

GST

E-Invoicing for FY 2023-24

E-INVOICING



INTRODUCTION

- GST Council has introduced 'E-invoicing' or 'Electronic Invoicing' in a phased manner as under:

Turnover Limit	Effective date	B2B and/or B2C
500 cr and above	1.10.2020	B2B only
500 cr and above	1.04.2021	B2B and B2C both
100 cr and above	1.01.2021	B2B only
50 cr and above	1.04.2021	B2B only
20 cr and above	1.04.2022	B2B only
10 cr and above	1.10.2022	B2B only
Below 10 cr	Normal Invoice to be issued	

IMPORTANT ABBREVIATION USED IN PPT

- IRN – Invoice Reference Number – this will be a unique reference number for each invoice
- IRP – Invoice Registration Portal – special website which will handle the work of registering E-invoices
- QR Code – Quick Reference Code which will be generated on IRP

HOW TO CHECK ELIGIBILITY OF 10 CR

If Turnover in any previous FY starting from 2017-18 to FY 2021-22 (in last 5 years) was above 10 cr (in any one financial year) then that taxpayer will become eligible to issue E-Invoice

If Turnover in FY 2022-23 crosses 10 cr then that taxpayer will become eligible to issue E-Invoice starting 1.04.2023

HOW TO CALCULATE TURNOVER

- Turnover will have to be calculated as under:
 - Regular Taxable sales to be taken
 - Add: Inter-State turnover between branches
 - Add: Exempted Turnover will have to be added
 - Add: Exports turnover will also have to be added
 - GST charged on the invoices **will not form part of the turnover**
 - Value on which company is paying GST under RCM will not be considered

WHO SHALL NOT ISSUE E-INVOICE

- Following persons are **NOT** required to issue E-Invoice
 - Persons having turnover below Rs. 10 Cr (per PAN at all India level) in all the Financial years from 2017-18 to **2022-23**.
 - SEZ Units (for B2B)
 - Insurer, Banking company, financial institution, including a non-banking financial company
 - Goods Transport Agency
 - Person providing Passenger Transportation Service
 - Multiplexes

RELAXATION FOR B2C (QR Code)

- Only businesses having turnover above 500 cr in a financial year are required to issue e-invoice (with QR Code) for B2C transactions
- All businesses having turnover between 500 cr to 10 cr are required to issue E-invoice in B2B category only

