

**Conclave on
“E-invoicing & New GST Return Format and Two & a Half Years of Goods & Services Tax –
Where we stand and where we want to”**

(Post Event Report- Event held on 14th February 2020 at PHD House, New Delhi)

PHD Chamber of Commerce and Industry organised a Conclave on **“E-invoicing & New GST Return Format and Two & a Half Years of Goods & Services Tax – Where we stand and where we want to”** on Friday, 14 February 2020 at PHD House, New Delhi. **Shri Prakash Kumar**, CEO, Goods and Services Tax Network graced the occasion as Chief Guest. **Shri Ravi Kiran Edara**, VP (Services), GSTN, **Shri Jagmal Singh**, VP (Services), GSTN and **Shri Kumar Vivek**, AVP (Services), GSTN also addressed the delegates in the technical session. The other eminent speakers were **Shri Sanjay Aggarwal**, Senior Vice President, PHD Chamber; **Shri N K Gupta**, Chairman, Indirect Taxes Committee, PHD Chamber; **Dr. Gaurav Gupta**, Co-Chairman, Indirect Taxes Committee, PHD Chamber; **Shri Onkar Sharma**, Senior Associates, Advaita Legal; **Shri Shivam Mehta**, Partner, Lakshmikumaran&Sridharan and **Shri Deepak Suneja**, Associate Partner, Nitya Tax Associates

**Glimpse of the Conclave on
“E-invoicing & New GST Return Format and Two & a Half Years of Goods & Services Tax – Where
we stand and where we want to”**



From Left to Right: **Shri Prakash Kumar**, CEO, Goods and Services Tax Network; **Dr S P Sharma**, Chief Economist, PHD Chamber; **Shri N K Gupta**, Chairman, Indirect Taxes Committee, PHD Chamber, **Shri Sanjay Aggarwal**, Senior Vice President, PHD Chamber and **Dr. Gaurav Gupta**, Co-Chairman, Indirect Taxes Committee, PHD Chamber



From Left to Right: **Shri Onkar Sharma**, Senior Associates, Advaita Legal; **Shri N K Gupta**, Chairman, Indirect Taxes Committee, PHD Chamber; **Shri Kumar Vivek**, AVP (Services), GSTN; **Dr. Gaurav Gupta**, Co-Chairman, Indirect Taxes Committee, PHD Chamber; **Shri Jagmal Singh**, VP (Services), GSTN; **Shri Ravi Kiran Edara**, VP (Services), GSTN



Audience at the GST Conclave



From Left to Right: **Shri Deepak Suneja**, Associate Partner, Nitya Tax Associates; **Shri N K Gupta**, Chairman, Indirect Taxes Committee, PHD Chamber; **Shri Shivam Mehta**, Partner, Lakshmikumaran&Sridharan; **Dr. Gaurav Gupta**, Co-Chairman, Indirect Taxes Committee, PHD Chamber

Shri Prakash kumar, CEO, GSTN while speaking at PHD Chamber's Conclave on E-invoicing & New GST Return Format mentioned that E- invoicing is a step towards improving ease of doing business and reporting for GST. He highlighted that manual data entry leads to transcription errors and wrong entries. There is a need for standard to ensure complete inter-operability. He accentuated that economies in the OECD high income group are at forefront of invoice digitization. He also added that the aim is to make it part of business process of taxpayers and eliminate all reporting.

Shri Ravi K Edara, VP (Services), GSTN in his technical presentation highlighted the features of an e-invoicing system and clarifies questions around important terms like IRN, Digital signatures etc, under the new e-invoicing system. He stated that once a taxpayer uploads their software generated invoice to the Invoice Registration Portal, a unique invoice reference number is generated by the system. This unique IRN will be based on the computation of the hash of the GSTIN mentioned on the document (invoice or credit note etc.), the year and the document/invoice number. This hash will be as published in the e-invoice standard and unique for this combination.

Shri Jagmal Singh, VP (Services), GSTN said that the GST Network (GSTN) has introduced an interactive web-based prototype of the Offline Tool of the new return system. With this demo version of the prototype, a taxpayer will be able to navigate across different pages. This prototype will also allow a user to experience various functionalities such as drop-down menus, upload of invoices, upload of the purchase for verifying with inward supplies (system-created), etc. A taxpayer will be able to analyse and experience the practical aspects of the simplified GST returns with this prototype. A user can then share feedback or suggestions with the GSTN.

