



# E-Invoice Under GST

## What is e-invoicing under GST?

E-Invoicing refers to the submission of an invoice to the government portal—the Invoice Registration Portal (IRP)—for validation. Once validated, the IRP generates a unique Invoice Reference Number (IRN) and digitally signs the invoice with a QR code. This process does not mean generating invoices on the GST portal, but rather reporting them for authentication.

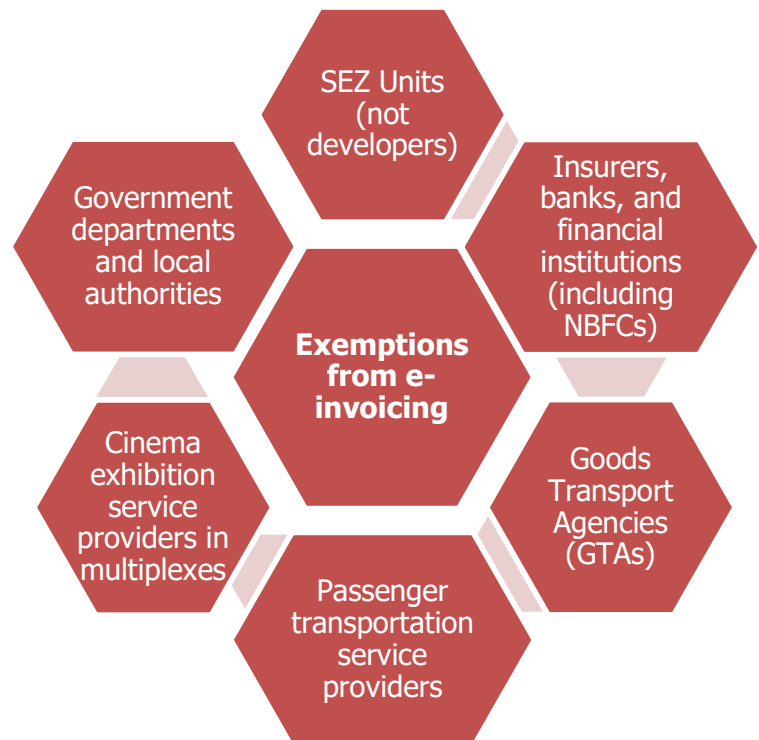
## Legal framework

The legal provisions for e-invoicing are primarily contained in Rule 48(4) of the CGST Rules, 2017. The e-invoicing system became effective in a phased manner:

- From 1st October 2020, for businesses with aggregate turnover exceeding ₹500 crores
- Gradually expanded to lower turnover brackets
- As of 1st August 2023, it is mandatory for taxpayers with turnover exceeding ₹5 crores

## Scope and applicability

E-invoicing is applicable only to B2B supplies, exports, and credit/debit notes issued under such supplies. It does not apply to B2C supplies, except where explicitly notified. The threshold turnover is calculated PAN-wise (not GSTIN-wise) for all India operations, considering turnover in any preceding financial year from 2017-18 onwards.

