

A close-up photograph of a person's hand hovering just above a tablet computer. The hand is positioned as if about to touch the screen. The background is a blurred cafe or office environment with warm lighting, a glass of coffee, and some greenery. The overall tone is professional and modern.

# E-INVOICE UNDER GST

ICAI KNOWLEDGE SESSION

March 2021  
BDO in India



# KEY RECENT DEVELOPMENTS

GST TECH

## GST TECHNOLOGY JOURNEY SO FAR

- ✓ GST Returns Online
- ✓ GSTR 2A/ 2B introduced
- ✓ E-Way Bill
- ✓ Refunds Online
- ✓ GST E-invoicing
  - Oct 1, 2020 for 500+ Crores
  - Jan 1, 2021 for 100+ Crores
  - 1 April 2021 for 5+ Crores
- ✓ Linkage between E-way Bill and E-invoice processes
- ✓ Auto Generation of GST Return through GSTR 1 and 2B
- ✓ Matching of purchase data with 2A/ 2B through tool
- ✓ Matching linked to returns submitted instead of being just submitted
- ✓ Communication with vendors through portal
- ✓ Form 26AS picking up turnover data from 3B
- ✓ New Customs portal to be linked with GST portal
- ✓ Government using data analytics and technology solutions for tax collections
- ✓ Notices - Online
- ✓ Automation of Purchase register (at ERP level)
- ✓ Virtual hearings !!



# GST

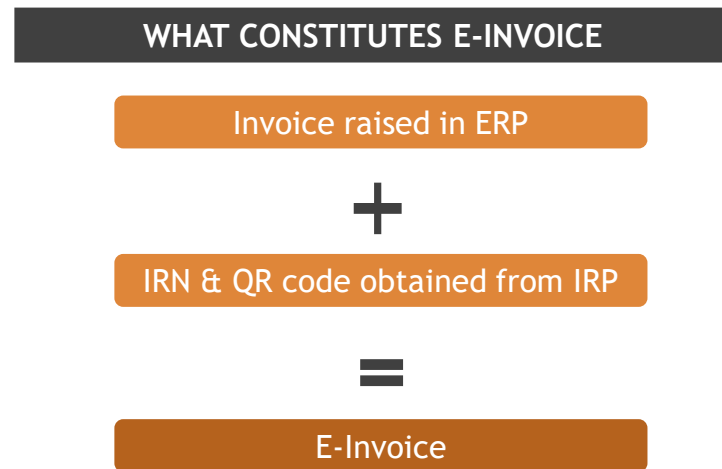
## E-INVOICING AND QR CODE SYSTEM

# E-INVOICING

## AN OVERVIEW

E-invoicing is generation of a unique Invoice Reference Number ('IRN') from notified common GST portal. Once created, by taxpayers on their own ERP/ accounting/ billing system, an e-invoice must be registered on Invoice Reference Portal ('IRP') from the notified Common Goods and Service Tax portal. In a nutshell, it is 'machine-to-machine' exchange of invoice data.

E-INVOICING AND QR CODE TIMELINES			
Turnover (INR) - PY (PAN level)	Voluntary	Mandatory	
		E-Invoicing + QR Code	QR Code for B2C
More than INR 500 crores	N.A.	01 October 2020	01 April 2021*
More than INR 100 crores (less than 500 crores)	To be notified	01 January 2021	To be notified
Less than INR 100 crores	To be notified	To be notified	To be notified

