

## **E-Invoicing Procedure and Work Flow – Detailed FAQs.**

We bring to you a detailed note on Electronic Invoicing (E-Invoicing) provisions, Pictorial representation on various aspects of E-Invoicing, Implementation guideline as well as reference materials on E-Invoicing.

### **Q 1. What is E-Invoicing or Electronic Invoicing?**

**Ans.**

- 'E-invoicing' or 'electronic invoicing' is a system where in the tax payer will upload his invoice details and register his supply transaction on the Government Invoice Registration Portal (IRP) and get the Invoice Reference Number (IRN) generated by the IRP system.
- Here the tax payer will first prepare and generate his invoice using his ERP/accounting system or manually and then upload these invoice details to IRP and get the unique reference number, known as IRN.
- It is clarified again that the e-invoice does **NOT** mean preparation or generation of tax payer's invoice on government portal. It is only intimating the government portal that invoice has been issued to the buyer, by registering that invoice on the government portal.

### **Q 2. What is the turnover threshold for applicability of E-Invoicing?**

**Ans.**

- As per Notification No 61/2020 – Central Tax dated 30th July, 2020\_Threshold Turnover for preparing E-Invoice is Rs 500 Crores.
- The turnover for the purpose of E-Invoicing is to be computed at PAN Level (for all GSTINs combined) for the Financial Year 2019-20.

### **Q 3. How do I verify if my entity is to be registered for E-Invoicing?**

**Ans.**

- Threshold Turnover for preparing E-Invoice is Rs 500 Crores. Any entity which is listed for Implementation of E-Invoice can verify the status at the following link <https://einvoice1.gst.gov.in/Others/EinvEnabled> by providing GST Number on the E-Invoicing Portal.

### **Q 4. What are the documents covered for E-Invoicing?**

**Ans.**

- The taxpayers need to report the following documents to the e-invoice system  
Invoice by Supplier

Credit Note by Supplier

Debit Note by Supplier

### **Q 5. Will e-invoice schema cater to reverse charge mechanism?**

**Ans.**

- Yes, E-invoice system has a reverse charge mechanism reporting as well

### **Q 6. What are the different Supply types available in e-Invoice portal ?**

**Ans.**

- The different supply types that can be reported are
- B2B: Business to Business,
- SEZWP: To SEZ with Payment,
- SEZWOP: To SEZ without Payment,
- EXPWP: Export with Payment,
- EXPWOP: Export without Payment,
- DEXP: Deemed Export

**Q 7. Who is responsible for generation of E-Invoice?**

**Ans.**

- The notified tax payers have to generate the IRN for the supplies/sales.
- The IRN has to be generated for the documents of Invoices, Debit Notes and Credit Notes for the local, interstate and export transactions.
- The tax payer has to upload the complete invoice details, prepared manually or through internal ERP/accounting system, as per the format, and after due validations of the data, the system returns the IRN with the signed invoice and QR code back to the tax payer.
- The IRN, ACK No, Date and QR code has to be printed by the tax payer on the invoice being issued to the buyer.
- It may be noted that the IRN can be generated by the supplier only and not by buyer or transporter

**Q 8. Can an E-Invoice be cancelled?**

**Ans.**

- There is a facility to the user to cancel the IRN, if active e-way bill is not there.
- The user can cancel the E-Invoice if the e-way bill is not generated or the e-way bill is cancelled post generation.
- The invoice can only be cancelled in full. Part cancellation of invoice is not permitted.

**Q 9. I have login for E-Way bill portal. Do I need to separately create login for E-Invoicing Portal?**

**Ans.**

- There is a facility to login to the e-invoice system. **Single Sign On (SSO)** system has been used to login to the e-way bill and e-invoice systems. That is, if the tax payer has the username and password created on the e-way bill system, then same can be used to login to this system.

