FAQ's on e-Invoicing

Basics on e-Invoicing

1. What is e-Invoicing under GST?

Ans. As per Rule 48(4) of CGST Rules, notified class of registered persons have to obtain an Invoice Reference Number (IRN) for the invoices generated by them through their ERP / accounting system or manually. Please note that 'e-Invoice' in 'e-Invoicing' doesn't mean a generation of invoice by a government portal.

2. How is 'e-Invoicing' different from existing system?

Ans. There is no significant difference. Taxpayers will continue to create their GST invoices on their own accounting/billing/ERP systems. These invoices will now be reported to 'Invoice Registration Portal (IRP)'. On reporting, IRP returns the e-Invoice with a unique 'Invoice Reference Number (IRN)' after digitally signing the e-Invoice and adding a QR Code. Then, the invoice can be issued to the receiver (Along with QR Code). A GST invoice will be valid only with a valid IRN. IRNs can be generated via various offline, online solutions by pushing Invoice copies onto the Govt. Portal.

3. Is bulk uploading of e-Invoices to IRP is possible?

Ans. Yes, it is possible. The taxpayer can bulk upload the e-Invoices of JSON payloads through connectors and APIs.

4. In what cases IRP rejects the invoices submitted?

Ans. IRP checks the authenticity of the GSTIN of both seller & buyer and duplication of the invoice. If the GSTIN is not found or a bogus invoice is submitted, IRP will reject the invoice and return it back with relevant error codes.

5. How turnover of ₹10 crores is to be computed?

Ans. Aggregate turnover must be computed as per Section 2(6) of the CGST Act. Section 2(6): "aggregate turnover" means the aggregate value of all taxable supplies (Excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account

Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

6. Whether or not turnover of only 21-22 or all previous years is to be considered?

Ans. The registered person will be required to generate e-Invoice if turnover in any of the FY from 17-18 and onwards had exceeded ₹ 10 Crores.

7. Are taxpayers with ₹10 crores required to generate dynamic QR code for B2C transactions?

Ans. No, only taxpayers having turnover above ₹500 cores are required to generate dynamic QR code.

Some prominent questions

1. Does one have to generate the invoices in the Government portal itself?

A. e-Invoice does not mean generation of invoices from a central portal of tax department. There is no need to generate invoices on the Government portal (GSTIN/NIC). The taxpayer can transfer the information on the invoices in the standard schema published by the Government. The invoices still need to be generated as per the current ERP process followed by the client.

Generation of e-Invoice will be the responsibility of the taxpayer who will be required to report the same to Invoice Registration Portal (IRP) of GST, which in turn will generate a unique Invoice Reference Number (IRN) and digitally sign the e-Invoice and generate a QR code. The QR Code will contain vital parameters of the e-Invoice and return the same to the taxpayer who generated the document in first place.

2. Will IRP portal accept and share data only in the JSON file?

A. Yes, the IRP portal will be accepting and sharing all data only in JSON format.

3. What are the documents included in the scope of the mandate?

A. IRN needs to be generated for B2B (including supplies to SEZ) and export transactions. Thus, IRN would be required for the following document types:

i. Invoice, Credit Notes and Debit Notes,.
ii. Inter-state stock transfers or cross charges,

IRN would not be required in the following cases:
i. Self-invoices,
ii. Purchases where tax is payable under reverse charge,
iii. Invoices/credit notes issued by ISD,
iv. Where Bill of Supply is issued.

4. What modes are available for getting e-Invoices generated?

A. E-invoices can be generated through the following modes:

i. Through GSP / API
ii. Web or offline tools

5. Will IRP return the PDF copy with the digital signature and QR code?

A. The IRP will not return PDF copy, it will only return signed JSON file and QR Code along with the IRN, Acknowledgement Number, Acknowledgement Date and Status.

6. Is IRN number required be printed on the invoice?

A. IRN consist of string of 64 characters, and it is not required to be printed on the einvoices.

7. Is QR code required to be printed?

Yes, QR code based on the string returned by the IRP needs to be printed on invoice.

8. Do we need to have e-signature as well after having the QR code?

A. Signing of invoice is based on the business need and relationship between the buyer and the seller. This will continue even in the new E-Invoicing system.

9. Do the taxpayers need to submit physical copy of invoice as well?

A. No, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, in lieu of the physical copy of

tax invoice.

10.How to cancel an invoice already uploaded on the IRP?

The e-Invoice cancellations are allowed within 24 hours. Once an invoice is cancelled, the same invoice number cannot be used again to generate another invoice.

11. What will be the content of QR code?

A. QR code will have the following e-Invoice parameters: -

 i. GSTIN of supplier
ii. GSTIN of Recipient
iii. Invoice No.
iv. Invoice Date
v. Invoice Value
vi. Line items count
vii. HSN code of main item (line item having highest taxable value)
viii. Unique IRN

12.How can e-Way bills be generated in case of e-Invoicing?

A. Once the IRN is generated on IRP, the IRP will auto populate the Part-A of GST EWB-01. The e-way bill can be generated by adding the vehicle/transporter data.

