

SCV ALERT

TAX ADVISORY
MARCH 2021

SCV & Co. LLP
Chartered Accountants



GST Update on E-Invoicing



Provision relating to raising of invoice– under GST regime: -

As per section 31(1) of CGST Act 2017 a Tax invoice should be issued by registered person in case of goods and services as under:

Goods

- (a) At the time of removal of goods for supply to the recipient, where the supply involves movement of goods; or
- (b) At the time of delivery of goods or making available thereof to the recipient

Services

- (a) Tax invoice to be issued by the registered person supplying taxable services before or after provision of services within 30 days (45days - in case of banking companies) from the date of supply of service or receipt of payment whichever is earlier.

E-Invoicing Concept

What is E-Invoicing?

It is a system where in a taxpayer will upload his invoice details and register his supply transaction on the Government Invoice Registration Portal and get the Invoice Reference Number (IRN) generated by the IRP System. Taxpayer will first prepare & generate invoice using his ERP/accounting system or manual system and then upload these invoice details to IRP (centralized invoicing portal). Thereafter IRN and QR code will be generated, and invoice will be sent to supplier and recipient automatically.

Statutory Notification/Rule

As per the Notification No. 13/2020-CT dated 21st March 2020 E-Invoicing was initially applicable from 1.10.2020 for the taxpayers whose previous year aggregate turnover * during any of the previous financial years from FY 2017-18 exceeded Rs.500 Crores and subsequently w.e.f 1st Jan 2021 it applied to all registered persons whose previous year aggregate turnover exceeds Rs.100 crores vide notification No 88/2020 dated 10th November 2020.

As per the recent notification no 5/2021 – (Central Tax) dated 8th March 2021 the provisions of E-invoicing will be applicable from 1st April 2021 for the taxpayers whose previous year aggregate turnover * during any of the previous financial years from FY 2017-18 exceeds Rs 50 crores.

Exclusions from E-Invoicing applicability

- (a) SEZ Unit
- (b) Insurance companies
- (c) Banking company or a financial institution, including a NBFC.
- (d) Goods Transport Agency
- (e) Registered person supplying passenger transportation service. and
- (f) Registered person supplying services by way of admission to the exhibition of cinematograph films in multiplex screens.

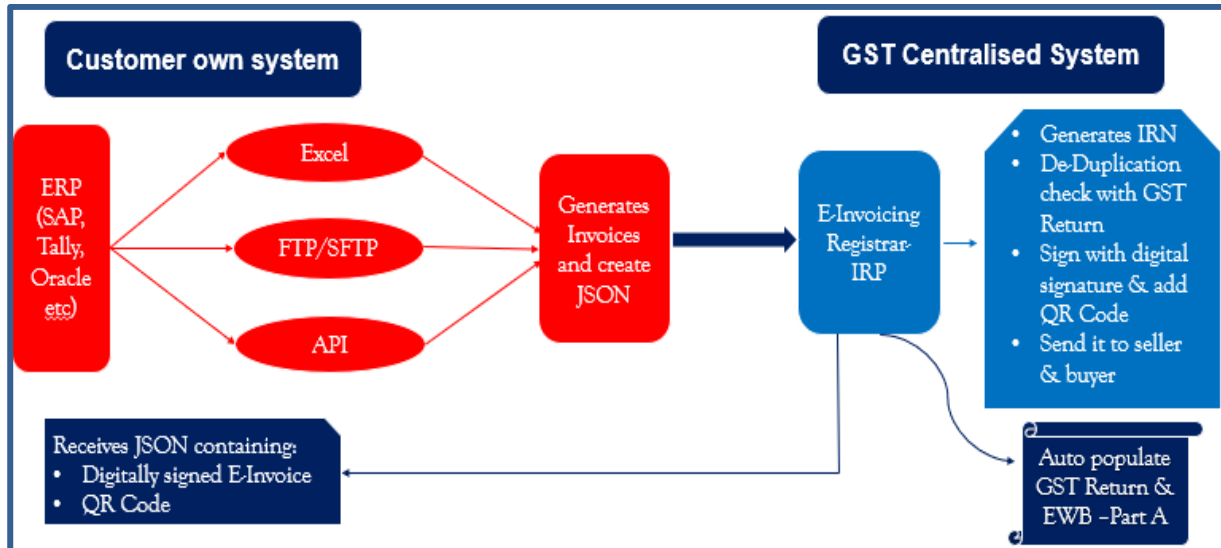
**As per 2(6) of CGST Act 2017, aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same PAN, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.*

