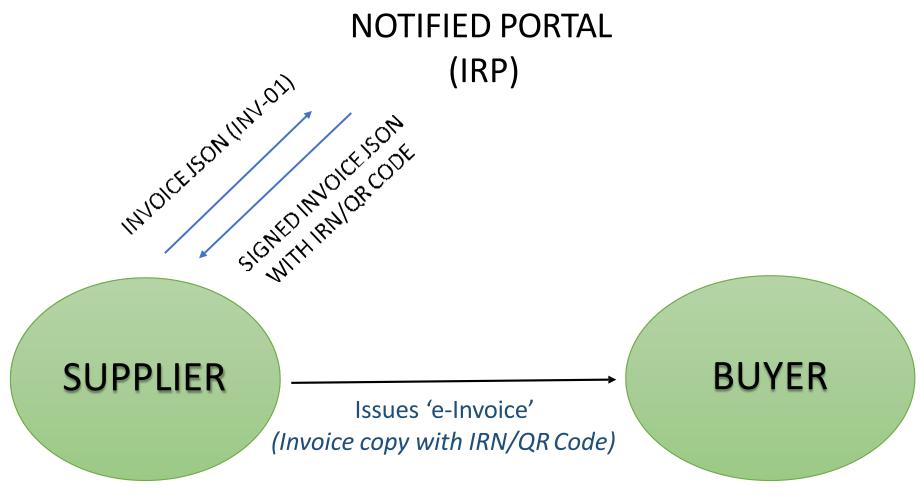
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Sector Exempted from E-Invoicing

- Insurer, Banking Company or a Financial Institution (Including NBFC)
- GTA
- Passenger Transportation Service Provider
- Cinema and Multiplex
- SEZ Units
- Government Department
- A Local Authority

EXEMPTION QUA THE SECTOR OR QUA THE GSTIN/PAN/Registered Person?

Issuing invoice in E-invoicing Scenario

NOTIFIED PORTAL
(IRP)

INVOICE JSON (INV-01)

SIGNED INVOICE JSON
WITH IRN/QR CODE

SUPPLIER

BUYER

Issues 'e-Invoice'
(Invoice copy with IRN/QR Code)

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"E-Invoice", "QR Code" and "Dynamic QR Code" Applicability – From 01-04-2022

	Type of Supply	Document Issued	E- Invoice Applicable?	QR Code Applicable?	Dynamic QR Code Applicable? [Self-Generated]
Other Than Exports	B2B Taxable Supply	Tax Invoice / CN / DN	Yes, If Turnover Exceeds 20 Cr*	Yes, If Turnover Exceeds 20 Cr*	NO
	B2C Taxable Supply	Tax Invoice / CN / DN	NO	NO	Yes, if TO Exceeds 500 Cr#
	B2B Exempt Supply	Bill of Supply	NO	NO	NO [Proviso to Rule 49 Yet to be Notified]
	B2C Exempt Supply	Bill of Supply	NO	NO	
Exports	Exports [Including Exempted & B2C (as always) Supply]	Tax Invoice / CN / DN	Yes, If Turnover Exceeds 20 Cr*	Yes, If Turnover Exceeds 20 Cr*	NO

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- *** E-Invoice and QR Code** Not applicable to Insurer, Banking Company or a Financial Institution, GTA, Passenger Transportation Service Provider, Cinema and Multiplex, SEZ Units, Government Department, A Local Authority. **[Turnover to be seen for any of the preceding FY starting from 17-18]**

- **# Dynamic QR Code** Not applicable to Insurer, Banking Company or a Financial Institution, GTA, Passenger Transportation Service Provider, Cinema and Multiplex, OIDAR services providers. **[Turnover to be seen for any of the preceding FY starting from 17-18]**

A Person having Turnover above 20 crore supplying Goods / Services Falling under Reverse Charge, Does he needs to Prepare E-Invoice?