**Q 10. I do not have login details for E-Way Bill Portal. How do I create login for E-Invoice Portal?**

**Ans.**

- If the tax payer has not registered in the e-way bill system, he can use the registration facility and register for the e-invoice system. Then system enables him automatically for both the e-way bill and e-invoice systems. For Registration and other facility one may visit <https://einvoice1.gst.gov.in/>

**Q 11. Will businesses now be required to generate e-invoices on the GST portal or the e-invoice portal?**

**Ans.**

- No, the businesses now be required to generate e-invoices on the GST portal or the e-invoice portal.
- The tax payer will first prepare and generate his invoice using his ERP/accounting system or manual system and then upload these invoice details to IRP and get the unique reference number, known as IRN.
- The e-invoice does **NOT** mean preparation or generation of tax payer's invoice on government portal.
- It is only intimating the government portal that invoice has been issued to the buyer, by registering that invoice on the government portal.

**Q 12. I have already registered in GST Portal. Whether I need to register again on the E-invoice system Portal?**

**Ans.**

- Yes, there is a need for separate registration again on the E-invoice system Portal.
- All the registered users under GST who wish to generate IRN need to register on E-invoice system using his GSTIN.
- Once GSTIN is entered, the system sends an OTP to his registered mobile number registered with GST Portal and after authenticating the same, the system enables him to generate his/her username and password for the E-invoice system.
- After generation of username and password of his/her choice, he/she may proceed to make entries to generate IRN.

**Q 13. Whenever I am trying to register, the system is showing wrong address or mobile number. How should I resolve this issue?**

**Ans.**

- This is indicating that you might have updated your business registration details in the GST Common Portal recently.
- Please 'Update from Common Portal', to pull the latest data from the GST Common Portal.
- If even after this action, wrong data is displaying, kindly update the details in GST common portal through amendment process.

**Q 14. Will it be possible to allow invoices that are registered on invoice registration system/portal to be downloaded and/or saved?**

**Ans.**

- The IRP after registering the invoice, will share a digitally signed e-invoice for record of the supplier. You can download the invoice for further use and action.

**Q 15. What are pre-requisites to generate the e-invoice?**

**Ans.**

- The pre-requisite for generation of e-invoice is that the person who generates e-invoice should be a registered person on GST portal and e-invoice system or e-way bill system.
- The documents such as tax invoice or Debit Note or credit Note must be available with the person who is generating the e-invoice.
- If a user is generating Bulk invoices, then he/she should have a valid JSON file as per the e-invoice schema to upload on the e-invoice system or he/she has to integrated with API interface and generate the IRN

**Q 16. How can anyone verify the authenticity or the correctness of e-invoice?**

**Ans.**

- Anyone can verify the authenticity or the correctness of e-invoice by uploading the signed JSON file or Signed QR Code into e-invoice system.
- The option '**Verify Signed Invoice**' under Search option can be selected and the signed JSON file can be uploaded and verified.
- Similarly, the QR Code Verify app may be downloaded and used to verify the QR Code printed on the Invoice.

**Q 17. What is the meaning of digitally signed e-invoice?**

**Ans.**

- The digitally signed invoice is one which has been digitally or electronically signed by the IRP after receiving the invoice upload from the supplier.
- That is, the government is authenticating the genuineness of the invoice submitted/registered by the tax payer.

**Q 18. Would the Supplier be allowed to issue his own invoice and if yes, will the Invoice number and IRN be required to be mentioned?**

**Ans.**

- Yes, the supplier will issue his own system's invoice (from ERP or accounting package), in the standard e-invoice schema that has been published.
- IRN will be generated and returned by the IRP as per the process described in the concept and flow.
- Invoice will be valid only if it has IRN.

**Invoice Reference Number (IRN) –**

**Q 19. What is Invoice Reference Number (IRN)?**

**Ans.**

- The Invoice Reference Number (IRN) is a unique number (also known as hash) generated by the e-invoice system using a hash generation algorithm.
- For every document such as an invoice or debit or credit note to be submitted on the e-invoice system, a **unique 64 characters Invoice Reference Number (IRN)** shall be generated which is based on the computation of hash of GSTIN of supplier of document (invoice or credit note etc.), Year and Document type and Document number like invoice number.
- This shall be **unique to each invoice** and hence be the unique identity for each invoice for the entire financial year in the entire GST System for a taxpayer.