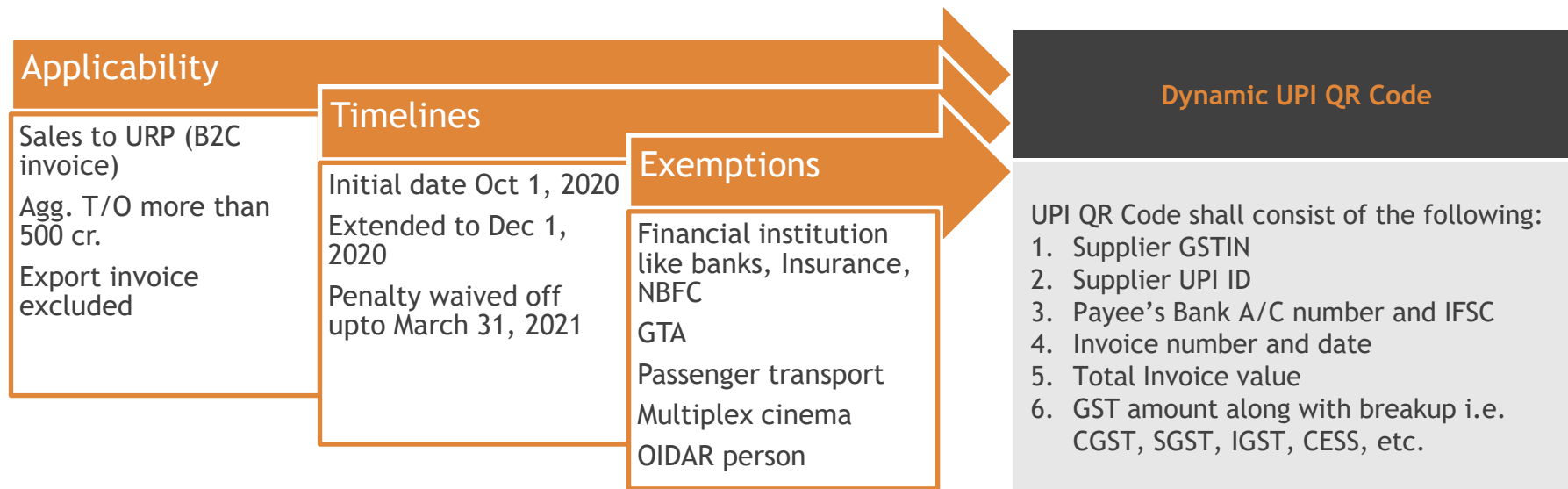


\*However, printing of B2C QR code for the period 01 December 2020 to 31 March 2021 to be generated by 31 March 2021

# B2C DYNAMIC QR CODE

## AN OVERVIEW

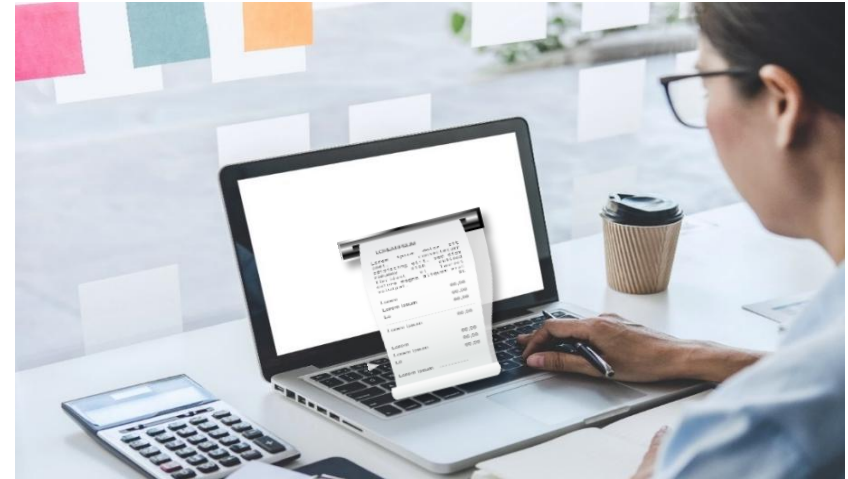
Option 1	Option 2
Dynamic QR code for payment on Invoice	Digitally displayed the Dynamic QR Code



