

E-Invoice - A path breaking initiative completes one month on 31st October

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Path breaking e-invoice initiative which completed one month on the 31st October, is poised to revolutionize the way businesses interact with each other. According to NIC, within the first month of introduction itself, more than 495 Lakh e-invoices were generated on the NIC portal by 27,400 tax payers. The e-invoice system, the game changer in the GST system, was launched on 1st October, 2020 for the businesses with aggregate turnover of more than Rs. 500 Crores in the financial year. It will be yet another milestone in India's journey in enhancing ease of doing business. The data captured by the Invoice Registration Portal will flow seamlessly to GSTR1 return of the tax payer in GST Common Portal (gst.gov.in), thus reducing the compliance burden.

Starting with 8.4 Lakh e-invoices on 1st October, 2020, the usage has gradually picked up and 31st October, 2020 saw generation of as many as 35 lakh e-invoices in a single day. This coupled with generation of 641 Lakh e-way bills during the month of October, 2020, (by far the highest in a month during two and half years of journey of e-way bill system), establishes the robustness of the system. As per the feedback received from the tax payers, the response of the system is good and generation of IRNs is hassle-free. Proactive communication by NIC Help desk with tax payers has helped them in fine-tuning their systems to reduce the errors.

Currently, there are three modes of generations of IRN in NIC system. First is the direct API interface of ERP system of tax payer with NIC system. Second is the API interface of ERP system of the tax payer through GSP with NIC system. Third is using the offline tool for bulk uploading of invoices and generating IRNs. Around 15% of the tax payers are using the offline tool for the IRN generations and 85% are integrating through API. The Government is planning to reduce the aggregate turnover cut off to Rs.100 Crores for generation of IRN by the tax payers in coming days. NIC has already enabled the API and offline tool based trial sites for these tax payers and geared up with the required infrastructure to handle the generation of e-invoices from these tax payers.

Keeping requirements of small tax payers in view, who need to prepare 5-10 B2B invoices in a day, NIC is also developing an offline Excel based IRN preparation and IRN printing tool which will allow them to enter the invoice details, prepare the file to upload on NIC IRN portal, download the IRN with QR code and print the e-invoice with QR code. Presently, the generation of IRN using API interface is allowed for businesses with aggregate turnover more than Rs.500 crores, GSPs and shortlisted ERPs. Now, direct access will be extended to the tax payers using E-way Bill API interface. Generally, the big businesses will enable their suppliers and clients to use their ERP/SAP systems for generation of invoices. Therefore, it has been decided to facilitate them to enable their suppliers and clients to use their integration channels.