**20. Explain in detail about IRN**

**Ans.**

- Each Invoice uploaded by the tax payer will get the unique number called as Invoice Reference Number (IRN).
- IRN is of 64 Characters length.
- This IRN is unique number in the GST system, irrespective of tax payer, financial year and document type.
- IRN is generated by the e-invoice system once the tax payer uploads the invoice details.

- IRN is generated using the computer algorithm (RSA256) based on the combination of the Supplier GSTIN, Document Type, Document Number and year of the Invoice (Financial Year).
- IRN is hash of Supplier GSTIN + Fin. Year + Doc Type + Doc Number.
- Financial Year is calculated based on the date of invoice. That is, the financial year starts with 1st April and ends on 31st March and represented as YYYY-YY. If the date is 03.01.2020, the financial year is 2019-20.
- Document types are INV for Invoice, CRN for Credit Note, DBN for Debit Note.
- Document Number is a number printed on the Document, being issued to the purchaser, and it is to be of maximum of 16 alphanumeric and / -.
- Document number should not be starting with 0, / and -. Also, alphabets in document number should not have alphabets in lower cases. If so, then request is rejected.
- For example, tax payer with 01AAAAA9999A19N has issued the Invoice with Number ABC01234 on 12.12.2019 to his supplier, string used for hashing is 01AAAAA9999A19N2019-20INVABC01234.

(Source – <https://einv-apisandbox.nic.in/irn.html>)

**Q 21. Can I generate IRN for an Invoice for which IRN is already generated?**

**Ans.**

- No, once an IRN is generated for an Invoice, IRN cannot be again. Only unique invoice from a taxpayer will be accepted by the e-invoice system.

E-invoice system will check in Central Registry of GST system to ensure that same invoice from same supplier pertaining to same financial year is not being uploaded again for generating one more IRN.

**Q 22. What are modes of generation of IRN?**

**Ans.**

- **Offline tool** – Upload the invoices in standard format and generate the IRN in one go
- **API – Through GSPs integration** – System-to-system integration using APIs through registered GSPs
- **API – Direct integration** – System-to-System integration using API directly from Tax Payers system
- **API – Through enabled sister concerned GSTIN** – System-to-System integration using API through the sister company of the Tax payers having same PAN. If it has been enabled for API. (For multiple GSTINs one may enable API for any GSTIN and other GSTINs can use the said facility)
- **E-Way Bill API enabled Tax Payers** – System-to-System integration using API for already E-Way Bill enabled Tax Payers
- **Web Based** – Entry in IRP Portal (<https://einvoice1.gst.gov.in/>)
- **Through Mobile App**

**Q 23. How long will the generated e-invoice be available in the government portal?**

**Ans.**

- Once the e-invoice system has validated and registered an IRN, it will be made available to the taxpayer for reference on e-invoice system for only 24 hours.

**Q 24. What is the meaning of digitally signed QR code?**

**Ans.**

- The digitally signed QR code of the invoice is one which has been digitally or electronically signed and prepared the QR Code by the IRP after receiving the invoice upload from the supplier.
- The government is authenticating the genuineness of the invoice, by preparing the important information of the invoice in QR Code form and signing it so that it can be genuineness of the invoice can be verified offline by anyone using offline tools.
- The E-invoice will generate a QR code, containing some important parameters of invoice and digital signature of it so that it can be verified on the central portal as well as by an Offline App.
- This will be helpful for tax officers checking the invoice on the roadside where Internet may not be available all the time.
- The web user will get a printable form with all details including QR code. The QR code will consist of the following e-invoice parameters:
  - - GSTIN of Supplier
    - GSTIN of Recipient
    - Invoice number as given by Supplier
    - Date of generation of invoice
    - Invoice value (taxable value and gross tax)
    - Invoice value (taxable value and gross tax)
    - Number of line items.
    - HSN Code of main item (the line item having highest taxable value)
    - Unique Invoice Reference Number (hash)

**Q 25. What is the purpose of Signed QR Code?**

**Ans.**

- The IRP will generate a QR code containing the unique IRN (hash) along with some important parameters of invoice and digital signature so that it can be verified by an Offline App.