Yes

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Workflow

- Login with E-waybill Credentials OR Register
- Tax payer will continue to create their GST invoices on their own Accounting/Billing/ERP Systems
- Tax Payer to generate the invoice from ERP / Accounting system [API Based] /GePP Tool/ Json Preparation Tool containing all mandatory fields as provided in e-invoice schema
- Seller may upload the JSON either
  - directly on IRP or
  - through GSP or ASPs [Tally, Zoho, ClearTax etc]
  - through third party provided Apps
  - NO FACILITY OF DIRECT FILLING OF INV-01 on E-Invoice PORTAL - As of Now
- IRP would generate the IRN. It would also digitally sign the invoice and generate QR code which will contain all the key information of the invoice
- DOWNLOAD The signed Json, PDF and excel as the same detail won't be retrievable after 2 days from the IRP
- Eway Bill on E-Invoice Portal

Precautions for all the Recipients [With Any Turnover]

- One time exercise to checking the enablement of the E-invoicing to all the Suppliers on 01-04-2022 on E-Invoice Portal [No Login Required]

- Once list of enabled supplier classified, Check Rigorously IRN Number, QR Code on each of the purchase Invoice

- In case of any doubt for any Tax Invoice having IRN / QR Code, Scan the QR Code on mobile App OR Demand the Signed Json from the supplier and validate on E-Invoice Portal

Transmission of E-invoicing data to GSTR-1

- T+2 Days

- Having Source – E-Invoice

- If edited, Source will gets removed. If GSTR-1 uploaded again via Json, Source will get removed

- Auto-populated in the "Period of GSTR-1" based on "Document Date" of E-invoice [And not Actual date of uploading on IRP]

- If Reported to IRP after filling GSTR-1, it won't Auto-populate at all.

- Same Document Number already filled in GSTR-1 before T+2 days, it won't replaced by IRP

E-invoice Applicable & Tax Invoice without IRN and QR Code given to Transporter with E-way bill, will it suffice?

No

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E-invoice Applicable & Tax Invoice without IRN and QR Code given to Recipient, How ITC of Recipient will get affected?

Penalty due to Non Generation of E-invoice: Sec 122(1)(i)

10000 CGST + 10000 SGST

OR

Amount Equivalent to Tax Evaded

WHICHEVER IS HIGHER

Invoice Reference Number (IRN)

- IRN is a unique 64-character hash/string Eg.

"35054cc24d97033afc24f49ec4444dbab81f542c555f9d30359dc75794 e06bbe"

- A GST invoice will be valid only with a valid IRN

- IRN Need not be printed on e-invoice (It's already embedded in QR Code)

- An invoice/document number which was reported and obtained IRN, can't be used again

- IRN can be cancelled within 24 hours from the E-Invoice portal

- Once Cancelled, the same Invoice Number can not be used again to generate IRN

Invoice Reference Number (IRN)

- REPORTING: No prescribed time window for reporting to IRP [REALTIME REPORTING] – <u>CAUTION</u> <u>[NN 73-2020 CT 01-10-2020 – Only waiver]</u>

- CANCELLATION:
  i.   IRN can be cancelled within 24 hours (from the time of generation of IRN)
  ii.   However, if the connected e-way bill is active or verified by officer during transit, cancellation of IRN will not be permitted.
  iii. In case of cancellation of IRN, GSTR-1 also will be updated with such 'cancelled' status in excel report.
  iv.   Once Cancelled, the same Invoice Number can not be used again to generate IRN

- AMENDMENTS:
  i.   Amendments are not possible on IRP.
  ii.   Any changes in the invoice details reported to IRP can be carried out on GST portal (while filing GSTR-1).