# E-INVOICING

## APPLICABILITY

- ▶ E-invoice will cover the following B2B documents that are required to be reported to IRP:
  - Supplier Invoice
  - Credit Note
  - Debit Note
- ▶ E-invoice also covers:
  - Reverse charge mechanism (outward supplies)
  - Export/zero-rated supplies (except SEZ units)
  - Business to Government invoices - TDS
  - Supplies through e-commerce operator (on behalf of seller)



Delivery challan, Bill of supply and ISD Invoice-  
IRN NOT APPLICABLE

# RELEVANT LEGAL PROVISIONS

## Relevant Notifications

- Notification number 13/2020 read along with notification number 61/2020 Central tax dated 30 July 2020 (for turnover > 500 crores)
- Notification number 88/2020 Central tax dated 10 November 2020 (for turnover > 100 crores)

## Applicability

- Applicable to registered persons having a turnover of more than INR 100 crores during a financial year [Clarified that the turnover pertaining any year starting from FY 2017-18]

## CGST Rules

- Rule 48 of CGST Rules specify e-invoice (INV-01) shall form part of invoice issued by such a registered person
- Any other document other than e-invoice is not valid

## Relevant Websites for E-invoicing

- NIC portal - <https://einvoice1.gst.gov.in/#>
- E-invoice API developer portal - <https://einv-apisandbox.nic.in/>



# EXEMPTION FROM E-INVOICE

Is exemption for business or for the entity ?