**Q 26. How one can use the Signed QR Code?**

**Ans.**

- Content of the signed QR code can be easily verified by the tax payers or Tax Officials to ascertain whether the invoice is registered with the IRP and is digitally signed by the IRP itself.
- By validating the content of the QR code data with the digitally signed content (which is part of the QR code itself) one can check the authenticity of the content.
- If the content of the QR code is tampered, the e-Invoice will become invalid and signature verification fails.
- The Signed QR Code can be verified by anyone using the offline app provided on the IRP portal.

**Q 27. What shall be size of the Signed QR code on the invoice?**

**Ans.**

- The size of the printed signed QR code can be 2 X 2 inches. However, it depends on the size of the space available on the invoice. But it should be readable from the QR code scanners.

### **Cancellation or Deletion of IRN –**

**Q 28. Can IRN be deleted or cancelled?**

**Ans.**

- The IRN once generated cannot be modified or deleted. However, if IRN is generated with wrong information, it can be cancelled.
- Once it is cancelled, the IRN cannot be generated on the same invoice.
- The cancellation is required to be done ***within twenty-four (24) hours*** from the time of generation.

**Q 29. If there is a mistake or wrong entry in the e-invoice, what has to be done?**

**Ans.**

- If there is a mistake, incorrect or wrong entry in the e-invoice, then it cannot be edited or corrected. Only option is cancellation of e-invoice and generation of a new one with correct details.

**Q 30. Whether e-invoices generated through GST system can be partially / fully cancelled?**

**Ans.**

- E-Invoice can't be partially cancelled. It has to be fully cancelled.
- Cancellation has to be done as per process defined under Accounting Standards.
- The e-invoice mechanism enables invoices to be cancelled.
- This will have to be triggered through the IRP, if done within 24 hours.
- ***After 24hours, the same will need to be done on the GST System.***

**Q 31. Will there be separate invoice formats required for Traders, Manufacturers, Service Providers, Professionals and Contractors?**

**Ans.**

- There will not be any separate invoice formats required for Traders, Manufacturers, Service Providers, Professionals and Contractors.
- Same e-invoice schema will be used by all kinds of businesses. The schema has mandatory and non-mandatory fields. Mandatory field has to be filled by all taxpayers.
- Non-mandatory field is for the business to choose. It covers all most all business needs and specific sectors of business may choose to use that non-mandatory field which are needed by them or their eco-system.

**Q 32. Will it be possible to add transporter details as well?**

**Ans.**

- No, the transporter details must be entered in the E-Way bill system only.

**Q 33. Does the e-invoice allow the declaration of export invoices/ zero rated supplies ( Goods on what GST is not Applicable or free from Tax)?**

**Ans.**

- Yes, it allows the declaration of export invoices / zero rated supplies.

**Q 34. With the introduction of e-invoices, what are the documents need to be carried during transit of goods?**

**Ans.**

- For transportation of goods, the e-way bill will continue to be mandatory, based on invoice value guidelines. This aspect will be notified by the Government.

**Q 35. Please clarify whether exports would require e-invoice compliance.**

**Ans.**

- Yes, the e-invoice schema also caters to the export invoices as well. The e-invoice schema is based on most common standard format and it meets the requirements of the export as well.

**Q. 36 Will it be possible to print the e-invoice?**

**Ans.**

- It will be possible for both the seller as well as the buyer to print the invoice, using the signed JSON payload returned by the Invoice Registration Portal (IRP).
- The QR code will not be an image sent by the IRP but string, which the accounting/billing software or the ERP will read and convert into QR Code.
- Seller must place the QR Code on the print of the invoice. This will enable its validation.

**Q. 37 Where can I get the details of API Integration?**

**Ans.**

- Please visit the site <https://einv-apisandbox.nic.in/> for all the details of API Integration