

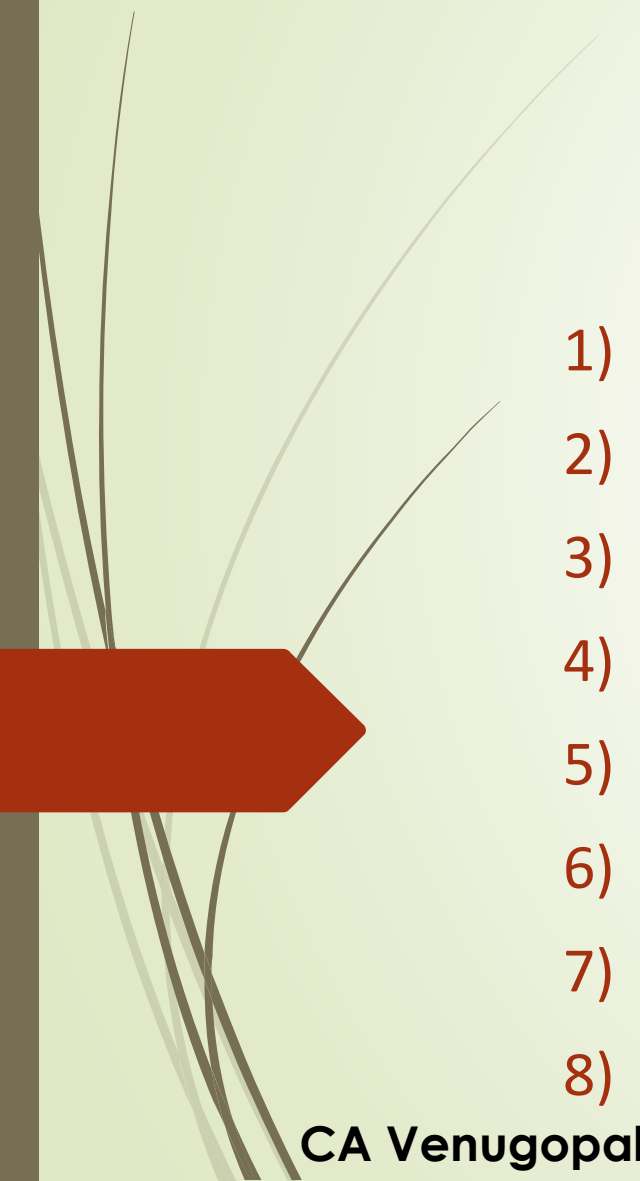


E-Invoicing Webinar

Legal Provisions, Implementation Challenges & Live Demo

By CA Venugopal Gella

Webinar Outline

- 
- 1) Basics of eInvoice
 - 2) Legal Provisinos
 - 3) How to create an Account with NIC
 - 4) How to configure ERP - Tally
 - 5) How to Integrate other ERPs with ASP
 - 6) Generation & Validation of eInvoice
 - 7) Issue of einvoice to Customer
 - 8) GSTZen 's offering

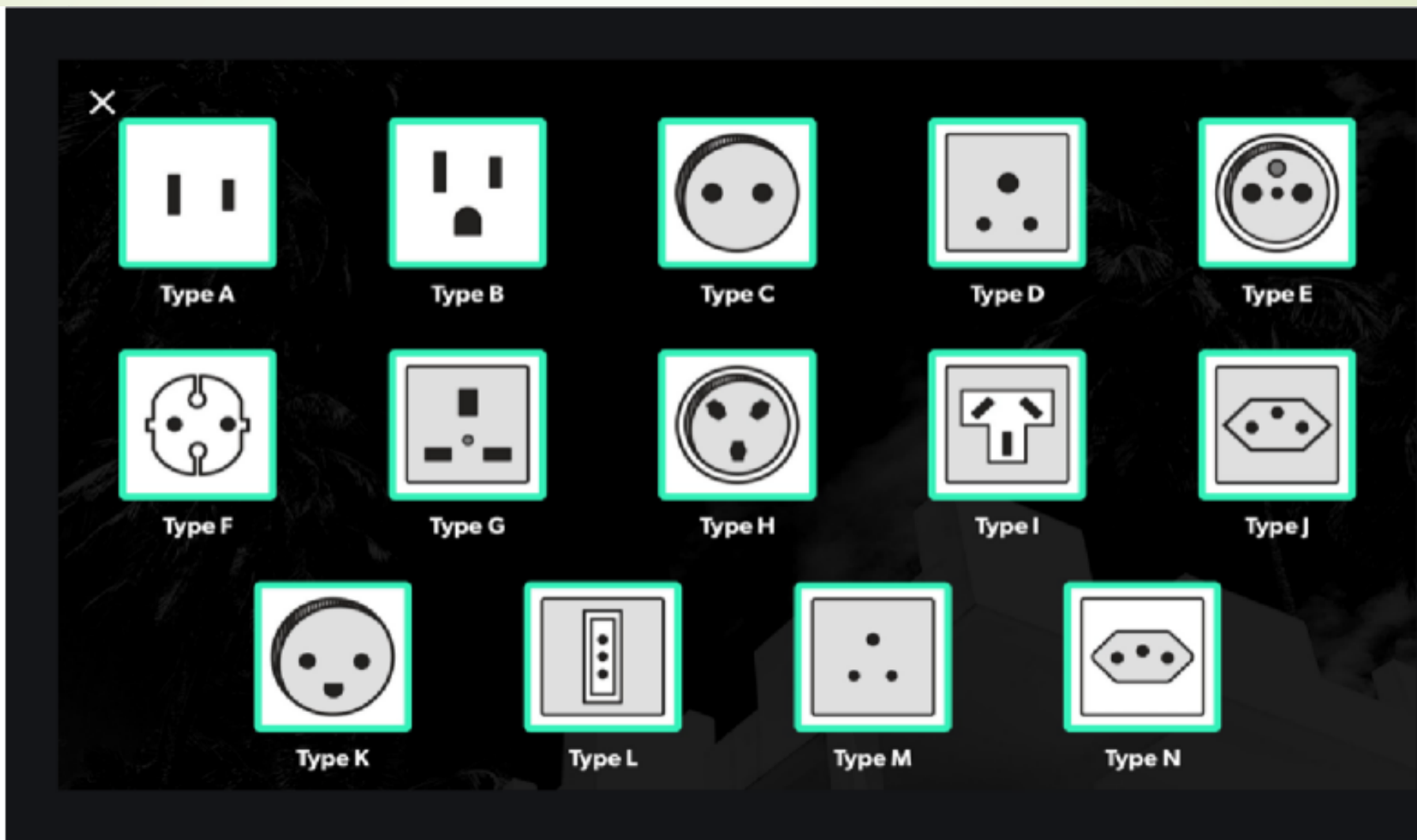
Why E-Invoicing?

- Digital Invoices / Accounting is a metric in Ease of Doing Business Ranking of countries
 - India's ranking moved up from 77 to 63 in 2019
- Moving digital will standardize various processes, reduce data entry errors, save cost
 - 96% Cost Saving; 80% Time saving; 15 times efficiency improvement
- Better compliance by Taxpayers, simplifies audits

