

10 Most Frequently Asked Questions on E-Invoicing

E-Invoicing had already been mandatory for persons having turnover of more than Rs. 500 crores. Now, it has also become necessary for those registered persons under GST who have a turnover of more than Rs. 100 crores effective from 1st January 2021. We have put together a list of most commonly asked questions on e-invoicing below:

Q1. Does E-Invoicing mean generation of invoices on the Government's portal?

Ans. Registered persons will continue to create their GST invoices on their own Accounting/Billing/ERP Systems. They will only be reported to the 'Invoice Registration Portal' and thereafter IRP returns the e-invoice with a unique 'Invoice Reference Number (IRN)'. A GST Invoice is valid only with this IRN

Q2. What businesses need to do to be e-invoice ready?

Ans. Businesses need to themselves / through professionals interact with the software service providers who can enable such option in their Accounting/Billing/ERP Systems. They need to communicate the requirements to these software providers and adequately test the results provided by them before implementation.

Q3. Which documents are covered under e-invoicing?

Ans. Following documents are covered within e-invoicing:

- i. Invoices
- ii. Credit Notes
- iii. Debit Notes,

when issued by notified class of taxpayers (to registered persons (B2B) or for the purpose of Exports) are currently covered under e-invoice.

Q4. What supplies are covered and not covered under e-invoicing?

Ans. Supplies to registered persons (B2B), Supplies to SEZs (with/without payment), Exports (with/without payment), Deemed Exports, by notified class of taxpayers are currently covered under e-invoicing. However, reporting B2C invoices by notified persons is not applicable/allowed currently.

Q5. Can I amend details of a reported invoice for which IRN has already been generated?

Ans. Amendments are not possible on IRP. Any changes in the invoice details reported to IRP can be carried out on GST portal (while filing GSTR-1). In case GSTR-1 has already been filed, then using the mechanism of amendment as provided under GST.

However, these changes will be flagged to proper officer for information.

Q6. Can an IRN/invoice reported to IRP be cancelled?

Ans. Yes. The cancellation request can be triggered through 'Cancel API' within 24 hours from the time of reporting invoice to IRP.

However, if the connected e-way bill is active or verified by officer during transit, cancellation of IRN will not be permitted.

In case of cancellation of IRN, GSTR-1 also will be updated with such 'cancelled' status.

Q7. Can I partially cancel a reported invoice?

Ans. No. It has to be cancelled completely. No partial cancellation of reported e-invoice is allowed. Cancellation of invoices is governed by Accounting Standards and other applicable rules/regulations.

Q8. What is dynamic QR Code? Is it mandatorily required in all invoices?

Ans. Where the invoice being generated are for B2C supplies (i.e. supplies to unregistered persons), then QR code is mandatorily required where the turnover of the supplier is more than Rs. 500 crores. It is mandatorily required to be generated from 1st December 2020. However, the government has waived the penalty upto 31st March 2021 even if the requirement of generation of dynamic QR code is not complied with.

Q9. Is there any time window within which an invoice is to be reported to the Invoice Registration portal?

Ans. Currently there is no validation that has been enabled on the portal.

Q10. What is the penalty if e-invoice is not generated?

Ans. As per Rule 47(4) of the CGST Rules 2017 where the e-invoice has not been generated, it will not be treated as a valid invoice. If the supplies are made without an invoice, a penalty equivalent to 100% of the tax payable may be applicable under Section 122 of the CGST Act 2017.

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