



Ebook

E-invoicing under GST:

Applicability, Updates, Mandates, and Process

Table of content

Overview	2
1. E-invoicing under GST regulations	4
2. E-invoicing processes and technical specifications	6
3. Invoice Reference Number and QR code.....	8
4. E-invoicing with E-way bill.....	11
5. E-invoicing Schema of mandatory parameters.....	14
6. Why is E-invoicing being implemented?.....	18
7. E-invoicing Software.....	20
About The author.....	22

Overview



Electronic invoicing refers to a method of processing invoices electronically, on a unified platform or between suppliers and buyers. The complete e-invoicing cycle is digital, from creation and transmission to processing and finalization on the buyer's end. In a nutshell, e-invoicing can be categorized as a form of Electronic Data Interchange (EDI) between organizations and it demonstrates the importance of digitization.

1.

E-invoicing

under

GST regulations

It is important to note that e-invoicing under GST does not generate invoices for the supplier. Instead it is a platform for supplier-generated invoices to be registered on a common unified government portal (Invoice Registration Portal). Therefore, taxpayers can continue to use their existing Accounting/ERP systems to create invoices and report them to the IRP to be uniquely identified with an Invoice Reference Number (IRN) hash and QR code.

E-invoicing under GST is only implemented for invoices pertaining to B2B transactions across the country, with a few exceptions.

These exceptions are:

- SEZ (Special Economic Zone units)
- Financial institutions
- Insurance companies
- Banking sectors (including non-banking financial companies)
- Goods transport agencies (GTAs) providing services solely for the transportation of goods by road
- Passenger transportation services,
- Multiplexes

E-invoicing is applicable for:

- Supplies to registered taxpayers (involved in a B2B transaction)
- Supplies to special economic zone units (with or without payment),
- Export supplies (with or without payment),
- Deemed exports

Documents that are applicable for e-invoicing include invoices, debit notes, and credit notes.

2.

E-invoicing

processes

and

technical

specifications

The e-invoicing process contains the following stages. These need to be followed for successful registration.

Pre-requisites:

- The Invoice Registration Portal (IRP) is accessible via an API. This is possible through a government-approved direct API integration or integration via a GST Suvidha Provider (GSP).
- Your internal invoicing system needs to be configured in accordance with government compliance protocols to be able to successfully communicate with the IRP.

Process:

1. The invoice/CN/DN will be generated by your company as per your invoicing guidelines. IRP only reads electronic documents in a standard JSON format. This must be defined per GSTN guidelines along with a pre-defined set of mandatory values known as the schema (information provided below). Essential details, such as supplier and buyer GSTIN, invoice number, supply type, document type, item list, amount etc., need to be defined in a JSON format before being sent to the IRP using the integrated API.
2. The IRP verifies the details provided in the JSON. Upon successful validation and duplication checks, it then produces a response JSON to the supplier which contains the IRN and a digitally signed and encoded QR code for the invoice. Simultaneously, the IRP also updates this information on the GST portal for filing of returns and in the E-way bill portal (if applicable for that transaction).

After registering an invoice on the IRP, you can continue using your company branding and customize your documents for further processing. As long as the invoice holds the IRN and QR code, it is valid and legally binding.. Let's look at how the two can work together as a unified automation solution.

3.

Invoice

Reference Number

and

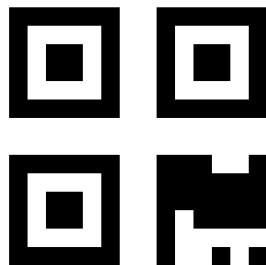
QR code

The IRN is a unique 64-digit hash generated by the IRP for each registered document. This hash is generated using a computer algorithm (RSA256) from a combination of the supplier's GSTIN, financial year of the invoice, document type, and document number.

After an IRN has been generated for an invoice, it will be available to the taxpayer for reference on the portal for 24 hours.

After generation, an IRN cannot be modified, deleted, or changed. If, however, the invoice for which an IRN has been generated contains incorrect information, you can cancel the IRN for that invoice. After cancellation, the same invoice with the same document number cannot be submitted again to the IRP for IRN generation.

Therefore, in case of cancellation, a new document with corrected information and updated document number has to be uploaded to the IRP to generate a new IRN.



QR Code details

A digitally-signed QR code comes in the JSON output from the IRP. The information contained in the QR code includes the following parameters:

- GSTIN of the supplier
- GSTIN of the recipient/buyer
- Invoice number as given by the supplier
- Date of the generation of invoice
- Invoice value (taxable value on the amount)
- Number of line items
- HSN Code of the main item (the item having the highest amount)
- Unique IRN hash
- Date of IRN generation
- Digital signature

Why and how is this QR code useful?