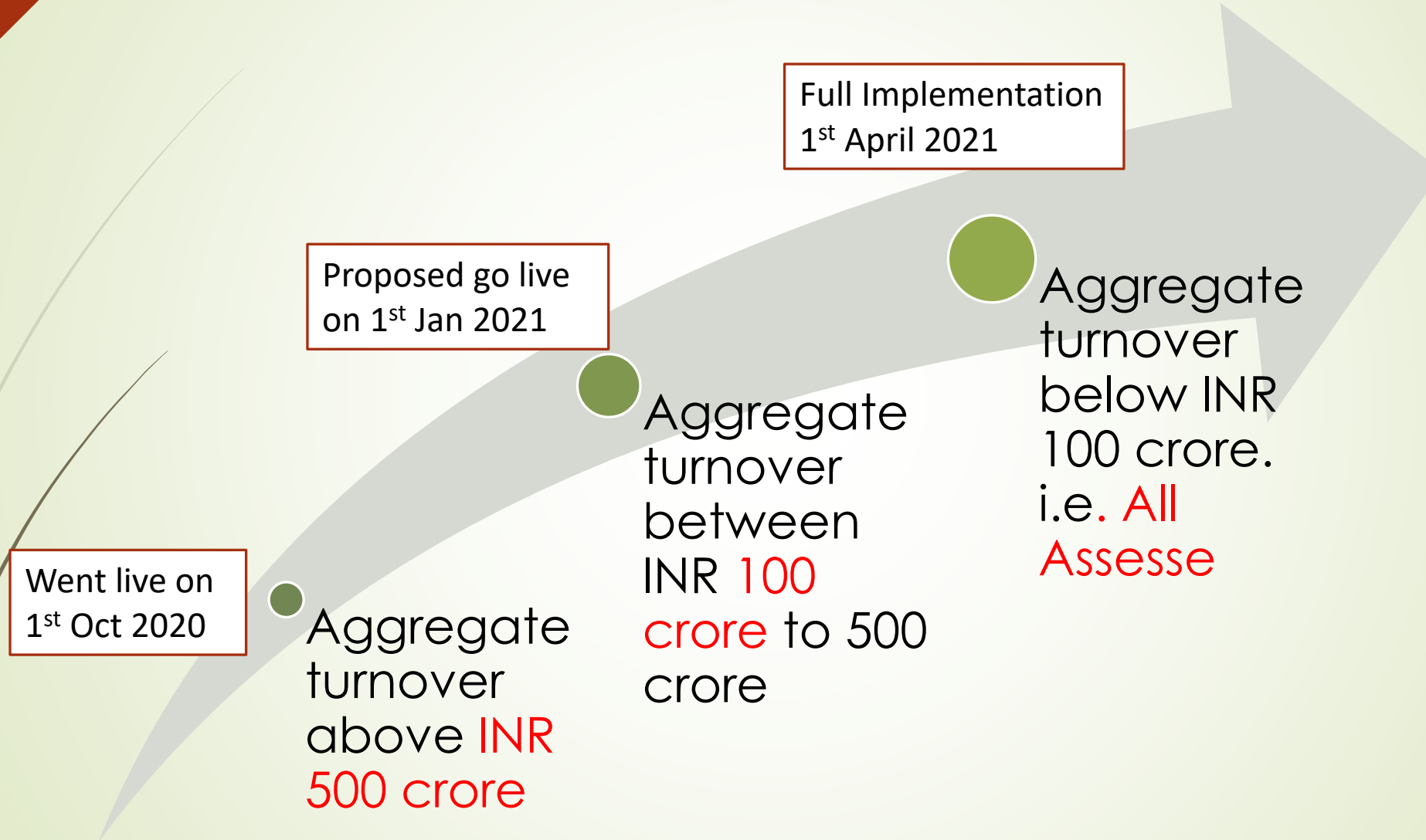


E-Invoice or Electronic Invoicing

- No prior standard under GST or any other statute
- Having standard is a must for interoperability across various players (Supplier, Recipient, E-Way Bill System, Return Filing, Government)
- Interoperability between software Eliminates need for data entry
- Other players Banks, Wholesale retail chain



Progress of eInvoice in India



**90% Indians work on
the principle of Rocket.**

**It doesn't mean,
we aim for sky...**

**We do not start work
unless our tail is on fire!**



Rocket Technology

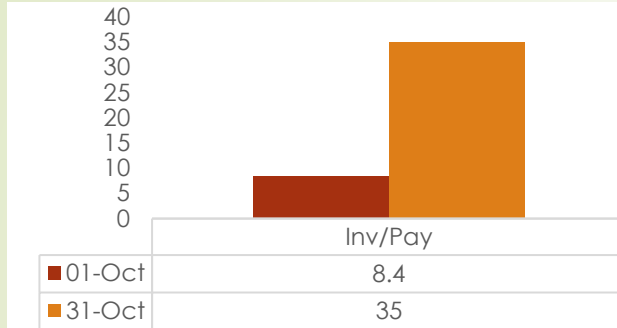
*Let's look at the stats on first 500
crore company Einvoice Adoption*



YOU CANT JUST TURN ON CREATIVITY LIKE A FAUCET. YOU HAVE TO BE IN THE RIGHT MOOD.

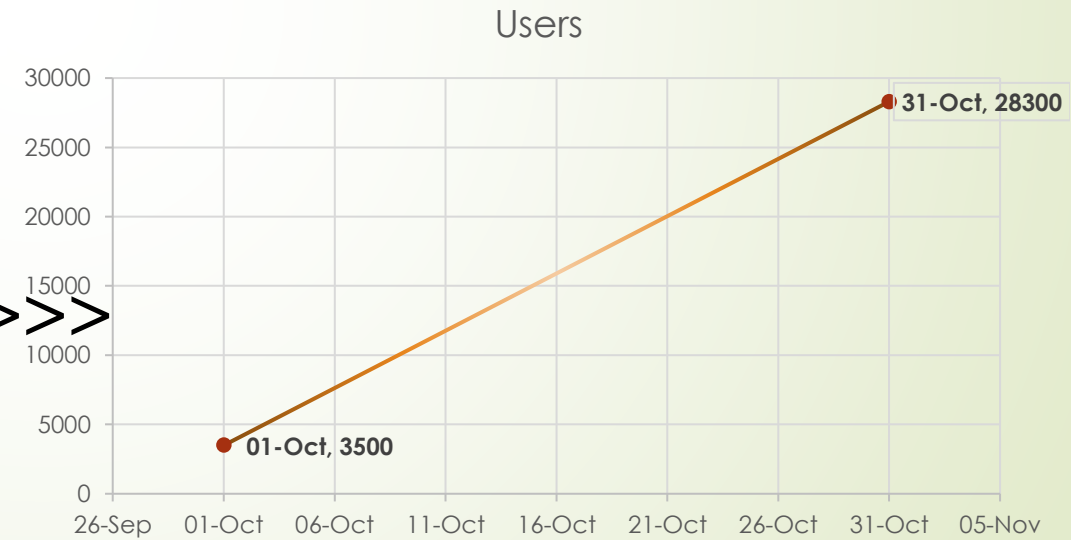


First 500 Crores Adoption



<<< Number of invoice from
1st Oct to 31st Oct
Total 4.95 cr Invoices generated in Oct 2020

Growth in User Count>>>





Legal Provisions

Who is required to issue E-Invoices?

- ➡ **CT NN 61/2020** : Taxpayers with aggregate turnover in a financial year above **Rs 500 Crore** from **Oct 1, 2020**.
- ➡ **CT NN 88/2020** Taxpayers with aggregate turnover in a financial year above **Rs 100 Crore** from **Jan 1, 2021**

Relevant Notifications / Rules

- CGST Notification 68/2019
- Rule 48- **Manner** of issuing invoice
 - ❑ 48(4) - FORM GST INV-1
 - ❑ 48(5) - Invoice other than the above is not valid
 - ❑ 48(6) - Multiple copies of invoice not required
- CGST Notification 69/2019 - Notifies **Common Portal**
www.einvoice1.gst.gov.in.....[einvoice10](#)
- CGST Notification 60/2020 - Specifies **Schema** / fields of INV-01

Persons Exempted

Special Economic Zone (SEZ) Unit

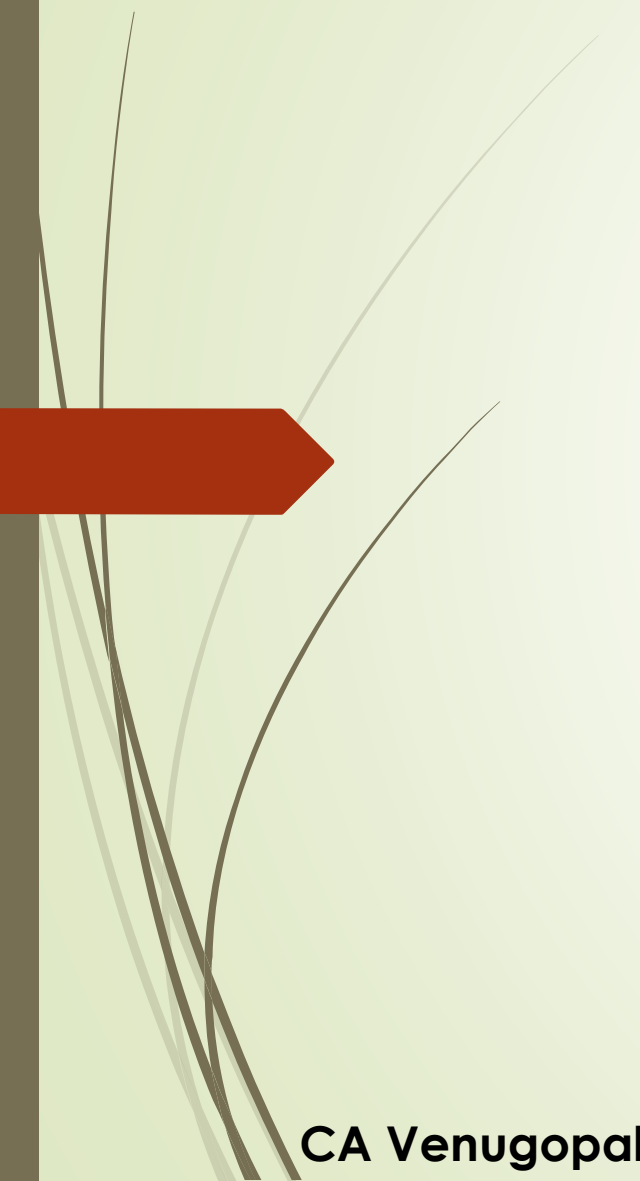
Persons covered by CGST Rule 54 (Sub-rules (2), (3), (4), (4A))

- Insurer or a banking company or a financial institution, including NBFC Goods
- Transport Agency
- Passenger transportation service
- Admission to exhibition of cinematograph films in multiplex screens

* Updated as per Notification 61/2020 -CT

Which transactions are covered by E-Invoicing Rules?