Banking company, financial institution

Non-banking financial institution

SEZ unit including FTWZ\*

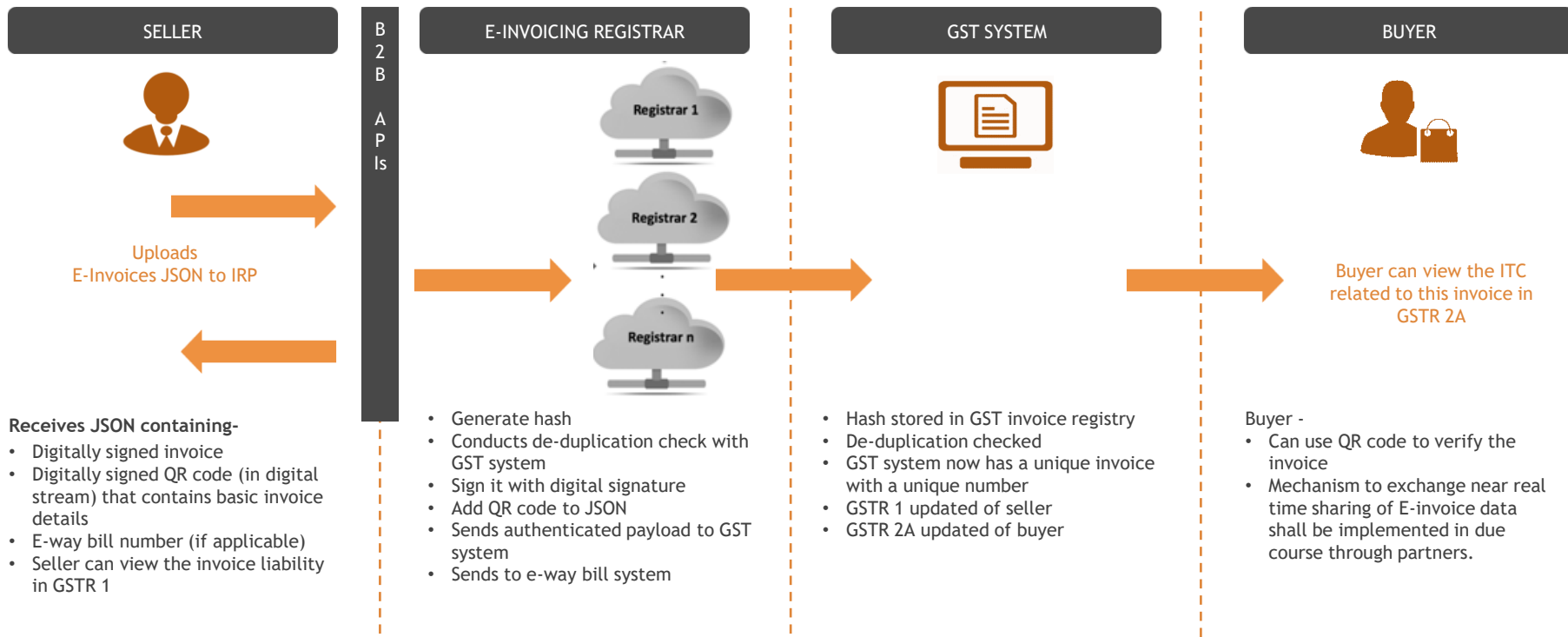
Insurance company

Goods Transport Agency (GTA)

Person providing service of exhibition of cinematograph films in multiples screens


*\*As per NIC FAQ*

# PROCESS FLOW



# PROCEDURE TO OBTAIN IRN & QR CODE

- ▶ Invoice details are to be uploaded and registered on the notified **IRP**
- ▶ Details are to be **uploaded in the Schema format** (currently API - V1.03) released by National Informatics Centre ('NIC')
- ▶ **IRP will generate the unique IRN and QR code** which then needs to be printed on the invoice
- ▶ Both IRN and QR code are to be printed on the invoice

<b>IRP</b> Invoice Registration Portal	<b>IRN</b> Invoice Reference Number	<b>QR Code</b> Quick Response Code 
<ol style="list-style-type: none"><li>1. IRP is the government body under NIC to handle e-invoices</li><li>2. IRP will generate the unique IRN and QR code for e-invoices</li></ol>	<p>Unique IRN (up to 64 digit) is generated for each e-invoice, basis the following parameters:</p> <ol style="list-style-type: none"><li>1. Supplier GSTIN</li><li>2. Invoice type</li><li>3. Supplier Invoice Number</li><li>4. Financial Year</li></ol>	<p>QR Code shall consist of the following:</p> <ol style="list-style-type: none"><li>1. Supplier GSTIN</li><li>2. Recipient GSTIN</li><li>3. Invoice number (as given by supplier)</li><li>4. Date of generation of invoice</li><li>5. Invoice value</li><li>6. Number of line items</li><li>7. HSN code of the main item (the line item having the highest taxable value)</li><li>8. Unique IRN</li></ol>

*Note: Common portal for e-invoice generation:*

# E-INVOICE SCHEMA

Particulars	No of Fields
Mandatory fields	31
Conditional mandatory fields	32
Optional fields	69
<b>Total no of fields</b>	<b>132</b>



Heading	Fields		
	Mandatory	Conditional Mandatory	Optional
Header	2	0	0
Seller details	6	0	4
Transaction details	2	0	3
Reference details	0	4	10
Buyer details	6	1	4
Ship to details	0	5	3
Dispatch details	0	5	1
Document details	3	0	0
Additional Doc details	0	0	3
Export details	0	1	6
EWB details	0	1	7
Item details	10	10	13
Total value details	2	5	4
Payment details	0	0	11
<b>Grand Total</b>	<b>31</b>	<b>32</b>	<b>69</b>

# PRINTING OF INVOICES

WHAT ARE THE MANDATORY CONTENTS TO BE PRINTED  
ON INVOICE WHILE ISSUED BY SUPPLIER ?

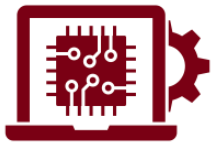


- GST-INV-01 is only for reporting invoice details to IRP
- Invoice issued to buyer continues to be governed by Rule 46 with addition of QR Code

How to print QR code on  
ERP invoice ?

Whether multiple copies of  
E-invoice required ?