QR Code

- 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

Dynamic QR Code

- Content of Dynamic QR Code:
  i. Supplier GSTIN number
  ii. Supplier UPI ID
  iii. Payee's Bank A/C number and IFSC [Not Req if UPI ID linked with Bank A/c]
  iv. Invoice number & invoice date
  v. Total Invoice Value
  vi. GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc
  vii. payment reference link

- Dynamic QR Code should be such that it can be scanned to make a digital payment

- Display of Dynamic QR Code in DIGITAL DISPLAY & Cross Reference of such payment mentioned **on Invoice [Before Printing of such Invoice]** – Deemed to be complied

- Supply to UIN Holder, Dynamic QR Code Required

- Incase of supply via Ecommerce Operator, Dynamic QR Code also to be issued by the supplier

- However, UPI ID in such Dynamic QR Code may be given on E-com Operator

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Walk through E-Invoice Portal

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

A. Activities without logging into the E-invoice Portal

B. Activities with logging into the E-Invoice Portal

Activities without logging into the E-invoice Portal

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Tax Payer Search

Verify Signed Invoice

E-invoice status of Taxpayer

QR Code Verify App

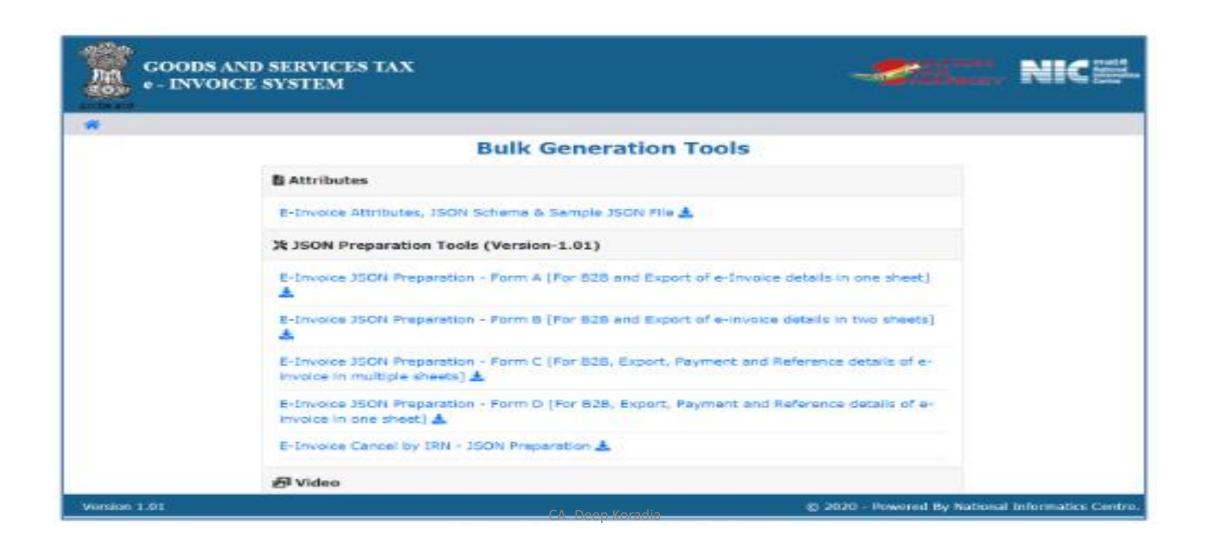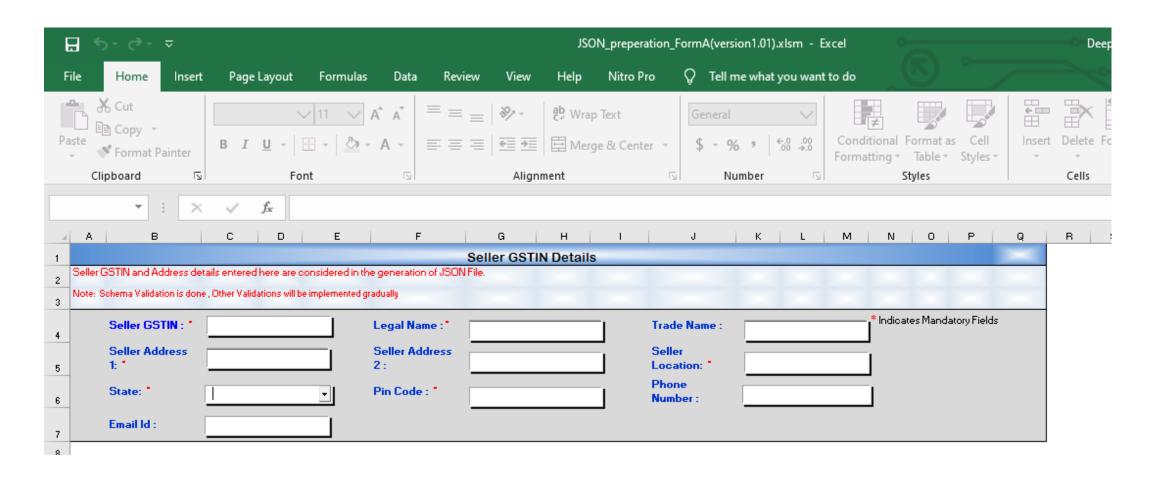# Activities with logging into the E-Invoice Portal
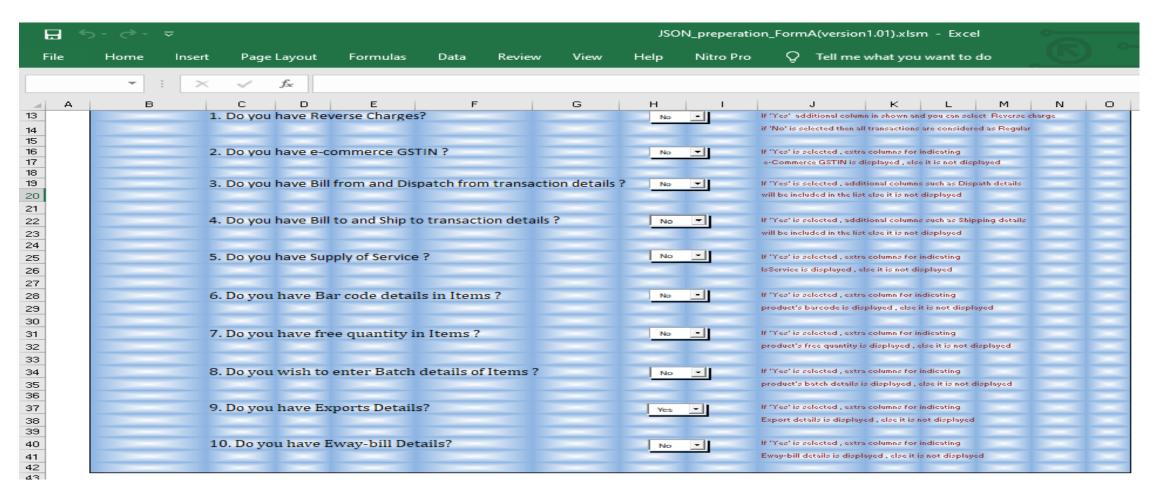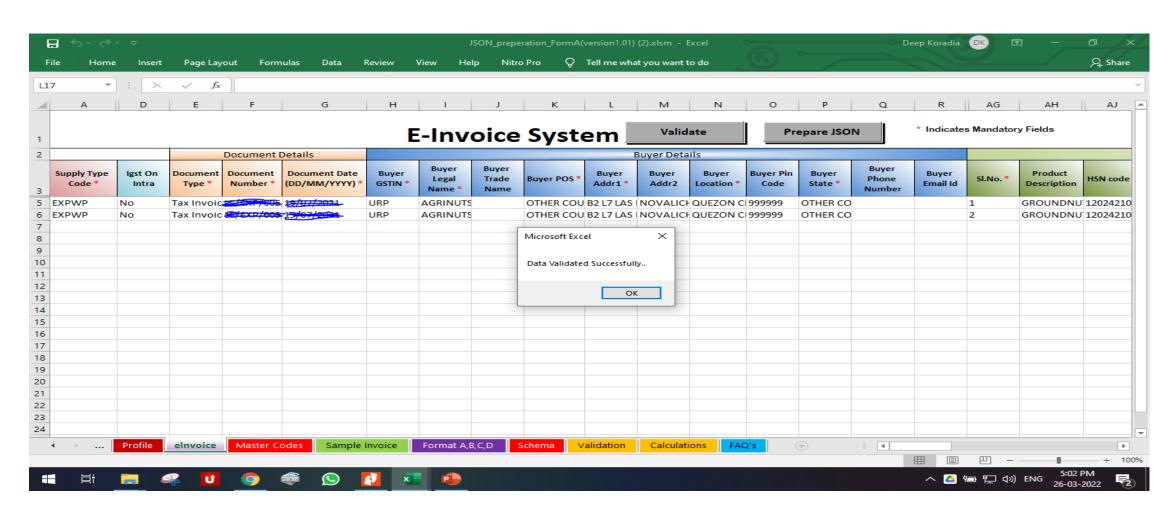# Opening the E-invoice System