Document	Type of Transaction
Invoices	Business-to-Business (B2B)
Credit Notes	Business-to-Government (B2B)
Debit Notes	Export of Goods or Services
Bill of Supply	Business-to-Consumer (B2C)
Delivery Challan	Purchase from URD
ISD Invoice	Import of Goods or Services

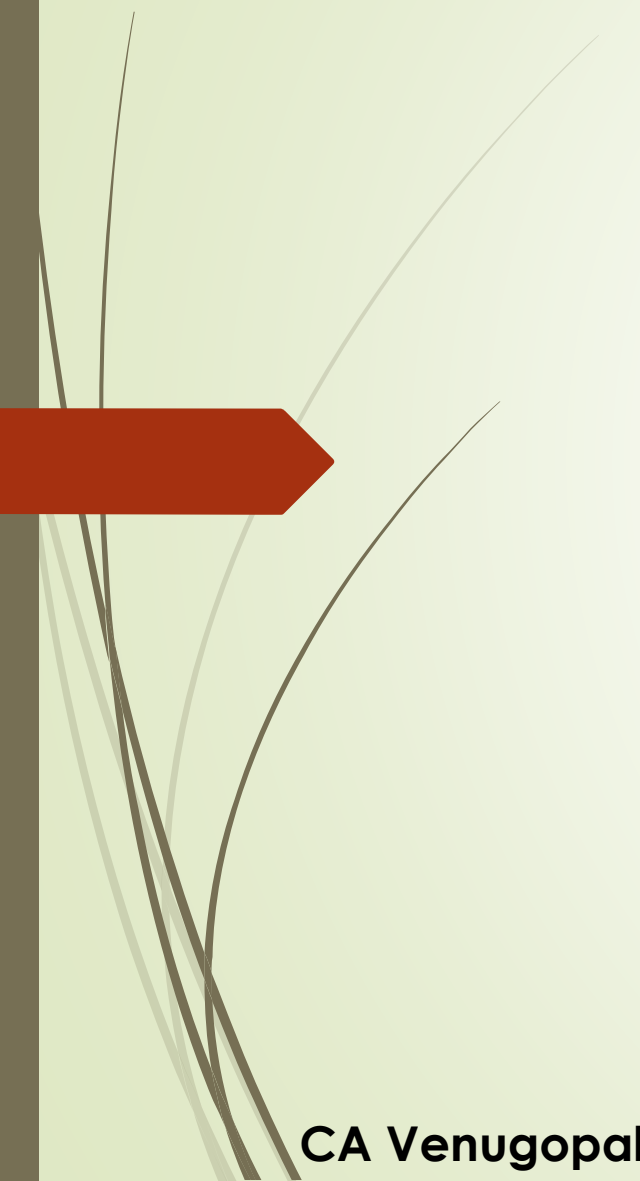


B2C QR Code

What about **B2C** Transactions by taxpayers with turnover over Rs 500 Crore?

Notification 72/2019

Not an E-Invoice, Requires digital payment QR Code



Registration

How to enable

E-Invoice System is **enabled on Trial sites** (for APIs & Offline tools) for taxpayers with PAN based **turnover more than Rs. 100 Cr.** in a financial year

1) <https://einv-apisandbox.nic.in> -
{ JSON SCHEMA , API SANDBOX, SAMPLE PAYLOAD , FAQ }

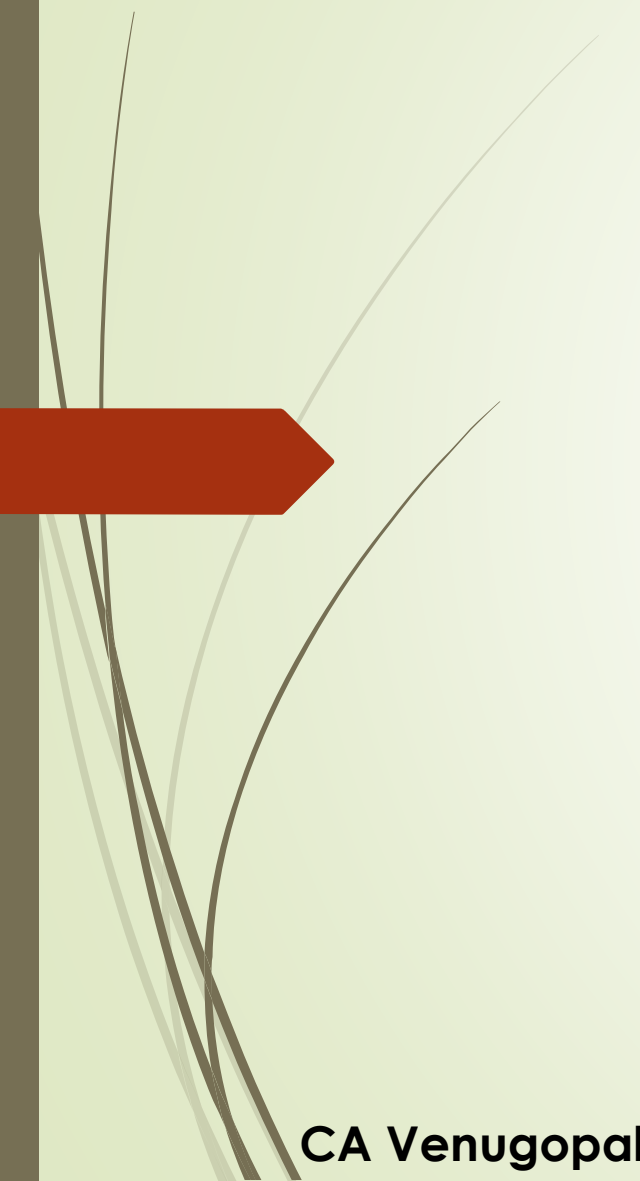
2) <https://einvoice1-trial.nic.in>

► [Trial](#) sites for taxpayers with PAN based turnover more than Rs. 100 Cr. in a financial year are enabled for e-invoicing System.