PRE-REQUISITES FOR E-INVOICING

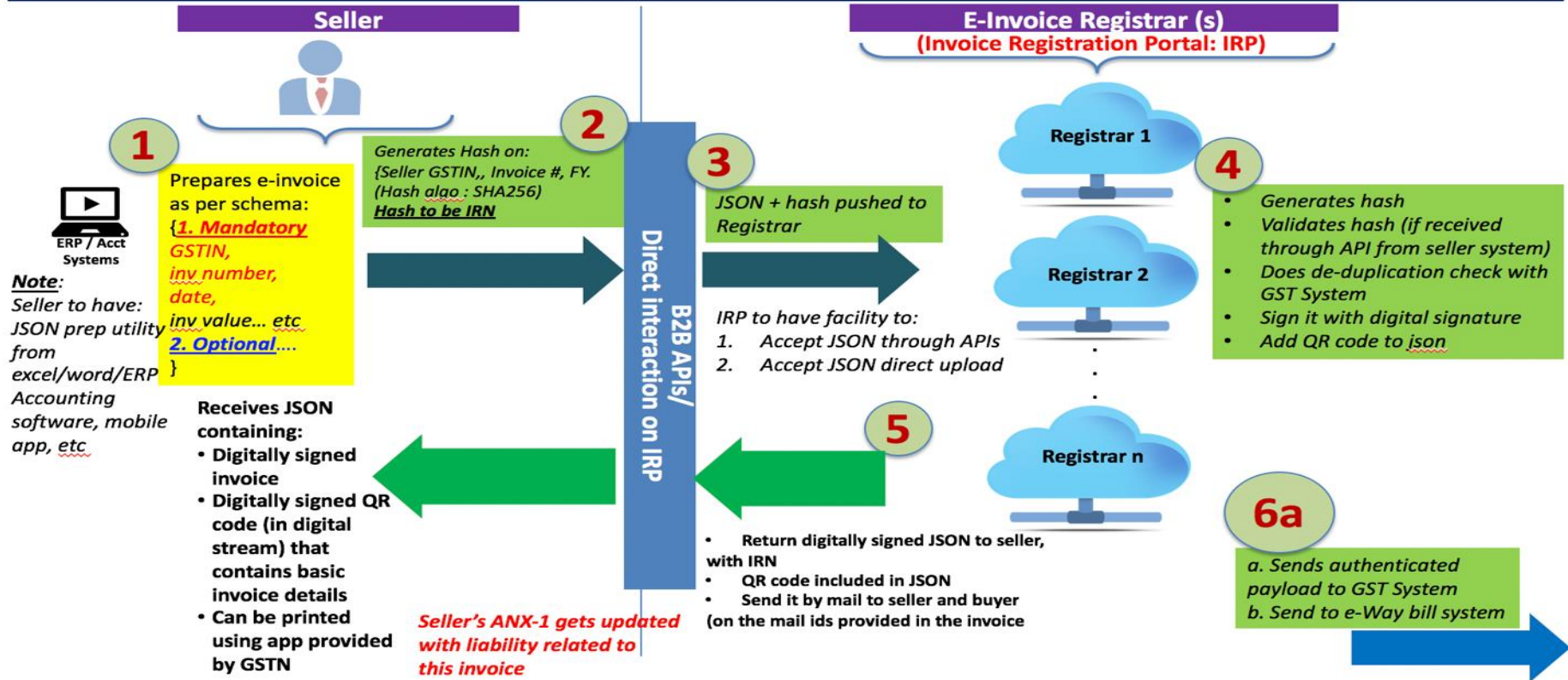
- You can check your eligibility for generation of IRN by going to the e-invoice portal (<https://einvoice1.gst.gov.in/Others/EinvEnabled>). On entry of the GSTIN, the system will indicate whether your GSTIN is activated for e-invoicing. If it is enabled, then you are mandatorily required to generate E-Invoice.
- E-invoice will be a Normal Tax Invoice issued in Standard format **GST INV-01** and **will have Invoice Reference Number (IRN) generated from GST portal.**
- Generation of E-invoice in a standard format will be the responsibility of the Registered Supplier who will report the same to Invoice Registration Portal ('IRP') of GST and obtain unique invoice reference number ('IRN'), digitally signed e-invoice and QR code from IRP`

PRE-REQUISITES FOR E-INVOICING

- Following documents are required to be made under e-invoicing system
 - B2B Invoice by Supplier
 - Export Invoice
 - Credit Note by Supplier
 - Debit Note by Supplier
 - Any other document as required by law to be reported by the creator of the document
- IRP can reject an invoice. IRP will check whether the invoice was already reported and existing in the GST System.
- **Software from which Invoices are issued will have to be updated with the E-Invoicing standards. Government has issued free software for issuing of invoices, one may use to same as well.**