Shri Kumar Vivek, AVP (Services), GSTN outlined the E-Invoicing workflow. He stated that Once the invoice is generated by the seller using their own accounting or billing system, it needs to be uploaded to the invoice registration portal. Once the invoice is uploaded to the Invoice Registration Portal, the system will generate a unique Invoice Reference Number (IRN) (in technical terms, it will be a hash of 3 parameters using a standard and well known hash generation algorithm. The seller is required to upload the JSON of the e-invoice (along with the hash, if generated) into the IRP. The IRP will validate the hash of the uploaded JSON, if uploaded by the supplier. One of the most significant benefits of integrating the e-invoicing system into your business operations is sharing the uploaded data with the GST and e-way bill system - this means no more multiple data entry.

Shri Sanjay Aggarwal, Senior Vice President, PHD Chamber in his remarks mentioned that e-invoice is

the future means of electronic billing. It has been adopted by many governments internationally. It has been implemented in a staggering manner over a period of time, initially launched for B2B (Business to Business) and B2G (Business to Government). Issue of e-invoices by the taxpayers registered under GST having a turnover above Rs 500 crores has been notified on 13th Dec 2019. It is optional to issue from 1st Jan 2020 and mandatory from 1st April 2020. These notifications have been issued followed by the decision taken in the GST Council in its 37th GST Council Meeting.

Shri N K Gupta, Chairman, Indirect Taxes Committee, PHD Chamber in his theme presentation stated that E-invoicing is the new system through which business to business (B2B) transactions are authenticated electronically by GSTN for further use on the common GSTN portal. This is a major step in the push for a digital economy. He appreciated that GSTN is improving every day and GST is digitized to a great extent. Further he highlighted that a system of cash reward is envisaged to incentivize customers to seek invoice. Deep data analytics and AI tools are being used for crackdown on GST input tax credit, refund, and other frauds and to identify all those who are trying to game the system. Invoice and input tax credit matching is being done wherein returns having mismatch more than 10 percent or above a threshold are identified and pursued.

Dr. Gaurav Gupta, Co-chairman, Indirect Taxes Committee said that e-Invoice will boost the automation when it comes to GST return filing process. GSTR filing currently involves immense manual work that is prone to errors. E-invoicing can bring ease, speed and accuracy to this process. Once IRN is issued, it will update the Annx – 1 of the Supplier & if e-waybill is required to be issued, Part – A of the same will be updated. It will also update the Anx-2 of the recipient. Updating GST Returns also saves lot of time, human errors for data entry and also avoids major reconciliation issues.

Shri Onkar Sharma, Senior Associates, Advaita Legal in his presentation highlighted the distortion of GST design through Compensation Cess and Health Cess. He mentioned that the Supreme Court relied on Article 271 of the Constitution to conclude that the Centre is authorised to levy cess by exercising its power under the said article. Further, it stated that when Article 248 is read with Article 246 and 246A, it clearly indicates that residuary power of legislation is with the parliament. It clarified that while GST was enacted to subsume various cess, however, there is no bar in respect of levy of any new cess. Further he discussed in detailed the technical glitches in respect of TRAN-1, detention provisions under GST, Potential glitches with proposed E-invoicing system and other GST related issues.

Shri Shivam Mehta, Partner, Lakshmikumaran&Sridharan in his presentation provided detailed analysis of changes in GST, Customs and Foreign Trade Policy in Union Budget 2021. He said that according to the amended Section 16(4)- "A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier".

Shri Deepak Suneja, Associate Partner, Nitya Tax Associates highlighted that 'E-invoicing' or 'electronic invoicing' is a system in which B2B invoices are authenticated electronically by GSTN for further use on the common GST portal. Under the proposed electronic invoicing system, an identification number will be issued against every invoice by the Invoice Registration Portal (IRP) to be managed by the GST Network (GSTN). All invoice information will be transferred from this portal to both the GST portal and e-way bill portal in real-time. Therefore, it will eliminate the need for manual data entry while filing ANX-1/GST returns as well as generation of part-A of the e-way bills, as the information is passed directly by the IRP to GST portal.

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Regards,

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