3) <https://einvoice1.gst.gov.in/> LIVE

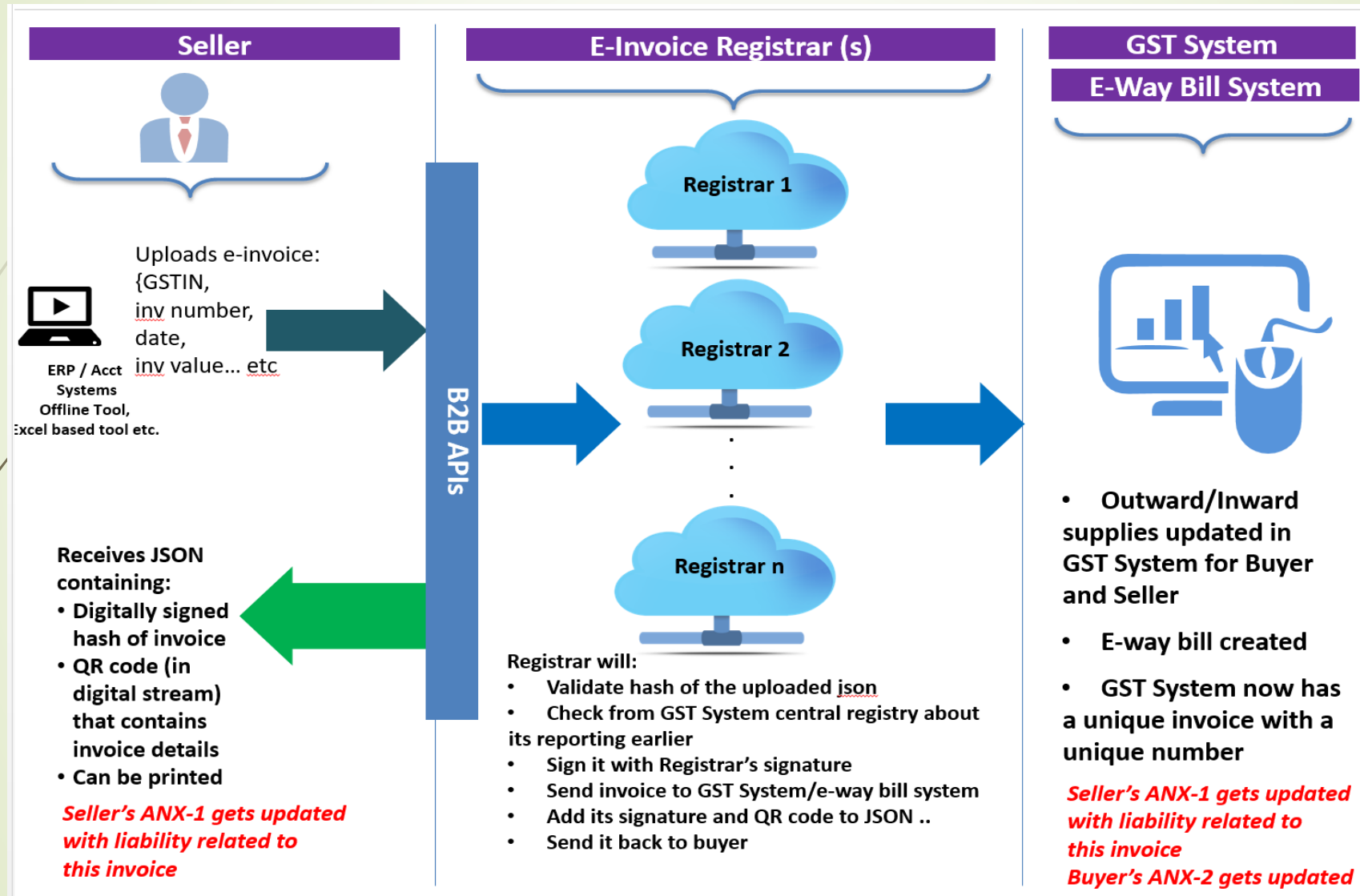
Other Information

- <https://einvoice1-trial.nic.in/Others/GSTINsGeneratingIRN>
 - List of ppl generating elnvoice Currently
- <https://einvoice1-trial.nic.in/Others/EinvEnabled>
 - Status of Einvoice enablement
- <https://einvoice1-trial.nic.in/Others/BulkGenerationTools>
 - Free Excel Tools to Generate elnvoice
- <https://einvoice1-trial.nic.in/Others/QRCodeVerifyApp>
 - Download mobile app to Read QR Code
- <https://einvoice1-trial.nic.in/Others/VSignedInvoice>
 - Verify a Signed elnvoice

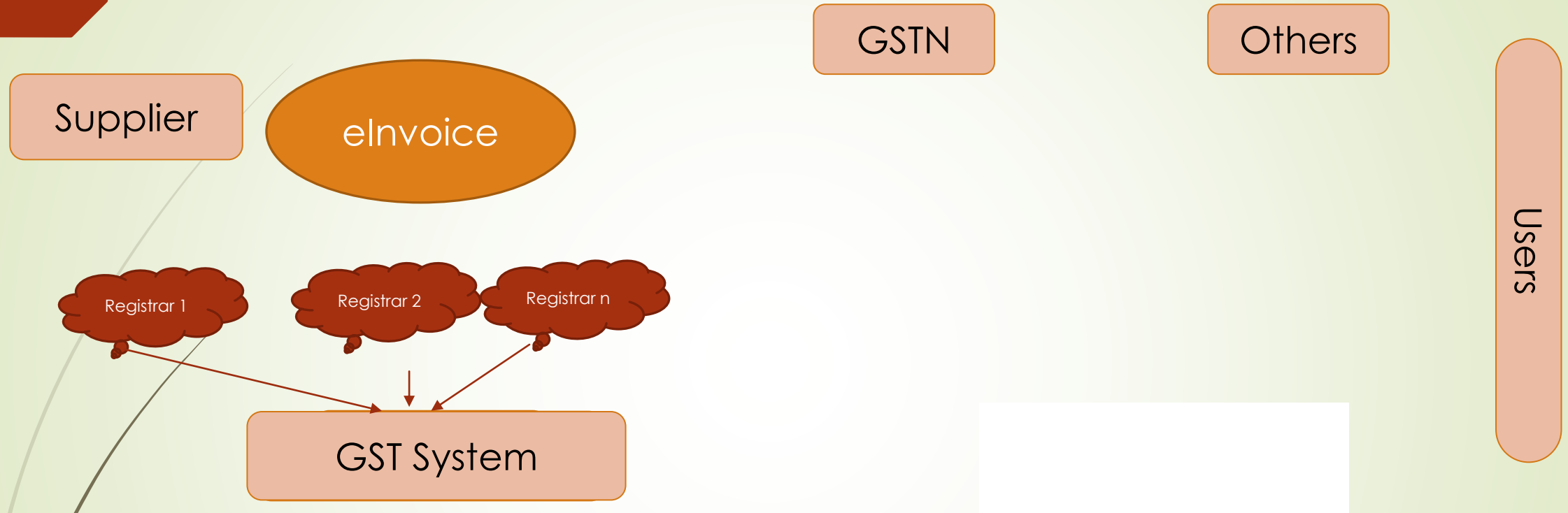


Process

GSTN Consumption of e-Invoice



E-Invoicing :: New Business Language of Accounting





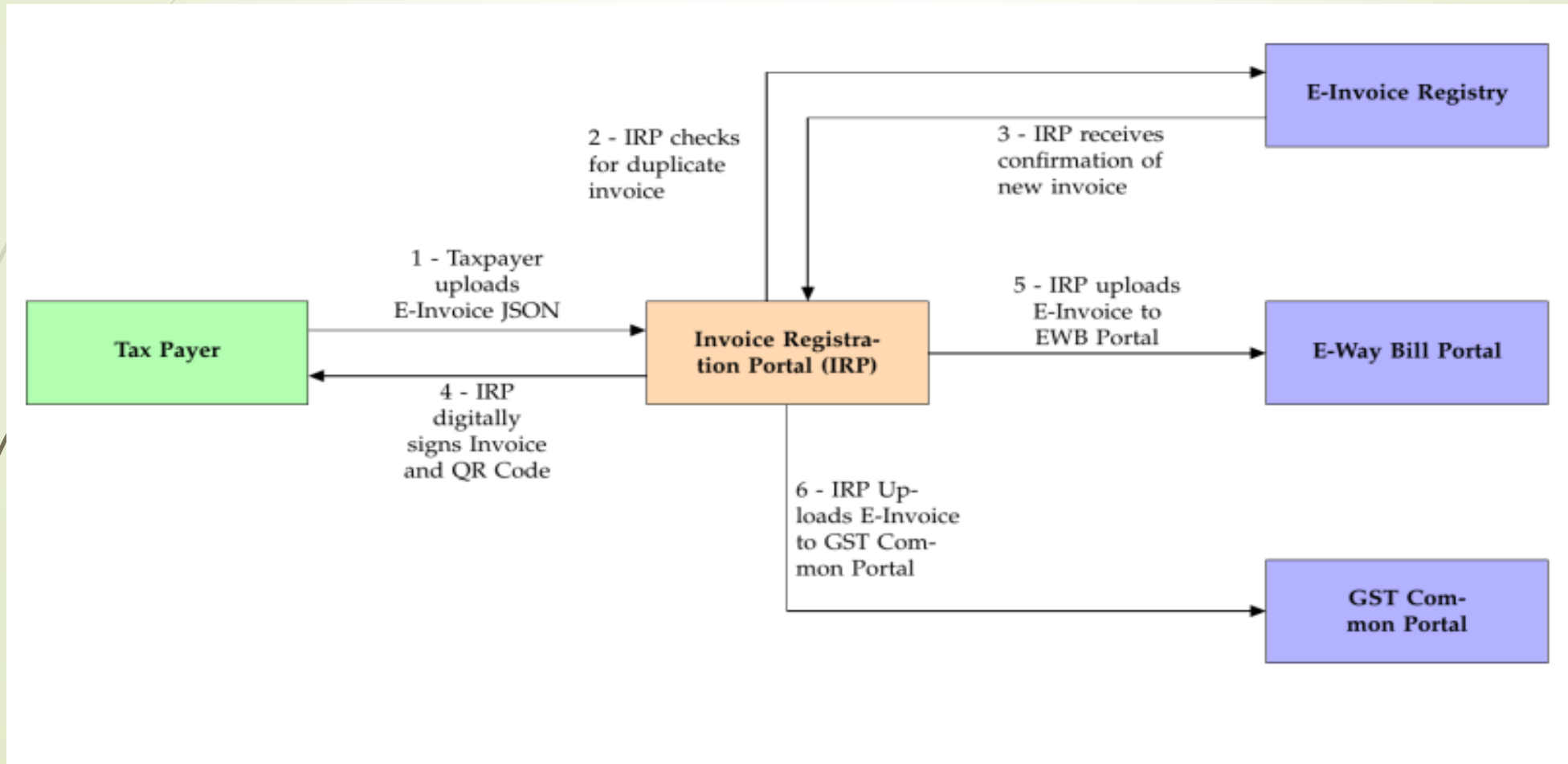
Terms and Definitions

Invoice Reference Number (IRN)