13. Will pushing and pulling of data for IRN be the same as the e-way bill?

A. Yes, it will be quite similar, IRP shall be returning signed JSON file and QR Code along with the IRN, Acknowledgement Number, Acknowledgement Date and Status.

14. Is it true that the Invoice modified in IRP also stands modified in GST & e-Way Bill?

A. No. The IRP portal does not allow any modifications/amendments. You can only generate or cancel the IRN on IRP. To modify/amend, you need to go to the GSTN or Cygnet Tax Tech portal (https://gstportal.cygnetgsp.in/login). The IRP portal will only consume JSON files and run the basic validations.

15. Which details will be auto-populated on e-Way bill portal and GSTN portal basis the IRN generation data?

A. As per the data furnished in e-Invoicing, the data will be auto-populated on GSTR 1 as well as Part A of the e-Way Bill.

16. How much time the IRP system will take to generate the IRN?

A. The IRP system will generate the IRN within seconds.

17. Is the system going to validate HSN vs Rate of tax validation?

A. The validation of HSN with Rate of Tax will not be available on the IRP.

18. Does the vehicle have to carry a physical copy of invoice with the IRN number?

A. No, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification, in lieu of the physical copy of such tax invoice.

19. Can we add the company's logo while creating an e-Invoice from the IRP?

A. There won't be place holder provided in the e-Invoice schema for the company logo. This is for the software company or solution provider to provide in the billing/accounting/Invoicing software so that it can be printed on his invoice using his printer. However, the Logo will not be sent to IRP. In other words, it will not be part of JSON file to be uploaded on the IRP. To help small taxpayers adopt e-Invoice system, who do not have accounting software today, may use FACE, an accounting software approved by GSTN, for basic accounting and billing and the IRN generation.

20. Is Dynamic QR code same as QR code?

A. The QR code will be required to be generated for B2B transactions (including supplies to SEZ) and exports by sending the data to IRP. The Dynamic QR code is intended to facilitate payments through digital modes and hence required for B2C transactions only for the taxpayers whose turnover exceeds ₹500 Crores.

21. Is it possible that the Invoices raised will get validated with the buyer's PO?

A. Validation of buyer's PO with Invoice raised is an internal practice followed by the buyer, hence this will not be validated by IRP.

22. What is the difference between ODN and IRN?

A. ODN is Official Document Number generated by the registered person's ERP whereas the IRN is an Invoice Reference Number generated by the IRP. ODN is basically, for internal reference purpose bearing a unique Invoice identification number. On the other hand, invoice will not be considered as a legal document if corresponding IRN is not generated for the same.

23. What is Cygnet Tax Tech's Offering?

A. Cygnet's first offering is the.

i. Cygnet e-Invoicing Application: - This e-Invoicing solution allows to upload data in any format, be it XLS, CSV or the JSON format. Different kind of extraction programs for SAP are also being provided. The advantage being:

a) Cygnet system will work as the translator between the schema of the data uploaded & the template provided by the Government portal
b) It will transfer, translate, and upload the data.
c) It will also validate the invoices with the exhaustive validation system and strive for automation in-order to maximize compliance

ii. Offline utility: - Taxpayers whose ERPs/ Accounting systems can't be updated to new Indirect Tax Compliance regime

• Data mapping
• IRP registration
• Bulk e-Invoice & e-Way Bill generation
• Punch & Print invoices
• SFTP Automation for uploading Invoices
• Send e-Invoices to customers over email
• Auto-email
• Digitally sign Invoice copies

iii. Tally friendly Import formats: –

- Import formats ready for Tally, SAP, Oracle & ERP systems
- Seamless automation with our enriched APIs
- Bulk e-Invoice & e-Way Bill generation
- Backward integration support for IRN & QR Code
- Inbuilt configuration within tally for the e-Invoice printing
- Archive e-Invoices in Tally

iv. FACE: – GSTN compliant accounting software

- Integrated e-Invoicing and e-Way Bill
- e-Invoicing compliance
- Automated Journal Voucher
- Document attachment feature
- Multi-currency accounting
- Customizable dashboard
- Drill down feature in every report

24. Is it possible to upload invoices in bulk?

A. For IRP, the IRN will be generated for each invoice on one-to-one basis. But it is possible to upload invoices in bulk on Cygnet Tax Tech's Invoice generation tool, system will segregate the invoices and upload on one-to-one basis on the IRP Portal as per the circular.

25. Will reconciliation be available of data in IRP and NIC?

A. Reconciliation is not possible on IRP and GSP portal. Cygnet Invoicing portal will provide the reconciliation between the ERP data, data uploaded on IRP portal and data pushed to GSTN portal.

26. How errors at multiple stages will be catered?

A. IRP will only perform basic checks on the GSTIN, Document Type, Financial Year, Tax Amounts etc. Cygnet Tax Tech solutions will have 200+ validations, so the validation engine will ensure that the data gets massaged and then it will share it further to the IRP Portal and the GSTN Portal.