

FEDERATION OF CORRUGATED BOX MFRS. OF INDIA

President : MILAN KUMAR DEY (Kolkata)
Vice President : VINEET JAIN (Indore)
Hon. Secretary : DEENU SHETTY (Mumbai)
Hon. Treasurer : ROHIT BUBNA (Mumbai)
Ex. Officio : V. K. DEWAN (Jaipur)



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FCBM/042/2020-21

6th February 2021

**To,
The Constituent Members of FCBM**

Dear Members,

Sub: E INVOICE Alteration in circular Number - FCBM/040/2020-21

Further to the circular below, please note that turnover limit is expected to be reduced to 5.0 Crores w.e.f. 01.04.2021 as per the statement of revenue secretary subject to notification.

Regards,

**Alok Gupta
Chairman, Taxation Committee
& Taxation Team 2021**

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To,
The Constituent Members of FCBM

Dear Members,

Sub: E INVOICE

As you know the E-INVOICE is mandatory for a Dealer having turnover 5 Crore and above from 01.04.2021, you should know a few things about this, which I am sharing with you as below:

BASIC DETAILS REGARDING E-INVOICE

1. E-invoicing:- A notified class of registered persons have to prepare invoice by uploading specified particulars of the invoice on the Invoice Registration Portal (IRP) and obtain an Invoice Reference Number (IRN).

The invoice copy containing inter alia, the IRN with QR Code issued by the notified supplier to the buyer is commonly referred to as 'e-invoice' in GST.

There is a myth or misconception that e-invoicing means the generation of invoices from a central portal of the tax department (GSTN Portal).

E invoice does not mean the generation of invoices from a central portal of the tax department. It's a standard format of the invoice. The taxpayer would continue to use their existing accounting system / ERP or excel based tool for generating the invoice.

Notified Persons:- The notified classes of registered persons are those having an aggregate annual turnover in a financial year exceeds Rs 100 crores from January 1, 2021, and further reduced to 5 Crore from April 1, 2021, at PAN level. (The limit set earlier was a turnover of Rs 500 crore).

In respect of the supply of goods and /or services to a registered person. And notified for issuing e-invoice.

Invoice Registration Portal (IRP):- Invoice Registration Portal (IRP) is the website for uploading/reporting of invoices by the notified persons.

The invoice issued by the notified supplier without being registered at the IRP portal will be considered as an invalid invoice and Input Tax Credit is not available to the recipient on an invalid invoice.

Invoice Reference Number(IRN):- The Invoice Reference Number (IRN) is a unique number (also known as hash) generated by the Invoice Registration Portal (IRP) using a hash generation algorithm, under the e-

invoicing system.

A hash generation algorithm is a function that converts a message or a string consisting of characters (alphabets + numbers + certain special characters) into a series of numbers such that the resulting numbers cannot indicate the original message.

2. Applicability of E-Invoicing:- E-invoicing is mandatory w.e.f. 1st October 2020. It is applicable on Supplies to registered persons (B2B), Supplies to SEZs (with/without payment), Exports (with/without payment), Deemed Exports, by the notified class of taxpayers. It is applicable on Invoice, Debit Notes, Credit Notes & Export Invoice. E-invoicing is applicable for suppliers making supplies under Reverse Charge Mechanism.

In the case of B2B RCM invoices, if the supplier is notified to generate the IRN, he will do so with the RC flag in it, otherwise not required.

In the case of B2C RCM invoices or self invoices, IRN need not have to be generated. E-invoicing is applicable for supplies by notified persons to SEZs.

E-invoicing is not applicable to import, Bills of Entry. E-invoicing is not applicable to invoices issued by Input Service Distributor (ISD). E-invoicing is not applicable on B to C supplies.

The taxpayer having an annual aggregate turnover of less than INR 5 crores cannot opt for e-invoicing voluntarily.

3. Exemptions from E-invoicing:- Exemption from the implementation of e-invoicing to the following persons:-

(a) An Insurer, Banking Company, or Financial Institution including NBFC.

(b) Goods Transport Agency (GTA).

(c) Passenger Transport Service.

(d) Admission to the exhibition of Cinematograph Films in Multiplex Screens ie. PVR.

(e) An SEZ UNIT (SEZ DEVELOPER is not exempted) has also been exempted from the implementation of e-invoicing.

(f) Free Trade & Warehousing Zones (FTWZ) are also exempt from e-invoicing.

It is very important to note that Exemption is QUA BUSINESS and NOT QUA TAXPAYER. In other words, a taxpayer engaged in multiple lines of business within the same GSTIN needs to ascertain the activities which are not covered within the aforesaid exemptions. For Example, if a GTA is engaged in warehousing services and his aggregate turnover is more than Rs 500 crores, he is not exempted for issuing e-invoice.

4. Who Can generate E-Invoice:- E-invoice can be generated only by the suppliers.

The recipients and transporters cannot generate E-Invoice.

The taxpayer having an annual aggregate turnover of less than INR 5 crores cannot generate for e-invoicing voluntarily.

In case, aggregate turnover decreases for less than 5 crores in the subsequent year, in that case, the taxpayer has to generate e-invoice irrespective of turnover.

5. Various modes for the generation of e-invoice:-

a. API based (integration with Taxpayer's System directly)

b. API based (integration with Taxpayer's System through GSP/ASP)

c. Free Offline Utility ('Bulk Generation Tool', downloadable from IRP)

Web-based / mobile app-based modes will also be provided in the future.

6. AMENDMENT OF E-INVOICE:- If there is a mistake, incorrect or wrong entry in the e-invoice, then it cannot be edited or corrected. The only option is to cancel that invoice/IRN and report a new document (with a new number) and generate a fresh IRN.

Any changes in the invoice details reported to IRP can be carried out on the GST portal (while filing GSTR-1). However, these changes will be flagged to the proper officer for information.

7. CANCELLATION OF E INVOICE:- The cancellation request can be triggered through 'Cancel API' within 24 hours from the time of the reporting invoice to IRP.

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

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

Once an IRN is cancelled, the concerned invoice number cannot be used again to generate another e-invoice/IRN. Partial cancellation of reported e-invoice is not allowed.

8. E INVOICE & E-WAY BILL:- The user of the E Way portal can use EWB login credentials to login to the e-invoice system.

9. E INVOICE & GST RETURNS:- E-invoice details be pushed to the GST System. On successful reporting of invoice details to IRP, the invoice data (payload) including IRN, will be saved in GST System. The GST system will auto-populate them into GSTR-1 of the supplier and GSTR-2A of respective receivers. With source marked as 'e-invoice', IRN and IRN date will also be shown in GSTR1 and GSTR2.

10. Any changes in the invoice details reported to IRP can be carried out on the GST portal (while filing GSTR-1). However, these changes will be flagged to the proper officer for information. In case of cancellation of IRN, GSTR-1 also will be updated with such 'cancelled' status.

Table 4A, 4B, 4C, 6A, 6B, 6C, 9B, and 12 of GSTR 1 will be auto-populated i.e. B2B, exports, Registered DN, Registered CN, and HSN.

Invoice in GSTR 1, GSTR 2A, and GSTR 6A will be auto-populated on a T+1 basis as data will be pulled in GSTN from IRP every night and once stabilized it will be reflected in a real-time basis.

Hope this article will help you in understand E-INVOICING.

Regards,

Alok Gupta

Chairman, Taxation Committee
& Taxation Team 2021

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