- Combines Taxpayer GSTIN, Financial Year, Document Type, Invoice Number
- 64-digit alpha numeric number to uniquely identify an Invoice
- For computers only, humans can ignore this
 - ❑ GSTIN: 33AADCG4992P1Z0
 - ❑ Financial Year: 2019-20
 - ❑ Document Type: Invoice Document Number: 2

453c0d4d154f295a808299dc84ab31dffef87a47b70d23602caea41133287ee4

Invoice Registration Portal (IRP)





Invoice Registration Portal (IRP)

- Authorized by Government
 - First IRP run by National Informatics Centre (NIC)
 - Second IRP proposed to be run by Goods and Services Tax Network (GSTN)
- Verifies and acknowledges E-Invoices
- Replies within blink of an eye
- Retains invoices for 24-hours
- **Does not** contain listing of Invoices

Response from IRP

```
{  
  "AckDt": "2020-01-08 12:45:00",  
  "AckNo": 55100000009,  
  "Irn": "453c0d4d154f295a808299dc84ab31dffef87...", # 64 chars "  
  SignedInvoice": "eyJhbGciOiJodHRwOi8vd3d3L...", # ~4000 chars  
  "SignedQRCode": "eyJhbGciOiJodHRwOi8vd3d3Lc...", # ~1000 chars  
  "Status": "ACT"  
  "EwbDt": "10/03/2020 10:45:00 AM",  
  "EwbNo": 151000256262,  
  "EwbValidTill": "12/03/2020 11:59:59 PM",  
}
```

✓ This is Digitally Signed Invoice

Digital Signature Certificate Details

Issued To	DSC Valid From	DSC Valid To
NIC	12-09-2018 14:50:31	12-09-2020 14:50:31

Government of India e-Invoice System



1.e-Invoice Details

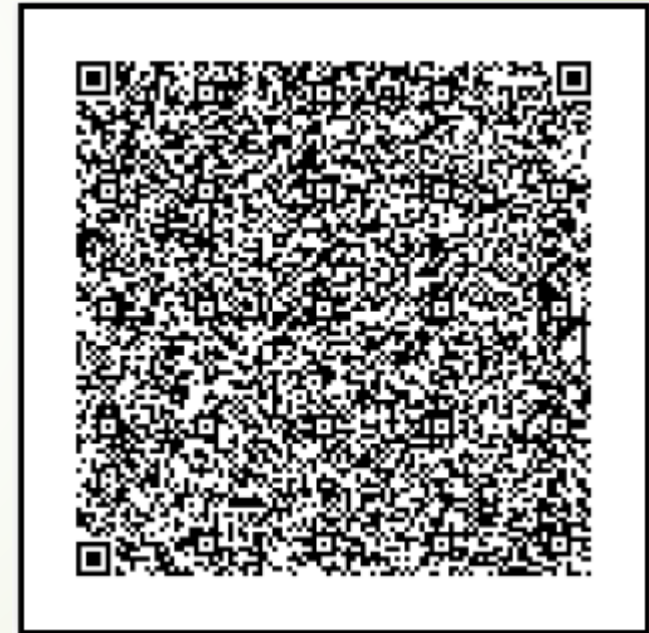
IRN : 608a35cc73af24883b91119b1b342b5d411ca77959a6023426a82fc8eac7bea3
Ack. No : 112010000384608
Ack. Date : 19-08-2020 07:10:00

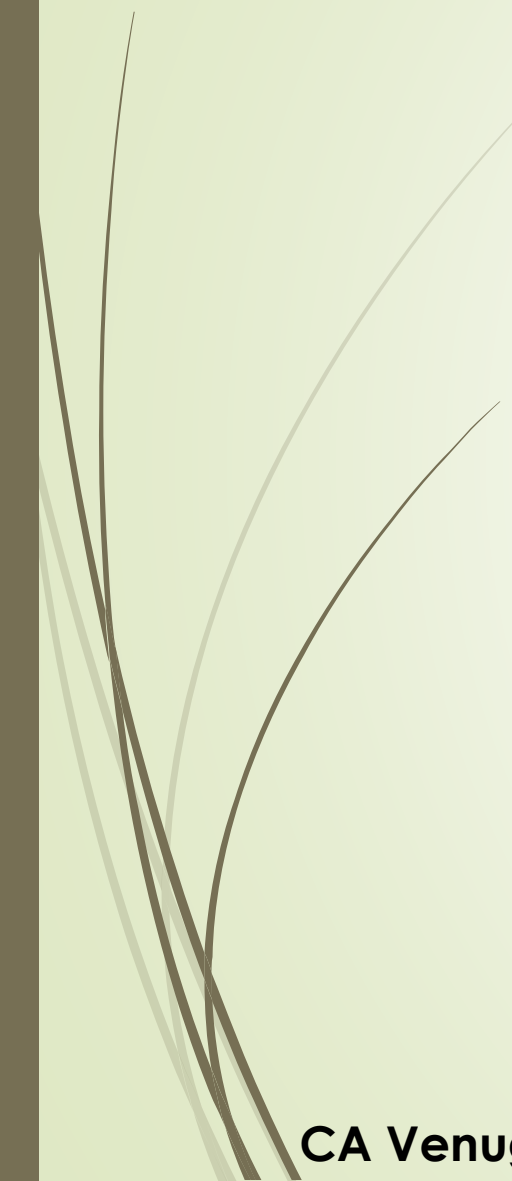
2.Transaction Details

Category : B2B
Document No : TIPL/RJ/2021/15
Document Type : Invoice
Document Date : 19-08-2020

Signed QR Code

- Digitally signed by NIC
- Contains high level parameters of an Invoice
- Can be used to know authenticity of an Invoice

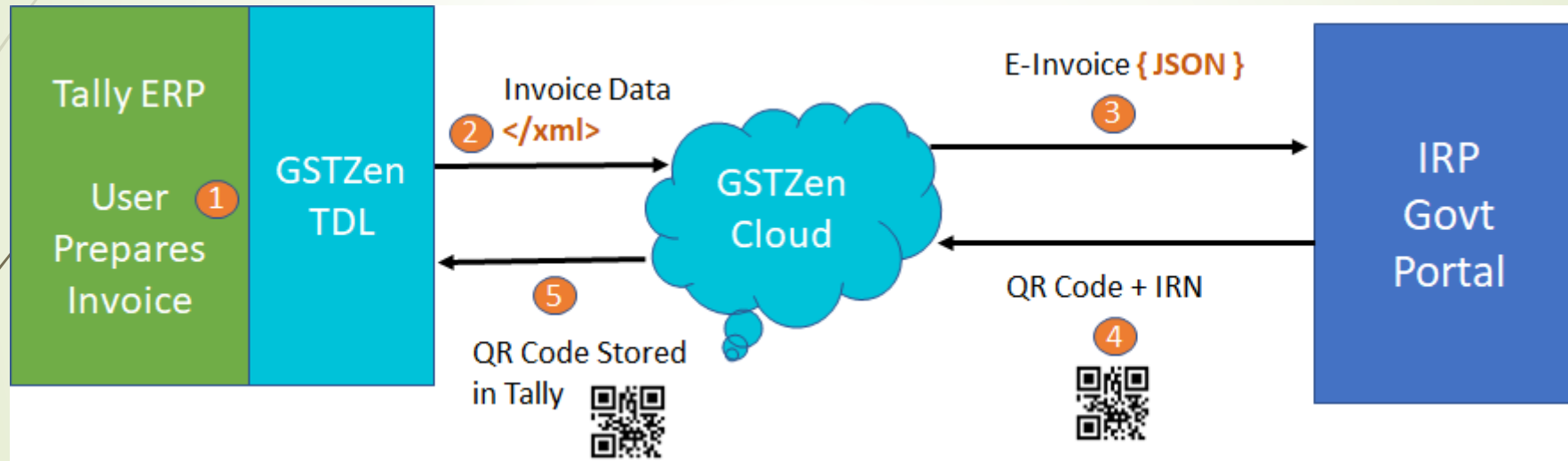




Signed QR Code (Example)

```
{  
  "BuyerGstin": "29AAFCC9980M1ZR",  
  "DocDt": "2019-01-08",  
  "DocNo": "2",  
  "DocTyp": "INV",  
  "Irn": "453c0d4d154f295a808299dc84ab31dffef87a47b70d23602...",  
  "ItemCnt": 1,  
  "MainHsnCode": "1001",  
  "SellerGstin": "33AADCG4992P1Z0",  
  "TotInvVal": 11800  
}
```

GST ZEN Integration Process





Frequently Asked Questions

Amendments / Cancellation to Invoice

- Change in books vs Change in IRP Portal
- Change in IRP Portal to Change in GSTR 1 vs eWay Bill
- eWay bill Active eInvoice cancelled



At what time is the e-Invoice required for a particular transaction?