- It makes it very easy to verify an invoice, which can be done simply by scanning the QR code (specially with an application that is available offline). As a result, tax officials can easily ascertain the authenticity of an invoice and validate it.
- Data is machine verifiable, removing the need for manual checks. This is notably helpful for bulk machine verification, which saves time and ensures that the data is secure, reliable, and accurate.

It is important to note here that the details of the QR code cannot be changed or tampered with. Upon doing so, the invoice will be deemed invalid, resulting in unsuccessful verification. The QR code must be printed on the invoice issued to the buyer: this cannot be done on a separate document.

4.

E-invoicing

with

E-way bill

Before the introduction of e-invoicing, the government had introduced a document called the e-way bill, which is mandatory for the physical transportation and/or shipment of good. Now that the invoicing process has been digitized, e-way bills cannot be generated separately. Henceforth, e-invoicing and e-way bill will be an integrated process that can only be done through the e-invoicing system.

Let's see what e-way bills are and how do they integrate with the e-invoicing process.

What is an E-way bill?

E-way bill is an electronic bill, required by law, to be generated for the transportation and shipment of goods worth ₹50,000 and more. With the introduction of e-way bills, the idea was to help facilitate supply chain activities and prevent drawbacks that occur due to incorrect transport information, delays in delivery, illegal transportation, etc., that can hamper legitimate tax collection.

An E-way bill (EWB) is generated from the NIC E-way bill portal and is supposed to be carried by the transporter along with the consignment. Having an e-way bill process keeps consignments from having to make unnecessary stops and has helped reduce documentation requirements. Therefore, it's impact on the logistics industry has been tremendous.

We have a detailed blog on the impact and importance of E-way bill. You can [read it here](#) for more information.

E-way bill consists of two parts in which the data needs to be filled in order to successfully generate it:

- **Part A** details needs to be filled out but the supplier or the buyer which includes information such as consignor and consignee GSTIN, place of delivery, invoice and/or document number, type of supply, HSN code, item list, goods value, etc.
- **Part B** details are filled out by the parties involved (buyer or supplier) or the transporter responsible for the transportation of the goods. This section contains details such as transporter details, vehicle type, vehicle number, mode of transportation, distance between dispatch and shipping, etc.

The integration of E-way bill with E-invoicing

To ease the e-way bill process and to take the digitization curve ahead, GSTN introduced a common platform for the generation of e-invoicing with e-way bills. So, for organizations to whom both e-invoicing and e-way bill generation is applicable, can essentially get both documents through a single process.

How this works is that the data for generation of IRN and EWB number will be sent together to the IRP as the only input document. If the details of Part B section i.e., the transporter details have been provided together with the e-invoicing details in the JSON input, the IRP will return both the IRN and the EWB number. The IRP communicates with the e-way bill portal in real-time by auto-populating the Part A details with the provision of Part B details in order to successfully carry out both the processes.

5.

E-invoicing Schema

of mandatory

parameters

Type	Parameters	Description
	user_gstin	GSTIN of API User
Transaction Details	supply_type	"Type of Supply: B2B Business to Business, SEZWP - With SEZ payment, SEZWOP - SEZ without payment, EXPWP - Export With Payment, EXPWOP - Export without payment, DEXP - Deemed Export"
Document Details	document_type	"Document Type: INV-INVOICE, CRN-CREDIT NOTE, DBN-DEBIT NOTE"
	document_number	Document Number
	document_date	Document Date
Seller Details	Gstin	GSTIN
	legal_name	Legal Name
	address1	Building / Flat no, Road / Street
	Location	Location
	Pincode	Pincode
	state_code	State Name
Buyer Details	Gstin	GSTIN of Buyer, PRO Exporting ow"
	legal_name	Legal Name
	place_of_supply	State code of place of supply. If POS lies outside the country, a code-the-Shall BE 96."
	address1	"Address 1 of-the Buyer. (Building / Flat no., Road / Street etc.)"
	Location	Location
Dispatch Details	company_name	"Name of the company From where the Goods are dispatched"
	address1	"Address 1 From Which entity of-the Goods are dispatched. (Building / Flat no.Road / Street etc.)"
	Location	Location
	Pincode	Pincode
	state_code	State code
Shipping Details	legal_name	Legal Name
	address1	"Address1 of-the-the entity to whom supplies are shipped to. (Building / Flat no., Road / Street etc.)"
	Location	"Place (City, Town, Village) entity to whom-the supplies are shipped to."
	Pincode	Pincode
	state_code	"State Code to which supplies are shipped to."
Reference Details	invoice_period_start_date	Invoice Period Start Date
	invoice_period_end_date	Invoice Period End Date
Preceding document details	reference_of_original_invoice	"Reference of original invoice, ow ANY."
	preceding_invoice_date	Preceding Invoice Date
Value Details	total_assessable_value	Total Assessable value of items for
	total_invoice_value	Final Invoice value
Item List	item_serial_number	Serial No. of Item