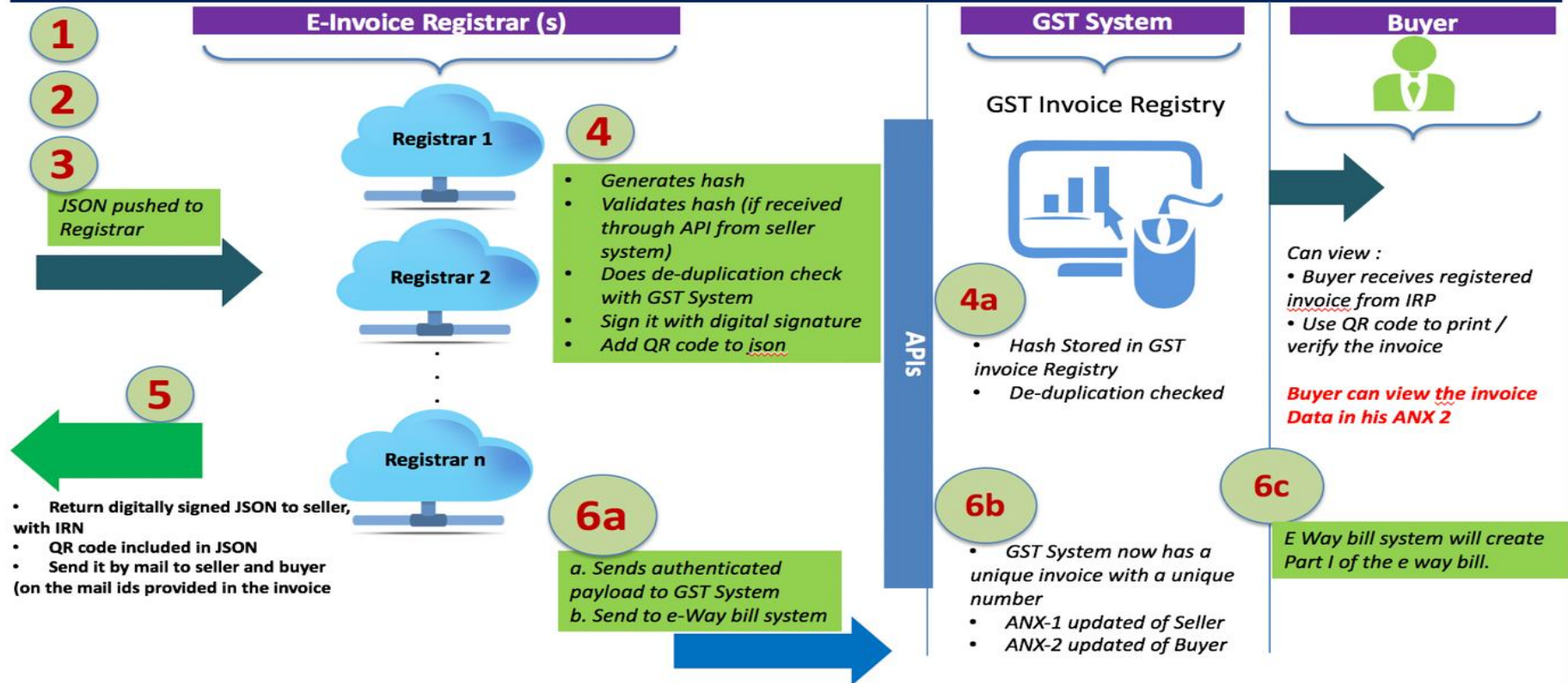
PROCESS FLOW- SUPPLIER to IRP

A. SELLER – REGISTRAR (IRP) FLOW OF ACTIVITIES

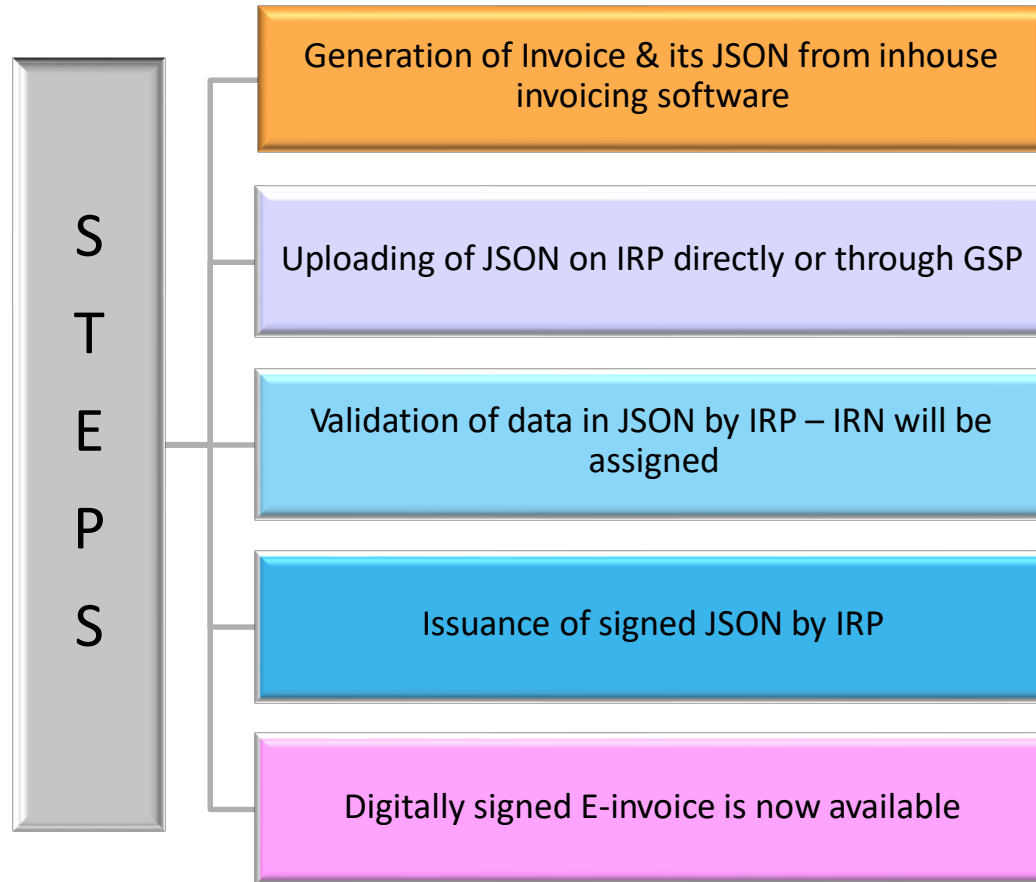


PROCESS FLOW- IRP to GSTN/BUYER

B. REGISTRAR (IRP) – GST SYSTEM FLOW OF ACTIVITIES



STEPWISE PROCESS FOR GENERATING E-INV



IMPORTANT POINTS

- E-invoice once issued can be cancelled within 24 hours of its issuance and not later.
- Once an IRN/invoice is cancelled, the same invoice number cannot be used again to generate another invoice. In case it is used again then the same will be rejected when it is uploaded on IRP.
- Amendment of E-invoice is not allowed, it can be only be cancelled within 24 hrs. However cancellation or amendment of E-invoice can be done on the GST portal before filing of returns.
- In case while making the Invoice in step 1, if email ID of the buyer is provided, IRP will email digitally signed E-invoice to him immediately
- Once E-invoice is issued, IRP will update the details of the same on the E-way bill portal as well as in GSTR 1.
- 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 by E-Way Bill System. In case Part-B details are not provided as part of e-invoice, the same will have to be provided by the user on E-Way Bill Portal, for generation of e-way bill.

WHERE & WHEN TO GENERATE E-INVOICE

- **Below mentioned websites are notified for the preparation of E-Invoice: -**
 - www.einvoice1.gst.gov.in
- Multiple modes will be made available so that taxpayer can use the best mode based on his/her need. The modes given below are envisaged at this stage under the proposed system for e-invoice, through the IRP (Invoice Registration Portal):

Web based	API based	SMS based
Mobile app based	Offline tool based	GSP Based

- **Time of Generation of E-Invoice:** Ideally it will have to be generated before or at the time of issuance of regular invoice, legally there will be no change in the timing of generation E-invoice; it will be same as per section 31

PRINTING OF INVOICE

- **Printing of Invoice: -**
 - Supplier has to report/upload the Invoice to IRN in Json format, after due validations IRP will send back E-invoice with IRN and QR Code in JSON format, which can be converted to PDF format by the supplier and be printed. Supplier cannot generate IRN on its own.
 - Taxpayer can continue to print his paper invoice as he is doing today including with logo and other information. E-invoice schema only mandates what will be reported in electronic format to IRP.
 - It is important to understand the difference here, E-invoicing system is only a reporting tool by which a regular invoice will have to be mandatorily reported to the IRP without which the regular invoice will not be valid. Taxpayer will have to print the IRN as well as QR code generated through IRP on the regular tax invoice.