Invoice for movement of Goods

- Before commencing movement

Invoice for across the counter sale

- Before completing the sale

Invoice for services

- Before issuing to the customer

How do E-Way Bills work?

- E-Way Bills are governed by Rule 138 of CGST Rules.
- E-Way Bill can be generated simultaneously along with IRN
- E-Way Bill can be generated later as well
- IRP supports E-Way Bills only for Invoice
- If needed, Cancel EWB first and then cancel Invoice



How to print E-Invoice?

- ➡ Print it with IRN and QR Code
- ➡ QR Code in a digital display is sufficient during transport



How to send E-Invoice to recipient?

- IRP will not send it for you
- Email Acknowledgement JSON along with PDF
- Government is building a system to send E-Invoice directly to Recipient



What details of the E-Invoice should we save in our ERP?

- ➡ The acknowledgement number
- ➡ Acknowledgement date
- ➡ Invoice and QR code digitally signed by the IRP.



Until what time can I register an E-Invoice?

Any time before issuing invoice

Recommended Within 48hrs / sec 31 compliance.

Example:

- ➡ Invoice dated March 5, 2020 has to be registered before March 7, 2020, 11:59:59 PM



Can e-Invoice be cancelled?

Yes. E-Invoice can be cancelled within
24-hours of creation.

Can e-Invoice be modified?

No

What if I have generated an Invoice by mistake and it is not cancelled within 24 hours?

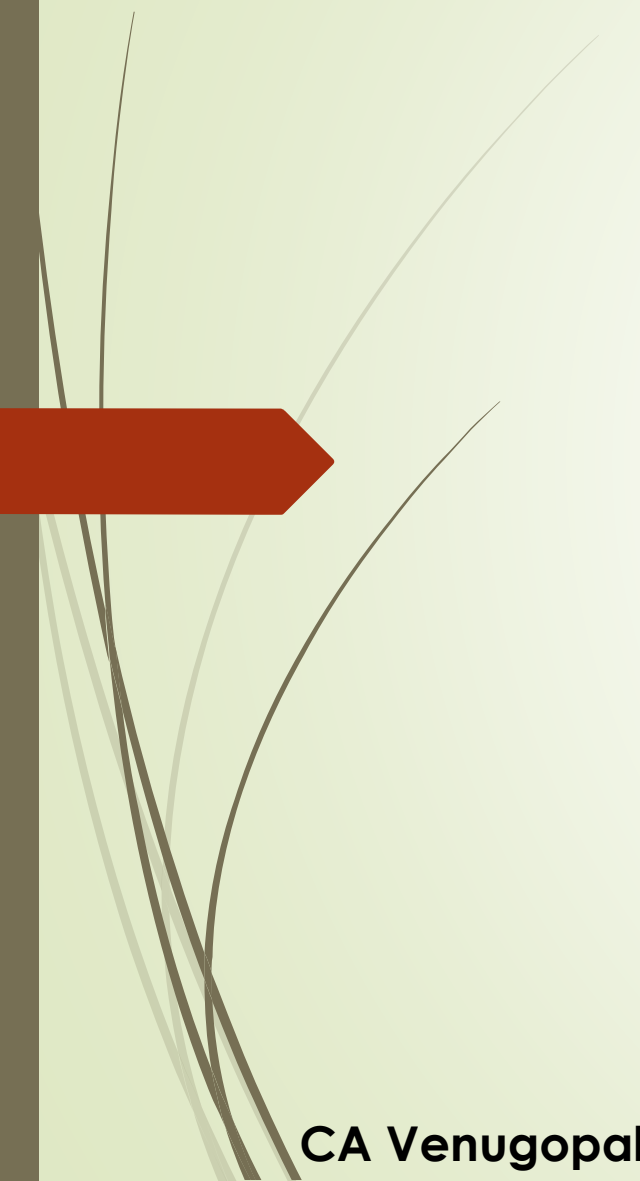
- Cancel in your Books of Accounts.
- Do not report the Invoice in your GST Returns.

Common errors and how to avoid them

Errors	Solution
Invalid HSN Code	Use GSTZen 's validator https://my.gstzen.in/p/hsn-code-validator/
Pin Code does not match state	Check in einvoice1.gst.gov.in
Recipient GSTIN is cancelled	Difficult to avoid upfront, check status in https://services.gst.gov.in/services/searchtp
Inconsistent Amounts	Use proper software

Caution

Invoice to SEZ versus Regular Invoice, IRP does not check Invoice Type and Taxpayer Type relationship. This will lead to issues in filing GSTR-1.



E-Invoice Technical aspects



E-Invoice Technical aspects – How to

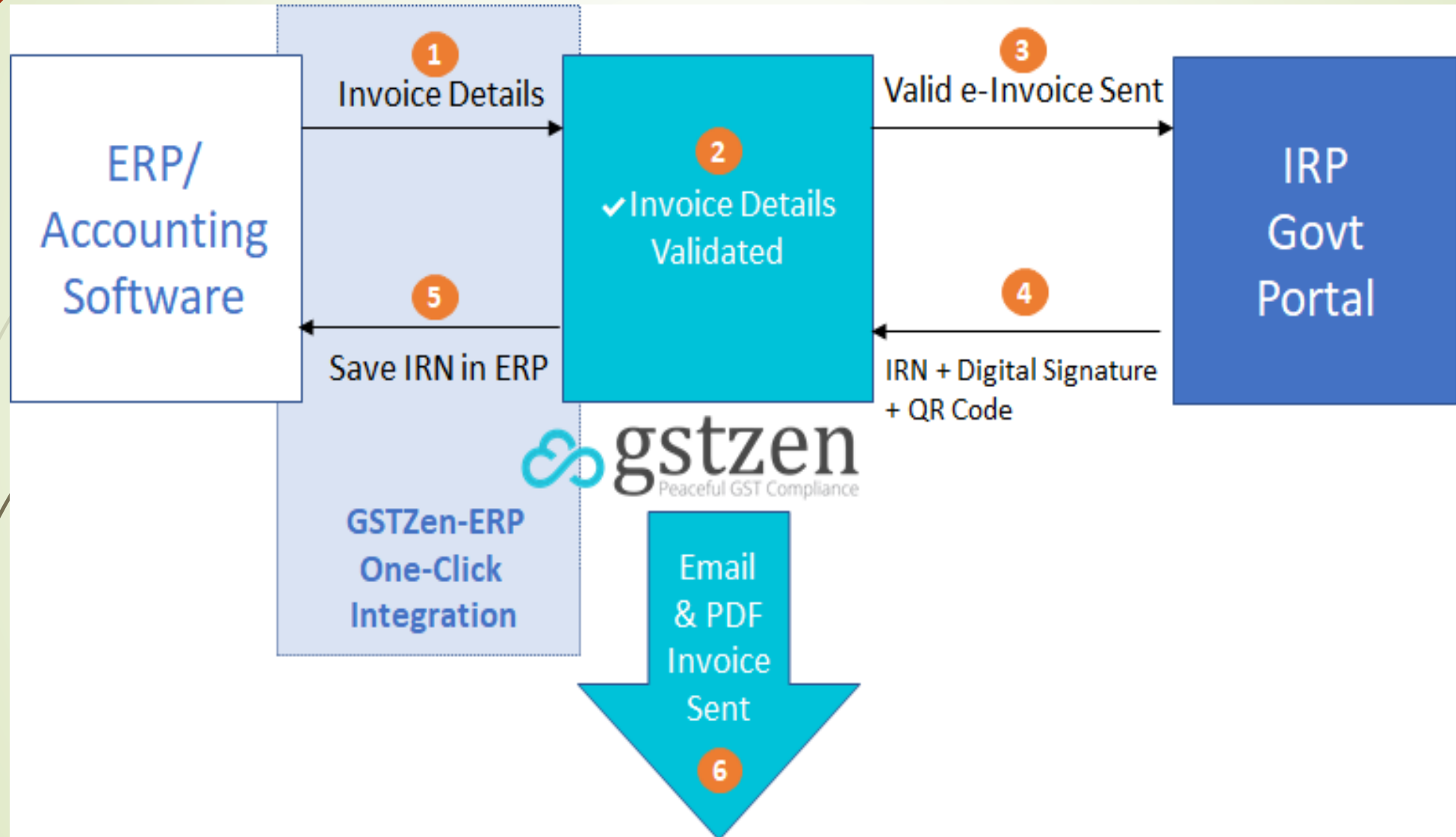


Prepare e-invoice as per schema

Communicate with IRP

Send e-invoice to customers

Receive e-invoice from suppliers



E- invoice Schema

Section	Description
Header details	Invoice Number, Invoice Date, Supplier, Recipient, Invoice Reference Number (IRN)
Transaction-level	This section has Transaction category type
Document-level	This section has the Document Type, Number, Date etc
Seller	This section contains the Seller GSTIN, Tradename, Address etc
Buyer	This section contains the Buyer GSTIN, Tradename, Address etc
Dispatch-from	Contains Dispatch GSTIN, Tradename, Address etc
Ship-to	Contains the Ship to GSTIN, Tradename, Address etc
Line-items	This section contains details of Line items
Document totals	This section contains all total values of the documents
Payment information	This section contains Payment details and conditions
Reference details	This section contains various Reference related to invoice
E-Way Bill details	Transportation details for simultaneous generation of E-Way Bill

Seller
Details

Buyer
Details

Document
Details

Line Item
Details

Amount
Details

BLANK INVOICE TEMPLATE

YOUR LOGO

INVOICE

DATE

INVOICE NO.

