

THE PROCESS OF GST E-INVOICING

Latest GST updates





What is e-invoicing?

- ‘E-Invoicing’ or ‘electronic invoicing’ is a system in which B2B invoices are authenticated electronically by GSTN for further use on the common GST portal.
- An identification number will be issued against every invoice by the Invoice Registration Portal.
- All invoice information will be transferred from this portal to both the GST portal and e-way bill portal in real-time.
- Therefore, it will eliminate the need for manual data entry while filing GSTR-1 returns.

APPLICABILITY

Taxpayers with an aggregate turnover exceeding

500 CR

100 CR

50 CR

**W.E.F 1st October
2020**

W.E.F 1st January 2021

W.E.F 1st April 2021

Recent notification

CBIC made E-invoice under GST mandatory for registered persons having aggregate turnover above **₹20 crore** in any of the previous years from 2017-18 till 2021-22 with effect from **01st April 2022**.



E-INVOICING NOT APPLICABLE TO THE FOLLOWING REGISTERED PERSONS.

- An insurer or a banking company or a financial institution, including 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
- 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)



STEPS TO GENERATE E-INVOICE.

1. Invoice Creation

Invoice is created using an accounting or billing software as per the prescribed format for E-invoicing

2. Invoice Registration Number (IRN) Generation

Supplier can generate a unique Invoice Reference Number (IRN).

3. Upload on Invoice Registration Portal (IRP)

JSON file for each B2B invoice, along with the IRN to be uploaded.

4. IRP Validation of Invoice Information

The IRP will authenticate the file against the central registry of GST for any duplication.



5. Digital Signature and QR Code Generation

Upon successful verification, the invoice will be updated with IRP's digital signature on the invoice data and a QR code will be added to the JSON file.

6. E-Invoice data transmission to E-Way Bill Portal and GST System

The uploaded data will be shared with the E-way bill and GST system, which will be used for auto-population of GST Annexures

7. E-Invoice Receipt back to Supplier's ERP

The portal will send the digitally signed JSON along with IRN and QR code back to the seller. The invoice will also be sent to the buyer on their registered email id.



Benefits of e-invoicing for businesses



- It reduces GST mismatch errors.
- It enables Real-time tracking of invoices .
- 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 TO CURB TAX EVASION

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- Tax authorities will have access to transactions as they take place in real-time.
- It will reduce the chances of fake GST invoices, and the only genuine input tax credit can be claimed as all invoices need to be generated through the GST portal. Since the input credit can be matched with output tax details, it becomes easier to track fake tax credit claims.
- There will be less scope for manipulating invoices since the invoice gets generated before carrying out a transaction.





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