As per **Rule-48 of CGST Rules, 2017**, the invoice shall be prepared by such class of registered persons as mentioned above including such particulars contained in **FORM GST INV-01** after obtaining an IRN by uploading information contained therein on the Common Goods and Services Tax Electronic Portal as per prescribed procedure. Invoice issued in any other manner **will not to be treated as a valid invoice.**

Current Invoicing vs Proposed E-invoicing

Basis	Current Invoicing	Proposed E-Invoicing
Invoice Reference Number (IRN)	Generate invoice through own billing software, SAP, ERP or other software.	Required to generate IRN for each invoice issued through billing software, ERP or accounting software except for URP.
Whether for all registered persons?	Preparation of Tax Invoice for B2B/B2C transactions for all registered persons.	Preparation of e-invoice only for B2B transactions i.e. for the registered person having Turnover more than INR 50 Crores.
Signature of the supplier	Required manual or digital signature of the supplier on the invoice.	IRP Portal generate E-Signed E-invoice with QR Code.
Reporting in GST Return	Manual entry of invoice details at the time of filing GST Return.	Automatic populate of invoice data in GST Return through IRP Portal.

Process Flow



Provision for Supplies to Un-registered Person

- a) Supplies to unregistered persons by a registered person (B2C Invoice) with aggregate turnover exceeding Rs.500 Crores shall have Dynamic Quick Response (QR) code.
- b) Dynamic QR code where supply made to Unregistered Person-to be done by taxpayer through its own Software or by GSP. It need not to be reported to IRP-GST Portal.
- c) Supply to registered person with aggregate turnover exceeding INR 50 crores shall have Dynamic QR Code which has been auto generated by IRP.

Exclusions from QR Code applicability

- a) Insurance company
- b) Banking company
- c) Financial institution
- d) Non-banking financial company
- e) Goods transport agency
- f) Passenger tickets by transport business
- g) Movie tickets by multiplex screens
- h) Non-residents making Online Information Database Access and Retrieval services.

Note: The CBIC issued a notification seeking to waive the penalty imposed on non-compliance of dynamic QR code provisions for B2C invoices between 1st December 2020 and 31st March 2021, provided the eligible registered person complies with these provisions from 1st April 2021.

E-Waybill Provisions

As per rule 138 of CGST Act 2017, E-waybill is effective from 1.4.2018 (Notification number 12/2018-CT) which is required to be generated by every registered person at the time of movement of goods /consignment where the value of such goods is more than Rs 50,000. Some States have defined a separate threshold limit for movement of goods within the State. The supplier, recipient or the transporter has option to create and modify the information manually on the E-Way bill portal as per the prescribed guidelines. The e-Way Bill System has 2 Parts, Part-A which consists of the Invoice details such as GSTINs of the supplier & the Recipient, delivery address, HSN Codes, values of goods, invoice number, etc. whereas Part-B has all the transporter details such as Transporter ID & Vehicle Number etc.

Automation of E-Way Bill Post E-Invoicing

Post implementation of E Invoicing, part A of the e-Way Bill will be auto-populated for Invoices that are eligible for e-Way Bills, through the e-Invoice data, that is shared with the e-Way Bill System on the successful validation of the e-Invoice through IRP. The registered person would only need to furnish manually the transporter details in Part-B of E Way Bill. This will help to minimise the errors, dependency on the portal and reduction of time & efforts.

SCV's TAKE AWAY

In order to curb the practice of fake invoices, the Government has been promoting the concept of e-invoicing. This limit has now been reduced to 50 crores from the existing limit of Rs 100 crores. Every company to whom these provisions are applicable would have to consider the impact of this change from the coming financial year.

CONNECT WITH US



Delhi

B-41, Panchsheel Enclave,
New Delhi -110 017
T: +91-11-26499111
F: +91-11-41749444

4/18, Asaf Ali Road,
New Delhi -110 002
T: +91-11-23274888
F: +91-11-23272805
Email:
delhi@scvindia.com

Noida

5th Floor
(Unit No. 505)
World Trade Tower,
C -1, Sector- 16,
Noida -201 301
Uttar Pradesh
T: +91-120-4814400

Email:
delhi@scvindia.com

Ludhiana

B-XIX-220,
Rani Jhansi Road,
Near SBI Treasury
Branch
Ghumar Mandi,
Ludhiana -141 001
Punjab
T: +91-161-2774527

Email:
ludhiana@scvindia.com

Website: www.scvindia.com



www.facebook.com/scvandco/



www.linkedin.com/company/scv&co/

Disclaimer:

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, SCV & Co. LLP, its employees and partners accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

This publication is solely for the purposes of knowledge dissemination.