CUSTOMER ID

Company Name
123 Main Street
Hamilton, OH 44416
(321) 456-7890
Email Address
Point of Contact

SHIP TO

Company Name
123 Main Street
Hamilton, OH 44416
(321) 456-7890
Email Address

TERMS

DESCRIPTION	TOTAL

Remarks / Instructions:

enter total amount DISCOUNT

SUBTOTAL LESS DISCOUNT

enter percentage TAX RATE

TOTAL TAX

SHIPPING/HANDLING

OTHER

TOTAL

Please make check payable to Your Company Name.

THANK YOU

For questions concerning this invoice, please contact
Name, (321) 456-7890. Email Address
www.yourwebaddress.com

Number of Fields in the Schema

Fields	Mandatory	Optional	Total
Mandatory Sections	28	45	73
Optional Sections	17	43	60
Total	45	88	133

Sections that can repeat

Section	Mandatory/Optional
Invoice Line Item Details	Mandatory
Preceding Document Reference	Optional
Receipt/Contract References	Optional
Additional Supporting Documents	Optional
Product Attribute Details	Optional

Supplier, Recipient, Dispatch-from, Ship-to details

Field	Mandatory/Optional
GSTIN	Mandatory
Trade Name	Mandatory
Pin code	Mandatory
State Code	Mandatory
Building Name	Optional
Building Number	Optional
District	Optional
Email-Address	Optional
Floor Number	Optional
Location	Optional
Phone Number	Optional

Line Item Details (Fields other than amounts)

Field	Mandatory/Optional
Product Name	Mandatory
Product Description	Mandatory
HSN Code	Mandatory
Bar Code	Optional
Quantity	Mandatory
Free Quantity	Optional
Unit	Mandatory
Batch name	Optional
Optional Batch Expiry Date	Optional
Warranty Date	Optional

Line Item Details (amount fields)

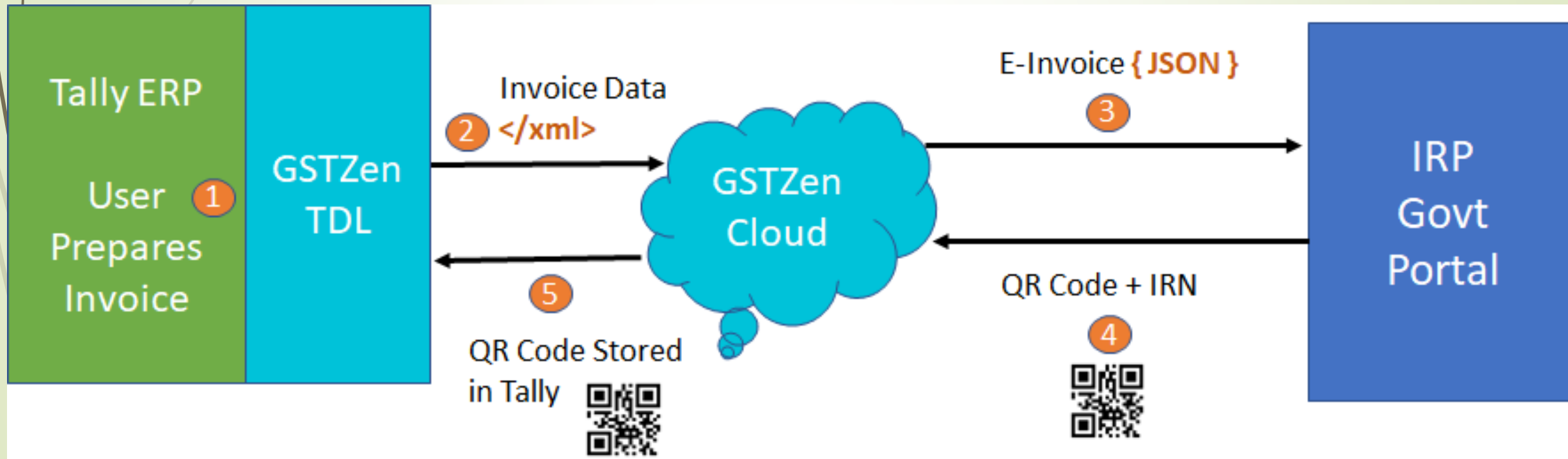
Field	Mandatory/Optional
Unit Price	Mandatory
Total Amount (Unit Price * Quantity)	Mandatory
Discount	Optional
Other Charges	Optional
Assessable Amount (Total Amount - Discount + Other charges)	Mandatory
CGST Rate	Mandatory
SGST Rate	Mandatory
IGST Rate	Mandatory
CESS Rate	Mandatory
Cess Non-Advol Amount	Mandatory
State CESS Rate	Mandatory
Total Item Value	Mandatory



DEMO through Tally

Tally Connector

GSTZen provides a Tally Add-on (TDL). Once you install this add-on, your Tally installation will be E-Invoicing ready. The following schematic shows how GSTZen 's integration works.



Gateway of Tally

Masters

Accounts Info.
Inventory Info.

Transactions

Accounting Vouchers
Inventory Vouchers

Utilities

Import Data
Banking

Audit

Audit & Compliance

Reports

Balance Sheet
Profit & Loss A/c
Stock Summary
Ratio Analysis

Display
Multi Account Printing

GSTZEN
Quit

Gateway of Tally

e-Invoice

B2B e-Invoice

B2C eWay Bill

About Us

Get Latest Version

Quit

[illegible]

Tally.ERP 9				— □ ×
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help
Accounting Voucher Alteration (Secondary) GSTZen Ctrl + M				F1: Accounting Vouchers F1: Inventory Vouchers F2: Date F3: Company F4: Contra F5: Payment F6: Receipt F7: Journal F8: Sales F8: Credit Note F9: Purchase F9: Debit Note F10: Reversing Journal F10: Memos S: Stock Query A: Tax Analysis I: Accounting Invoice V: As Voucher T: Post-Dated L: Optional F11: Features F12: Configure
Sales No. ZEN2021V22				17-Oct-2020 Saturday
Reference no.: Company Address to Print ? Primary				
Party A/c name : Venugopal G Current balance : 14,112.00 Dr Sales ledger : Sales Local				
Name of Item	Quantity	Rate per	Amount	
Pen Drive	11 nos	350.00 nos	3,850.00	
Output CGST			231.00	
Output SGST			231.00	
Note : This is a B2C Invoice, Scan this QR Code for making payment. Narration: Test entry for Dynamic QR Code			11 nos 4,312.00	
Q: Quit	A: Accept	D: Delete	X: Cancel	Ctrl + N

Tally MAIN --> Gateway of Tally --> e-Invoice --> B2C eWay Bill --> Day Book --> Accounting Voucher Alteration (Secondary)

gstzen
Peaceful GST Compliance



gstzen
Peaceful GST Compliance



gstzen
Peaceful GST Compliance



Mandatory fields

Mandatory Fields – Company information

- Country Name
- State Name
- Pin code
- Address of the company
- Phone Number – The length should be between 6 to 12 digits

Directory Name	: V:\92.168.1.125\Tally9\ERP\Data\Kreeritsh\Audited tally\FY 2019-20	<u>Books and Financial Year Details</u>	
	: Demo Company	Financial year begins from	: 1-4-2020
		Books beginning from	: 1-4-2020
		<u>Security Control</u>	
		TallyVault password (if any)	:
		Repeat password	:
		(Warning: Forgetting TallyVault password will render your data inaccessible.)	
		Use security control	? No
		(Enable security to avail TSS features)	
		<u>Primary Mailing Details</u>	
Mailing name	: Demo Company		
Address	: Add_1		
	: Add_2		
Country	: India		
State	: Karnataka		
Pincode	: 560018		
		<u>Contact Details</u>	
Phone no.	: 080-26592063		
Mobile no.	:		
Fax no.	:		
E-mail	:		
Website	:		

Party Master

- Country Name
- Party state name
- Party Pin code
- Party GSTIN
- Party Type
- Registration Type