	is_service	Specify the-WHETHER or not supply the service. Specify Y for Service
	hsn_code	HSN Code
	unit_price	Unit Price-Rate
	total_amount	Gross Amount (Unit Price * Quantity)
	assessable_value	Taxable Value (Total Amount -Discount)
	gst_rate	The GST rate, as represented Percentage That applied to-the invoiced item. The Will IGST-only rate.
	total_item_value	Total Item Value = Assessable Amount * [1+(CGST Rate + SGST Rate + Cess Rate + State Cess Rate)] + Cess NonAdvol Amount
Batch Details	Name	Batch name
E-way Bill Details	supplyType	Supply whether it is outward/inward.
	subSupplyType	Sub types of Supply
	subSypplyDesc	Sub Supply Description if selected "Others" in subSupplyType
	docType	Document Type
	docNo	Document No
	docDate	Document Date
	fromGstin	GSTIN of the Consignor
	fromPincode	Pincode of consignor
	fromStateCode	State of consignor
	actFromStateCode	State of Supply
	toGstin	GSTIN of consignee
	toPincode	Pincode of the consignee
	toStateCode	State of Supply
	actToStateCode	State of Supply
	cgstValue	CGST Amount
	sgstValue	SGST Amount
	igstValue	IGST Amount
	transporterId	Transporter Id
	transDistance	Distance of transportation
	transactionType	Type of transaction
	transDocNo	Transporter Doc No
	transDocDate	Transporter Doc Date
	transMode	Mode of transportation
	VehicleType	Type of Vehcile
	vehicleNo	Vehicle No.
	totInvValue	Total Invoice Value
	transporterName	Transporter Name
	productName	Name of the Product
	productDesc	Description of the Product
	hsnCode	HSN Code of the Product
	quantity	Quantity of Product in Numbers
	qtyUnit	Unit of the Product, like Liter,Kg etc
	cgstRate	CGST Rate
sgstRate	SGST Rate	
igstRate	IGST Rate	
cessRate	CESS Rate	
cessNonadvol	Cess Non-Advolerum	

	taxableAmount	Taxable Amount
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6.

Why

**is E-invoicing being
implemented?**

E-invoicing implementation signifies the bridging of digitization and standard business processes. This will benefit not just taxpayers but the government as well.

The advantages of an e-invoicing system:

- **A unified platform:** E-invoicing will serve as the only platform for the reporting of all B2B invoices thereby making it the only means of authorization.
- **Curbing tax evasion:** All information will be populated on the GST portal before a transaction occurs, making it difficult to manipulate invoice data. Furthermore, with duplication checks the generation of fake invoices is avoided. As a result, false income tax claims cannot be made by a registered taxpayer.
- **Common document standard:** A consistent format for all invoices across the country improves readability and usability.
- **Multi-platform operability:** Integration with the e-way bill system makes e-invoicing and e-way bill creation a seamless process. In addition, auto-populating information on the GST portal allows registered recipients to view and edit. This is especially beneficial when the persons involved file GSTR-1.
- **Paperless invoice registration process:** Complete electronic processing of documents makes it necessary for companies to adapt to a part of digitization.
- **Reduction in data mismatch and errors:** Having to report to a single platform increases transparency and reduces the need for generation of multiple documents.
- **Less processing cost:** With electronic generation, submission, and processing of legal documents, the expenses with respect to printing, signing, and even scanning is reduced.

7.

E-invoicing Software

The ideal e-invoicing solution or software will integrate seamlessly with your existing document management process. This will reduce the strain of any major changes that you might have to make to your infrastructure. With the right solution, your entire invoicing system can be digitized to deliver business-ready documents in the best format for your company.

Proper format support and customization options let you work with all types of documents without the need for time-consuming conversions. Gain flexibility while ensuring that your processes are error-free and secure.

To learn more about what you would need in an e-invoicing software, [read our blog here.](#)

The advantages of an e-invoicing solution:

- Recognized listing which allows direct API access to the IRP.
- Track and monitor invoices in real-time from a user-friendly interface. You can view the input and output documents, along with the final PDF with IRN and QR code. Easily perform actions such as cancelling an e-invoice and re-submitting it to the IRP.
- Validation checks ensure that all compliance guidelines and parameters are being met before submitting the document to the IRP.
- Automate the entire process and eliminate the need for manual intervention. This reduces data entry errors and the hassle of re-processing afterwards.

Symtrax e-invoicing solutions offers a wide range of optimization strategies that can help transitioning towards e-invoicing become a seamless process.

Contact our experts

to schedule a free demo

About The author

Priyanshu Anand – Technical Writer

Priyanshu Anand works as a Technical Writer for Symtrax and writes engaging content to express and convey precise information to readers.