

# E-Invoicing for Business with Turn Over above 20Cr ( W.E.F 01-Apr-2022)

## Are You Ready for It?

### 1.What's E-Invoicing

E-invoicing or **electronic invoicing** refers to a method of processing invoices (and/or the data pertaining to the invoice) in an electronic format and on a unified platform between buyers and suppliers.

What makes e-invoicing not only relevant, but significant right now is that it digitizes the entire invoicing cycle **leveraging data exchange** between the parties involved. As far as government regulations are concerned, e-invoicing under GST can prove to be (and perhaps does already so) a commendable step towards **avoiding data duplication** and **tax evasion** among other things.

### 2.PURPOSE OF E-INVOICE SYSTEM:

- a. The Basic aim behind the adoption of the E-invoice system is to reduce the submission of multiple statements and details by the taxpayers and help the purchaser to get the input tax credit easily.
- b. Auto Generation of E-way bill
- c. It aims at eliminating the generation of fake invoices.
- d. Document Trail for all B2B and export transactions will be maintained.

In this backdrop, we have attempted to formulate certain Frequently Asked Questions (FAQ) for easy understanding:

### 3. Who is required to issue an E-Invoice?

The registered person whose aggregate turnover exceeds Rs. 20 Crores in any financial year starting from 2017-18 need to register on E-invoicing Portal and issue E-invoices through the Portal

### 4. When does the E-invoicing amended turnover effective?

Registered suppliers with Turnover above Rs 20 cr need to generate E-invoice with effect from 1st April 2022. Till now this was applicable for those with Turnover above Rs 50 cr

### 5. Is it applicable for both goods and services?

E-invoice is applicable for both Goods and services

### 6. What is a taxpayer's obligation?

A taxpayer shall prepare invoices in electronic format in schema prescribed by the government and upload the invoice to an Invoice Registration Portal (IRP).

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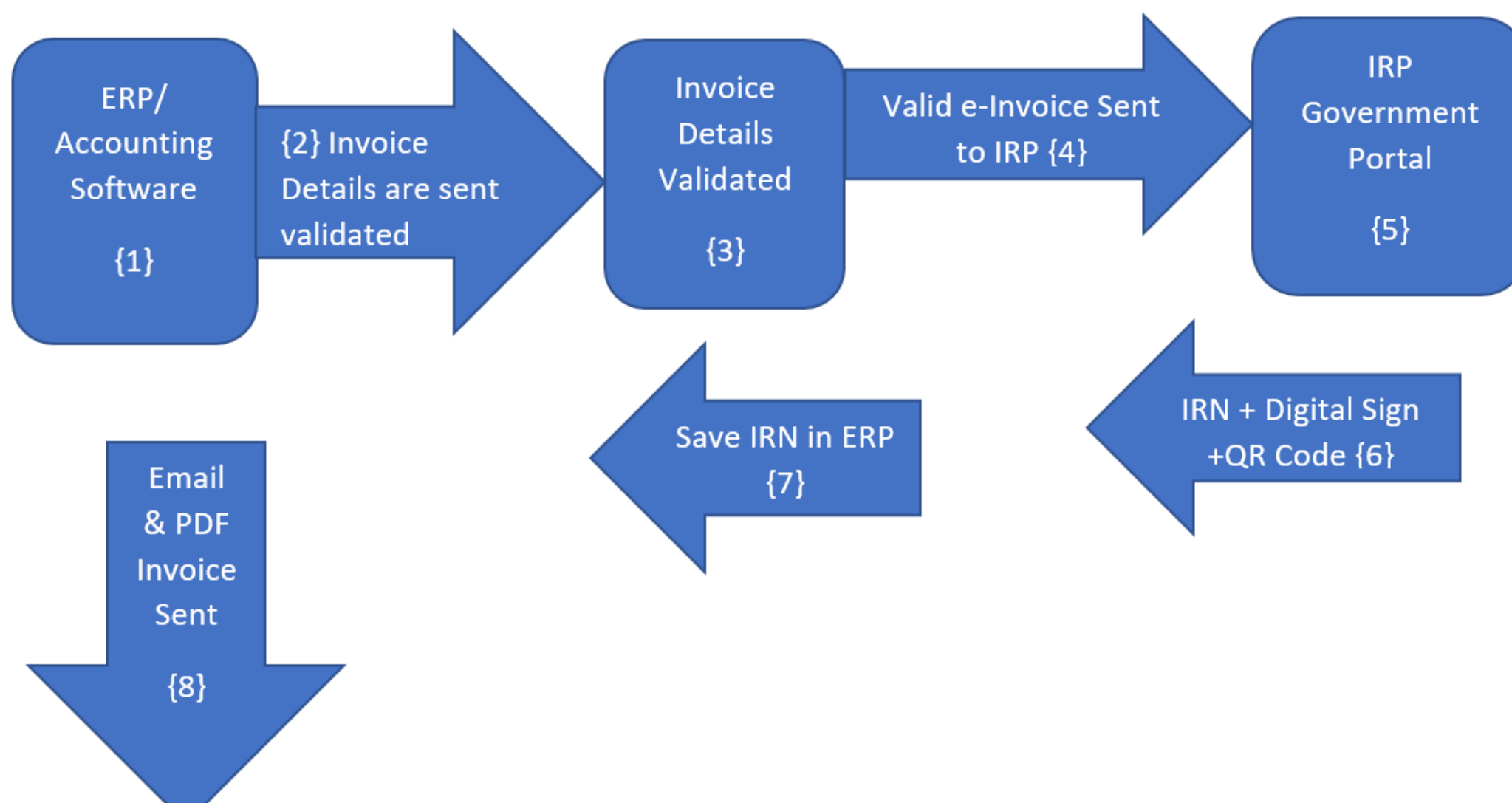
### 7. Is E-invoicing applicable in the case of the Supply of Export, Exempted supply, and B to C supply?

E-invoice needs to be prepared in case of Tax invoice /Credit note/ Debit note issued for Export of Goods/service and in case of Business 2 Business supplies. However, the E-invoice requirement is not applicable in the case of Exempted supply and Business to Consumer supplies. Ie for Retail invoices where the customer is not a registered dealer or is not interested in taking GST credit, one need not issue E-Invoice.

### 8. What is the consequence of the non-generation of E-invoice?

In case E-invoice is not generated for the B2B and export supplies, a Tax invoice will be treated as not a valid invoice and Input tax credit will be restricted in such cases to the buyer

### 9. The following image describes the workflow:



The above changes require a change in the business process or Standard Operating Procedures (SOPs) one is following for purchases and sales. It would require a certain configuration of your accounting/ERP systems with the GST portals. This would also need to train the team in generating E-invoices and reconciling the inward E-Invoices.

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