Options under E-invoice

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Generate Bulk IRN

- Step by Step Process to Generate Invoice reference number :

Step by Step Process to Generate Invoice Reference Number :

Step by Step Process to Generate Invoice Reference Number :

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Step by Step Process to Generate Invoice Reference Number :

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Step by Step Process to Generate Invoice Reference Number :

Step by Step Process to Generate Invoice Reference Number :

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Cancel IRN

The invoice reference number once generated cannot be deleted. However, it can be cancelled by the generator within 24 hours of generation.
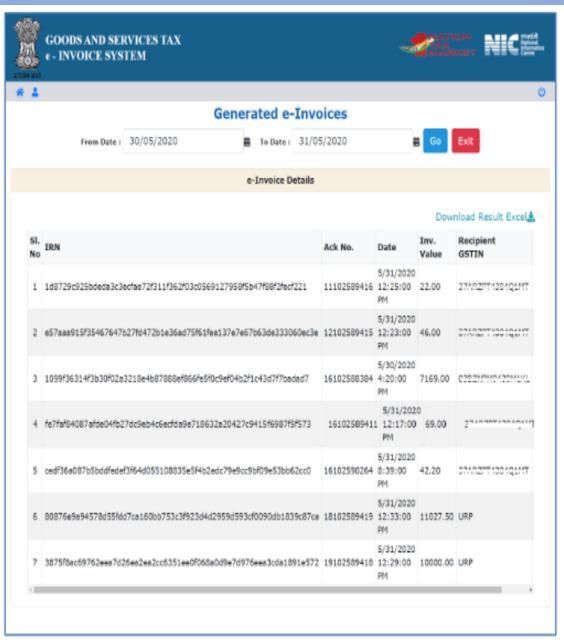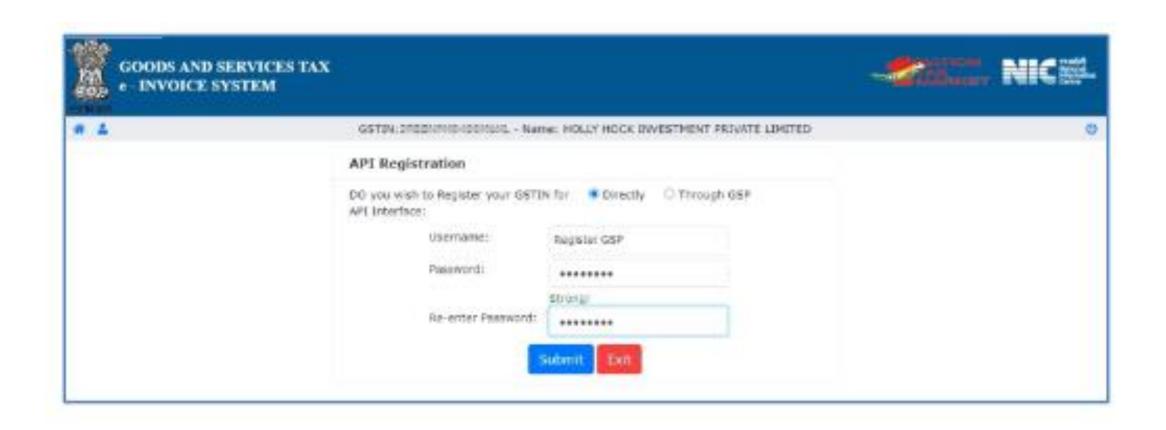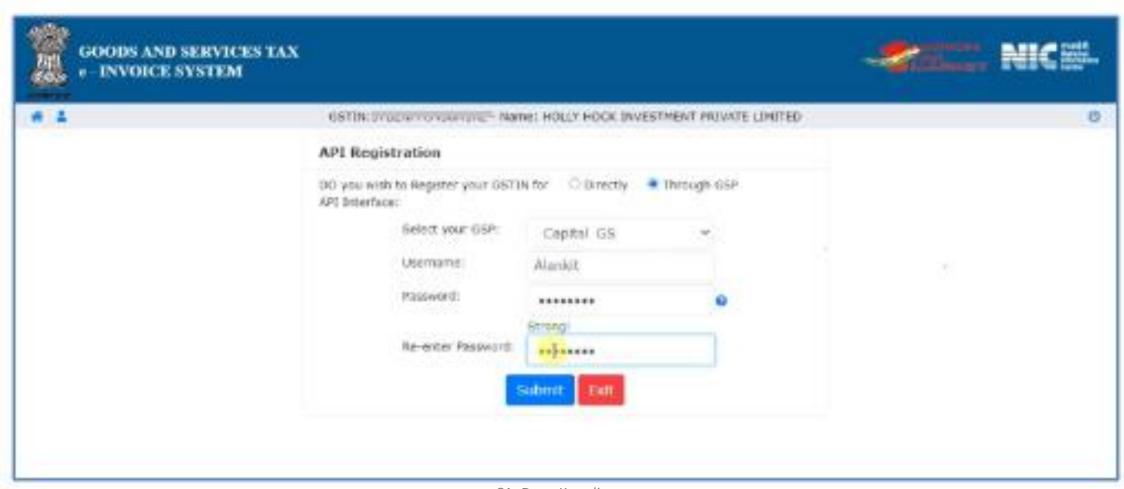
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Print E-Invoice