MANDATORY FIELDS OF E-INVOICE

Sr. No.	Category	Particulars
1.	General	Version number (Tax schema) Invoice reference number, Document Type, Invoice number , Invoice date, Supply type like B2B /B2C/SEZ
2.	Supplier	Legal name (Name appearing in PAN), GST number, Address, State name, Pin code
3.	Buyer	Legal name, GST number (in case of B2B), State code, Address, State name, Pin code
4.	Payment	Payee name, Account number, Payment mode, IFSC code
5.	Delivery	Company name, Address, State name, Pin code (Applicable in case of stock transfer/ sale of goods)
6.	Invoice item	Serial number, Quantity, Item rate, Net amount, GST rate, GST Amount, Batch number for manufactures
7.	Document Total	Total invoice value, Total tax amount, Amount paid in advance, Amount due
8.	Extra	Tax scheme
9.	Ship to	Company name, GST number, Address, Pin code, State name, Supply Type, Transaction mode

FAQs

- **Can IRP reject the submitted Invoice JSON :** IRP will validate for GSTIN existence (of seller and buyer) and de-duplication of the invoice. If non-existent GSTIN and/or a duplicate invoice is found, the invoice will be returned with relevant error codes, without registering it.
- **What validations will IRP be performing :** IRP will validate for only GSTIN correctness and whether invoice already exists in the GST system. This validation of existence in GST system will be based on the
 - GSTIN
 - Invoice Number
 - Type of document
 - FY combination
- **Is the supplier required to digitally sign JSON before submitting it to the IRP :** It is optional
- **Will the IRP return both signed JSON and signed PDF? Or just JSON :** IRP will return the signed JSON. No PDF will be returned.
- **Whose digital certificate will be used to sign the approved invoice :** The signature will be of IRP.
- **What will IRP be email distributing to the buyer- JSON or PDF or both :** No mailing of the e-invoice will be done by IRP.

FAQs

- **Do Invoices or Delivery challans for exempt supplies require IRN** : No, exempt supplies done under the cover of Bill of Supply or Delivery challan do not require to follow e-invoicing system
- **Does it apply to Importers** : Importers don't have to follow e-invoicing system for imports as Bill of Entry is issued by Customs
- **What happens when IRP system is down** : There will be more than 1 IRP to ensure continuity of business. All IRPs will use a common set of APIs to ensure compatibility and interoperability from businesses.
- **Will businesses be allowed to push invoice JSONs in bulk** : Yes, this service will be available through private software
- **Company LOGO on E-invoice** - Company Logo will not be sent to IRP. It will not be part of JSON file to be uploaded on the IRP. However, Software Company can provide LOGO in the billing/accounting software so that it can be printed on invoice.
- **Validity of invoice without Invoice Reference No. (IRN)**: - B2B Invoice will be valid only if it has IRN & QR Code.

FAQs

- **E-invoices for Export:** - The e-invoice schema also caters to the export invoices as well. The e-invoice schema is based on most common standard, this will help buyer's system to read the e-invoice.
- **E-invoice schema for reverse charge mechanism:** - E-invoice system has a reverse charge Mechanism reporting as well.
- In case a registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.

BENEFITS ?

- One time reporting of B2B invoice data by the supplier. It will reduce reporting in multiple Formats (i.e. GSTR-1/ E-way bill).
- E-invoicing can be further used for creating e-way bills by providing only vehicle details additionally.
- Substantial reduction in input credit verification issues as same data will get reported to tax department as well to buyer.
- Complete trail of B2B/B2C invoices will be available
- The system will auto-match input credit liability with output tax. E-invoice can be created for Debit/Credit Notes, Invoices and other eligible documents.

MISCONCEPTIONS

Misconception	Reality
E-invoice will be generated from govt tax portal ONLY	Invoice will be generated by the supplier in his own accounting or billing system. The invoice must have mandatory parameters and must conform to the e-invoice standard (schema) published in GST common portal
E-invoice is applicable to all GST Registered person	No, as explained above, threshold for applicability of E-Invoice system is kept very high. It is <u>mandatory</u> for B2B Transactions for taxpayers whose <u>turnover</u> in a FY exceeds 10 Crores. For B2C QR code is mandatory if turnover is above 500 Cr
E-Invoice will replace E-way bill	E-Invoice will <u>not</u> replace E-way bill. For transportation of goods, E-way bill will continue to be mandatory
Will updating Part B in Invoices generate E-way Bill	Part B information pertaining to E-way Bill will also be captured by IRP if shared by supplier, in case not given then E-way bill will have to be generated using the regular process.
There will be a Portal available for Taxpayers to punch-in details / manually upload JSON in order to generate eInvoice	E-Invoicing will be enabled using system interface through API process only. Currently NO front-end portal OR offline utility is available to punch-in details / manually upload JSON

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