Ledger Creation		Demo Company		Total Opening Balance
Name	: Customer			
(alias)	:			
Under : Sundry Debtors (Current Assets)		Mailing Details		
Maintain balances bill-by-bill	? Yes	Name	: Customer	
Default credit period	:	Address	: Add_1	
Check for credit days during voucher entry	? No		: Add_2	
Inventory values are affected	? No	Country	: India	
		State	: Karnataka	Pincode : 560018
		(Select the applicable state to calculate GST during voucher entry.)		
		Provide bank details	? No	
		Tax Registration Details		
		PAN/IT No.	:	
		Registration type	: Regular	
		GSTIN/UIN	: 29AADFC7589C1Z1	
		Set/alter GST details	? Yes	

GST Details		Party Type	
Registration type	: Regular	560018	
Assessee of Other Territory	? No		
Is e-commerce operator	? No		
Consider Party as Deemed Exporter for Purchases	? No		
Party Type	: ♦ Not Applicable		
GSTIN/UIN	: 29AADFC7589C1Z1		
Is a transporter	? No		
Set/alter GST details ? Yes		SEZ	

Item Ledger and Income ledger (W/o items)

- HSN Number
- GST Rates

*Note: The Tax rate history has
to be checked*

GST Details	
GST Details for Stock Item:	
Pen	
HSN/SAC Details	
Description	:
HSN/SAC	:
Is non-GST goods	? No
Tax Details	
Calculation type	: On Value
Taxability	: Taxable
Tax Type	Rate
Integrated Tax	0 %
Central Tax	0 %
State Tax	0 %
Cess	0 %

Mandatory Fields – Expense ledgers

GST Applicable Expenses

- HSN Number
- GST Rate

GST Details

GST Details for Ledger:
Rental Expenses

HSN/SAC Details

Description : Commercial Building Rent
HSN/SAC : 997211

Is non-GST goods ? No
Nature of transaction : Purchase Taxable

Tax Details

Taxability : Taxable

Tax Type **Rate**

Integrated Tax	18 %
Central Tax	9 %
State Tax	9 %
Cess	0 %

Non GST Expenses

- Is GST applicable – “Not applicable”
- Include in assessable value

Ledger Creation Demo Company

Name : Petrol Expenses
(alias) :

Under : Indirect Expenses

Inventory values are affected ? No
Type of Ledger ? ♦ Not Applicable
Allow cost allocation (stock item) ? No

Statutory Information

Is GST Applicable ? ♦ Not Applicable
Set/alter GST Details ? No

Include in assessable value calculation for: ♦ Not Applicable

Mailing Details

Name :
Address :
Country :

Provide bank details ? No

Applicability

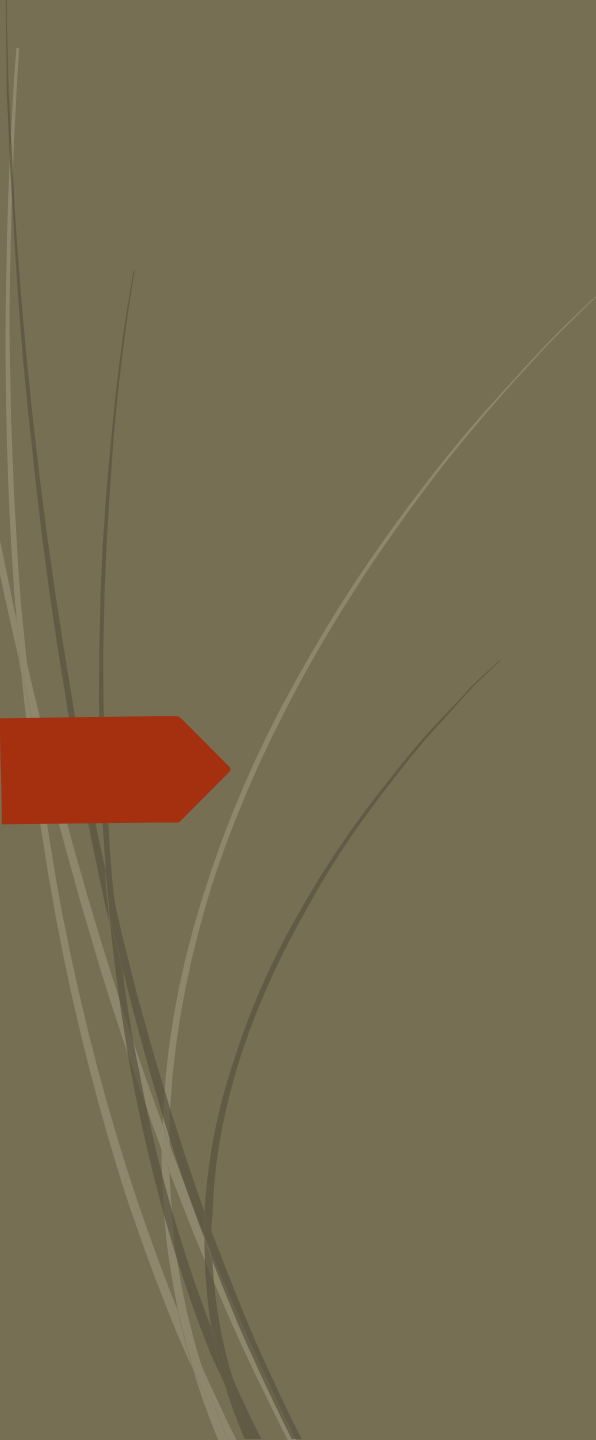
- ♦ Applicable
- ♦ Not Applicable
- ♦ Undefined

Tax Registration Detail

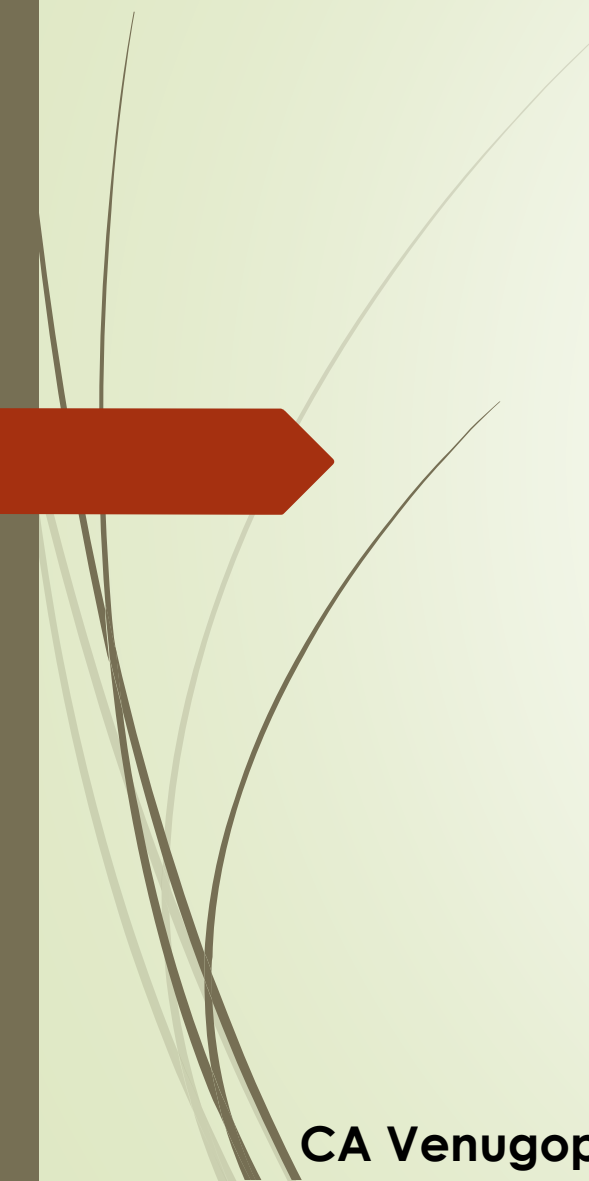
Mandatory Fields – Round off Ledger

- Type of ledger - Invoice rounding

Ledger Creation		National Enterprises		Ctrl + M
Name : Round-Off	(alias) :			Total Opening Balance
Under : Indirect Expenses				
Inventory values are affected ? No	Type of Ledger ? Invoice Rounding			
Rounding method : Normal Rounding	Rounding limit : 1			
Statutory Information				
Is GST Applicable ? [X] Not Applicable	Set/alter GST Details ? No			
Include in assessable value calculation for: [X] Not Applicable				
		Mailing Details		
		Type of Ledger		
		[X] Not Applicable		
		Discount		
		Invoice Rounding		
		Provide bank details ? No		
		Tax Registration Details		
		PAN/IT No. :		
Opening Balance (on 1-Apr.2017) :				



Q&A



Thank You

venu@vnm.ca