# MODES OF GENERATION OF E-INVOICE



API BASED



OFFLINE TOOL BASED



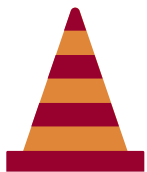
GSP BASED



# RELATIONSHIP OF E-INVOICING WITH E-WAY BILL



- ▶ IRN and EWB can be generated together
- ▶ Generation of e-way bill from IRN has also been enabled
- ▶ In case 'Transporter ID' is entered, EWB can be generated with pre filed details of Part A & Part B
- ▶ E-waybill will be generated only if requisite details are uploaded (distance can be kept 0)
- ▶ E-way bill for other than e-invoice scenario shall be dealt independently via e-way bill portal



- ▶ Cancellation sequence - first EWB and next IRN
- ▶ IRN cannot be cancelled, if active e-way bill exists
- ▶ Cancellation of e-way bill is enabled through IRP based on e-way bill number
- ▶ Re-generation of EWB on same document is possible

# CANCELLATION

## Cancellation of e-invoice

- E-invoice cannot be cancelled partially, it has to be cancelled completely
- E-invoice cannot be re-generated for an invoice for which an e-invoice has been earlier cancelled
- E-invoice can be cancelled in IRP portal within 24 hours. Post that, cancellation *per se* is not possible. However, nullification of that e-invoice can be done on the GST portal **possibly** through issuance of a credit note (that will also go through IRP portal only) which means effective cancellation of original invoice too
- If an active e-way bill exists, e-invoice cannot be cancelled; procedure is first e-way bill then e-invoice

## Cancellation of invoice in ERP

- If done in ERP before generation of e-invoice - cancellation is possible
- If done after generating e-Invoice - then cancellation is subject to 24 hours time limit
- If the invoice is sought to be cancelled after 24 hours of generating the e-invoice, then from a GST perspective, there is no option to cancel the e-Invoice. Alternatively whether issuance of a credit note is the possible solution, needs to be evaluated.

## Cancellation of e-way bill

- If e-way bill is validated at any check post, then it cannot be cancelled
- Subject to the restriction mentioned above, e-way bill can be cancelled at any time



# AMENDMENT

Amendment in e-invoice	<ul style="list-style-type: none"><li>▪ Applicable if there is no change in the underlying invoice but changes in some details about that invoice which were uploaded on the IRP wrongly</li><li>▪ Amendment per se not allowed</li><li>▪ The only option is to cancel the e-invoice or possibly issue a credit note if the 24 hours cut-off has lapsed</li></ul>
Amendment in ERP invoice	<ul style="list-style-type: none"><li>▪ Amendment can be done in GST portal only - IRN will remain the same</li></ul>
Amendment in e-way bill	<ul style="list-style-type: none"><li>▪ Amendment to E-way bill is not permissible as of now</li></ul>
Amendment in GSTR 1	<ul style="list-style-type: none"><li>▪ IRN is generated on the basis of GSTIN of supplier &amp; buyer, invoice no. &amp; date. Therefore, these 4 parameters cannot be changed/edited</li><li>▪ Any amendment in GSTR 1 shall be highlighted to concerned jurisdictional authorities</li><li>▪ QR code generated from IRP will have data reported, which may change after GSTR 1 editing</li><li>▪ To that extent QR code data as per IRP shall create differences with GSTR-1 data</li></ul>

# ISSUES RELATED TO REPORTING

E-invoice has to be maintained for a period of **72 months**

B2B supplies will be directly reported from IRP to the GST portal. Other supplies (like B2C, RCM, Exempt Supplies, etc.) to be updated manually

Invoice details uploaded on the IRP portal shall be auto populated (within T+3 days) in GSTR 1 & GSTR 2A of seller and buyer by GSTN



# LIST OF KEY VALIDATIONS

## E-INVOICE

- ▶ In case of export of goods, ship to address should be place/ port in India from where export is made
- ▶ Restriction on document date for uploading in IRP portal has been removed
- ▶ In case if supplier is an SEZ unit, then he cannot generate e-invoice
- ▶ E-invoice cannot be re-generated for cancelled IRN
- ▶ Only allowed tax rates can be entered
- ▶ Tax amount validation at item and total level
- ▶ Direct exports | GSTIN = 'URP' & State Code = '96'
- ▶ HSN Code should be valid as per the GST master - 4/6/8 for goods and 4/5/6 for services