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Generated E-invoices

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Create API User

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Create API User

Create API User

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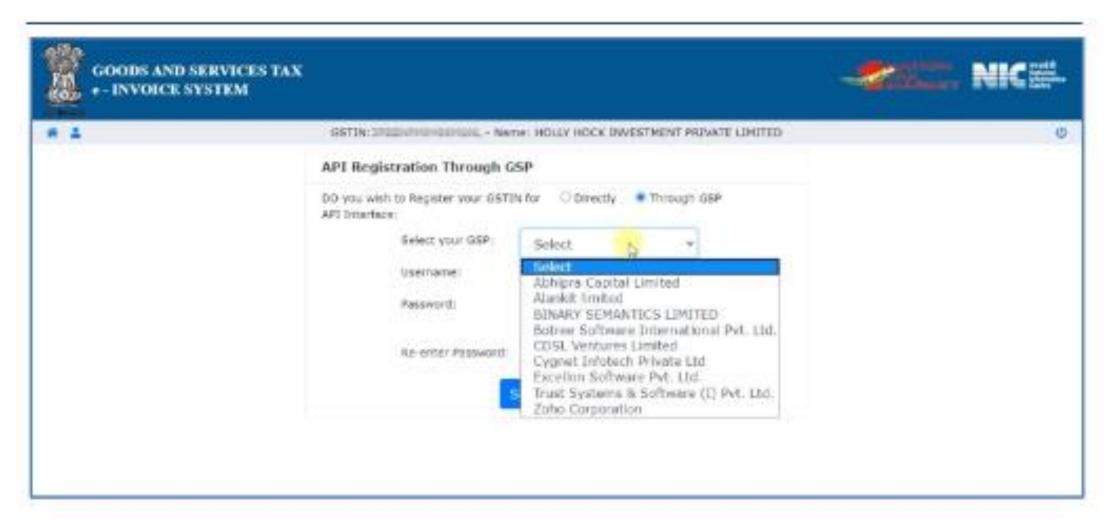
Any Questions?

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Thank You

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