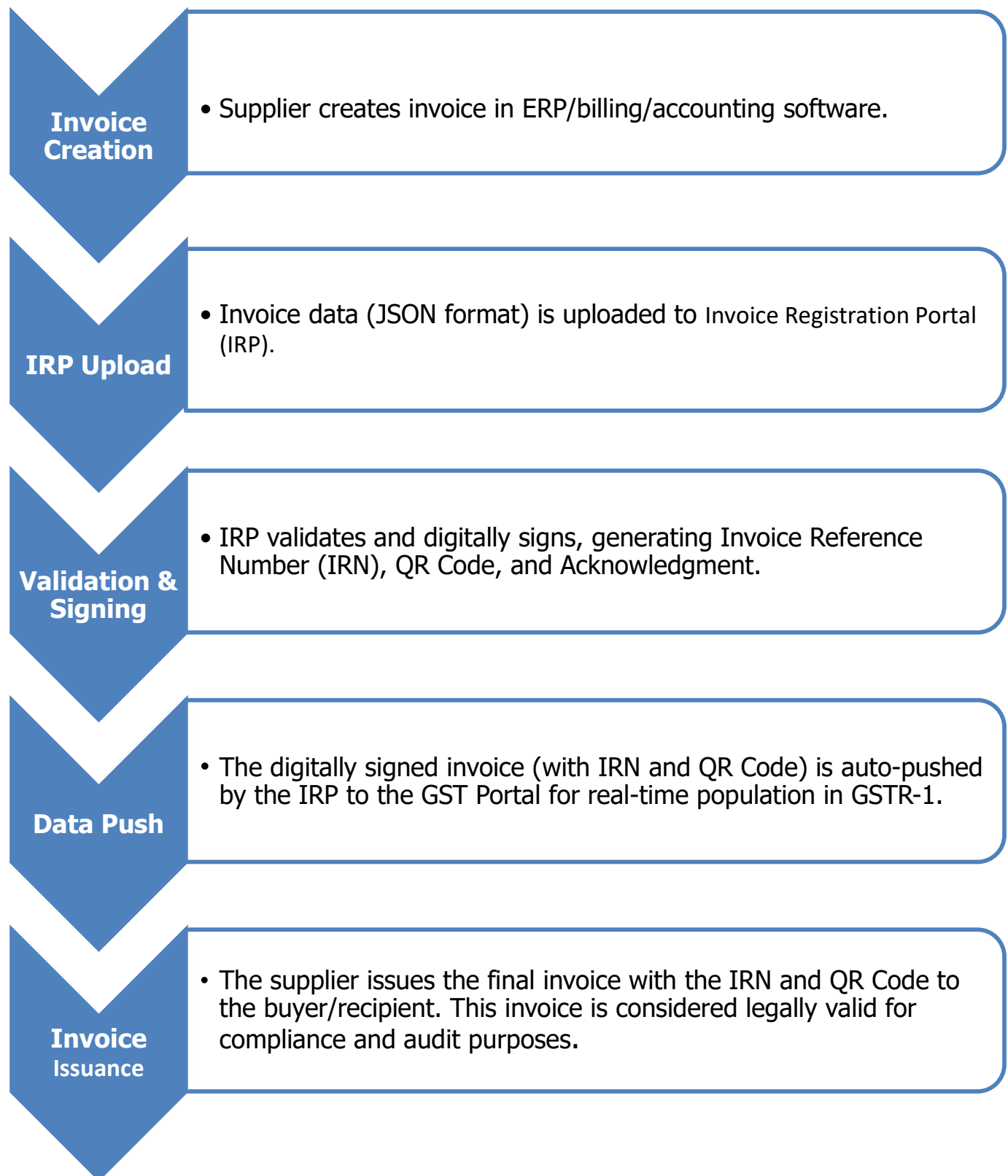


Exempt entities must declare:

"I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the said sub-rule."

# E-Invoicing Process

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Area	Impact
1.Auto-population of GST Returns	IRN-linked invoices are automatically pushed to GSTR-1, reducing manual errors and enhancing accuracy.
2. Auto-population of E-way bill	When a supplier generates an e-invoice, the system uses the e-invoice data to auto-populate Part-A of the e-way bill.
3. Reduced Tax Evasion	Authenticity and one-time reporting to GST system prevents fake invoice generation.
4. Reconciliation Simplicity	Easier and faster reconciliation between purchase and sales registers for both suppliers and recipients.
5. Global Acceptance	E-Invoicing aligns with global trade systems and facilitates seamless cross-border transactions.
6. Penalties for Non-Compliance	If e-invoicing is applicable and not complied with, the invoice is considered invalid under GST law, impacting ITC, returns, and exposing the business to penalties. As per section 122 of the CGST Act, a penalty of ₹10,000 per instance or 100% of the tax evaded, whichever is higher, shall be levied.
7. Amendment and Cancellation	E-invoices cannot be modified or amended on the IRP. If any error is found, the only option is to cancel the invoice within 24 hours of generation and upload a new invoice. After 24 hours, cancellation must be done on the GST portal, not on the IRP.
8. Export Benefits	E-invoices validated through IRP are accepted by ICEGATE for export documentation, improving refund process speed.

# Notice to the reader

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