# LIST OF KEY VALIDATIONS

## E-WAY BILL

- ▶ E-way bill is not generated for debit notes, credit notes & services
- ▶ PIN-PIN distance is validated
- ▶ Vehicle number should match with VAHAN database
- ▶ E-way bill will not be generated if supplier or recipient GSTIN is blocked due to non filing of returns
- ▶ Pin code of recipient GSTIN is mandatory if ship-to details are not entered
- ▶ In case of incomplete information passed for generation of e-way bill, then IRN will be generated and returned but not e-way bill number



# CLARIFICATIONS FROM FAQs

VOLUNTARY E-INVOICE	▪ Entities having T/O of less than INR 100 Crores will not be allowed/ enabled to report invoices in IRP
VENDOR MANAGEMENT	▪ The facility has been provided in e-invoice portal to check the status whether a particular supplier is supposed to issue e-invoice or not
EXCEPTIONS	▪ Mechanism for internet connectivity along with provisions for relaxation in case of breakdown due to loss of connectivity will be notified soon
TCS UNDER INCOME TAX	▪ It can be under “other charges” of Schema. Alternatively, post receipt of IRN, business may add any other element, charges not liable to GST, before issuing invoice to buyer.
Number of line items	▪ The limit is kept at 1000 presently. Taxpayers who require to report more items may contact NIC (support.einv.api@gov.in).
NON- GST SUPPLIES	▪ For items which are outside GST levy, separate invoices may be issued by such establishments
ROUNDING OFF	▪ Rounding off to be done at invoice level and not at line item level

# RECENT CLARIFICATIONS FROM FAQS

TENURE OF REPOSITORY	▪ Record of e-invoice has to be maintained until expiry of 72 months (section 36 of CGST Act)
GSTR 2A	▪ GSTN is deliberating whether IRN number to be part of GSTR 2A report
TRANSITION PROVISIONS	▪ Reporting is based on the date of invoice, irrespective of the supply period
CREDENTIALS	▪ There shall be same credentials for e-invoice & e-way bill
DOCUMENT IN TRANSPORTATION	▪ Carrying of e-invoice print is not mandatory in case of transportation of goods; it can be maintained electronically
CHRONOLOGY WITH E-WAY BILL	▪ E-invoice has to be generated first and then e-way bill has to be generated
OTHER CHARGES	▪ This field is not part of taxable value. In case of taxable charges, separate line item is to be included

# IMPACT OF NON-GENERATION OF E-INVOICE

- ▶ Any invoice without IRN cum QR code shall be treated as an invalid invoice for the purpose of GST law
- ▶ Recipient/ customer may not be eligible for availing input tax credit
- ▶ Government may implement a review facility which would restrict generation of e-way bill in the absence of IRN
- ▶ Transportation of goods without an E-invoice may cause detention of goods and vehicles, and imposition of penalty



# LATEST UPDATES IN E-INVOICE

- ▶ GSTN advises tax payers to update the details manually in GSTR 1 if such details were not auto populated.
- ▶ Validity period of E-way bill changed from 100 KM to 200 KM per day
- ▶ Direct generation of E-way bill will be blocked for tax payers who are generating IRN. However, they are allowed to generate directly which are not covered under IRN generation.
- ▶ E-way bill print shall contain IRN, Acknowledgement number and date but will not have item details. However for product details, E-invoice to be referred.





# E-INVOICING

## WHAT NEXT



Ascertaining the ERP readiness in terms of compatibility and data availability



Evaluating the extent of automation/integration required based on factors like nature and volume of transaction



Comparing current invoice/ debit note/ credit etc. contents vis-à-vis what has been prescribed in Schema



In case of optional fields, deliberating on what to report, what not to report basis parameters such as MIS etc.



In case the prescribed fields are already there in ERP, asserting whether these are in the notified format



Deliberating on handling, post-sale adjustments, given the guidelines that have been released so far



Deliberating on other consequent issues like whether to maintain two separate series of invoices/ documents etc.

# OPEN POINTS

Whether the tax payer can download report from IRP beyond 24 hours

Whether ITC is admissible if inward supplies does not contain IRN and QR code

Determining whether a vendor is required to issue e-invoice from a huge list of vendors

Clarity on an amendment done on the GST portal after 24 hours (causes difference in data between IRP and GST portal)

Posting 64 bit IRN and QR code in invoice could be a challenge

Whether B2C and DC transactions will be under E-invoice ?



Q&A



**BDO IDT TEAM**

# ABHINAV SRIVASTAVA



Partner  
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## AREAS OF EXPERTISE

- Customs & International Trade
- Consumption Taxes, including GST
- India domestic indirect taxes

## INDUSTRY EXPERTISE

- Financial services, including FinTech
- IT/ ITES
- Pharma
- HealthCare
- Media

## EDUCATION & PROFESSIONAL QUALIFICATIONS

- Chartered Accountant (ICAI)
- Bachelor of Commerce (Accounts & Audit)

## EXPERTISE SUMMARY

- Abhinav is a Partner with the Indirect Tax practice and operates out of Hyderabad office.
- Prior to joining BDO India, Abhinav worked with larger accounting firms and has over 12 years of experience in the field of indirect taxes
- He has worked on several assignments in the areas of tax structuring, due diligences, diagnostic reviews, litigation across various sectors like IT/ ITES, pharma, healthcare, media, education, etc.
- Abhinav is also actively involved in advocacy with policymakers representing various industry associations and chambers
- He has also authored various articles pertaining to Indirect Tax in tax related publications

## SELECT KEY PROJECTS

- ERP implementation - giving inputs during design and testing phase
- Setting up related assistance - Advising one of the leading multi level Marketing companies with respect to structuring of construction related contracts with respect to their new factory in India
- Assisted number of clients in transitioning to Goods and Service tax regime
- Designed and executed a virtual tax training programme in association with a leading educational service provider in India

# SUMEET SETHIA



**Sumeet Sethia**  
Manager  
Indirect Tax

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## AREAS OF EXPERTISE

- Tax Technology | GST and E-invoice
- Consumption Taxes, including GST
- Bahrain VAT
- Guest Speaker at ICAI, ICSI and FICCI

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- Healthcare
- IT/ITES
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- Hospitality Sector

## EDUCATION & PROFESSIONAL QUALIFICATIONS

- Chartered Accountant
- Bachelors of Commerce (Accounts & Taxation)

## EXPERTISE SUMMARY

- Sumeet is a member of the Institute of Chartered Accountants of India (ICAI), with 5+ years of experience in assisting array of clients in the field of Indirect Tax, compliance management, Due diligence and GST audit.
- Sumeet has a good experience over auditing and compliances during his article ship period for various big corporate clients.

## SELECT KEY PROJECTS

- Assisting as functional consultant to BDO tax technology team for GST tool development.
- Offered end-to-end advisory support to implement seamless and tax efficient structures for Indian Corporates for its GST Implementation.
- End-to-end GST Compliance, Advisory, Refund, Litigation support, assessment and audit services to several major clients such as IT, Hospital chains, Life Insurance, Banking etc.
- Involved in various assignments related to monthly compliances related to GST.
- Instrumental in Indirect tax health check up for an International Hospitality unit in Jaipur.
- In his previous role, Sumeet was engaged in various projects including post-implementation review of ERP software, designing tax models and reports on the software review.
- Supported clients belonging healthcare sector on various assignments from an indirect tax perspective focusing on the potential risks and savings.

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