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THE NEWSLETTER

UPDATE YOURSELF

IGST on Ocean Freight Held to Be Unconstitutional

A division bench of the High Court of Gujarat ("**HC**") in the case of ***Mohit Minerals Pvt. Ltd. Vs Union of India*** [R/S.C.A. 726/2018 dated 23.01.2020] held that the Notification demanding Integrated Goods and Service Tax ("**IGST**") on ocean freight services is unconstitutional and ultra-vires. Under GST law liability to pay tax is on the supplier of goods/service. However, in case of reverse charge mechanism, for certain goods and services, the liability to pay tax has been shifted to the 'recipient of service.' In the present case, the Petitioners had challenged **Entry No. 10 of Notification No. 10/2017-IT(R) dated 28.06.2017** wherein the liability to pay the IGST under reverse Charge basis was casted on the Importer even though the 'Importer' is not the 'service recipient' in the case of Import on Cost, Insurance and Freight basis. It was further contended that such levy amounted to double taxation for the importers as the value of ocean freight services is already included in the valuation of goods on which IGST is paid at the time of Import. Further, it was also contended that the transaction in present case is in relation to service of transportation of goods by a person in non-taxable territory to another person in a non-taxable territory. Thus, the said services are not covered within the ambit of IGST Act. Additionally, it was argued that the said services are neither 'inter-state supply' nor 'intra-state supply', thus, no tax is not leviable on the same under GST regime. The Hon'ble High Court accepted the said contentions raised by the Petitioners and held that the challenged notifications were unconstitutional and ultra vires.

Section 50C is Not Applicable in Case of Lease Rights in Land

In the recent case of **Ritz Suppliers (P.) Ltd. vs. Income-tax Officer, Kolkata** [I.T.A. No. 1945/Kol/2019 dated 17.01.2020][2020] 113 taxmann.com 349, the Hon'ble Kolkata Income Tax TribunalAppellate Tribunal, Kolkata ("**ITAT**") held that in case of transfer of lease rights in land, the provisions of Section 50C of the Income-tax Act, 1961 ("**IT Act**") are not applicable as there is no transfer of any land or building or both. Brief facts of the case are that during FY 2015-16, the Assessee company sold leasehold rights in a property for a consideration of Rs. 1,25,92,000/-. The said property was valued by the Stamp Valuation Authority ("**SVA**") at Rs. 1,64,89,440/-. On account of the difference between the consideration and value adopted by the SVA, the AO enquired the Assessee regarding the reason for such difference. The Assessee

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contended that only the leasehold rights in the property were transferred due to which the provisions of Section 50C of the IT Act were not applicable. However, the AO did not accept the submissions made by the Assessee and taxed the difference between the consideration and the value adopted by SVA u/s 50C of the IT Act. The Commissioner of Income Tax (Appeals) ("**CIT(A)**") also confirmed the Assessment Order. On appeal to ITAT, the Hon'ble ITAT observed that Section 50C of the IT Act is a deeming fiction for substituting, adopting the valuation of land or building or both by the Stamp Valuation Authority as full value of consideration only in respect of 'land or building or both'. If the capital asset under transfer cannot be described as 'land or building or both', then Section 50C of the IT Act cannot be attracted. From the facts of the case narrated above, it is seen that the Assessee was allotted lease right in the unit for a period of 99 years, which right was further assigned to the transferee. Since in this case, neither 'land or building or both' has been transferred, Section 50C of the IT Act cannot be attracted. The distinction between a capital asset being 'land or building or both' and any 'right in land or building or both' is well recognized under the IT Act itself. Considering the fact that we are dealing with special provision for full value of consideration in certain cases u/s 50C of the IT Act, which is a deeming provision, the fiction created in this section cannot be extended to any asset other than those specifically provided therein. As Section 50C of the IT Act applies only to a capital asset, being land or building or both, it cannot be made applicable to lease rights in a land. Since the Assessee has transferred leasehold right for 99 years in the shop and not land itself, the provisions of Section 50C of the IT Act cannot be invoked. Hence, the full value of consideration in the instant case shall be taken as Rs.1,25,92,000/- and the order passed by the CIT(A) was set aside.

GST Refund Claims can be Filed by Exporters for Two Separate, Non-Successive Financial Years

The High Court of Delhi ("**Delhi HC**") in the case of **M/s Pitambra Books Pvt. Ltd vs Union of India & Ors** [W.P.(C) 627/2020 decided on 21.01.2020], has discussed validity of Para 8 of **Circular No. 125/44/2013/GST dated 18.11.2019 ("Impugned Circular")**, which prevented refund claims for a period of two separate, non-successive financial years to exporters. The said para of the Circular reads as under:

8. The applicant, at his option, may file a refund claim for a tax period or by clubbing successive tax periods. The period for which refund claim has been filed, however, ***cannot spread across different financial years.***

In this case, the petitioner procured raw material from the domestic market after paying GST and manufactured the final product in the months from November 2017 to June 2018. However, the production of these months was exported only in June 2018. Therefore, the ITC earned by the petitioner spread over two financial years i.e. 2017-18 and 2018-19 lead to accumulated unutilised ITC on account of export of goods. As per the above circular, the petitioner was prevented from filing a claim for different financial years. The Delhi HC observed that respondent cannot act contrary to the fundamental spirit and object of the law by artificially contriving ways to deny a substantive benefit which was conferred on the tax payers by the statute. Hence, the Delhi HC issued a stay on the effect of Para 8 of the Impugned Circular and directed the Respondents to either open the online portal so as to enable the petitioner to file the tax refund electronically, or to accept the same manually within 4 weeks of this order.

SEBI Streamlines Process of Rights Issue

Securities and Exchange Board of India ("**SEBI**") vide ***Circular No. SEBI/ HO/ CFD/ DIL2/ CIR/ P/ 2020/ 13 dated 22.01.2020*** **("Circular")** has simplified the process of rights issue of shares to make it more effective and efficient by making suitable amendments to the SEBI (Issue of Capital and disclosure requirements) Regulations, 2018 ("**ICDR Regulations**") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"). The Circular will be applicable for all rights issues and fast track rights issue where the letter of offer is filed with the stock exchanges on or after 14.02.2020. Further Annexure I of the Circular provides for the procedures on the Rights issue process which all entities involved in Rights issue shall comply with. The period of advance notice for the record date to be served to the stock exchange as required under **Regulation 42(2)** of the LODR Regulations vide the Circular has been reduced from 7 workings days to 3 workings days.

Further, the issuance of a newspaper advertisement for disclosure of the date of completion of dispatch of letter of offer and for intimation of the same to the Stock Exchange for dissemination on their website, as required under **Regulation 84(1)** of ICDR, is to be completed by the Issuer at least 2 days before the opening of the Issue instead of earlier requirement of 3 days. Further, through the Circular, SEBI has introduced dematerialized Rights Entitlements ("**RE**"). In the letter of offer or abridge letter of offer, the Issuer shall disclose the process of the credit of RE in the demat account and renunciation. The REs with a separate ISIN shall be credited to the demat account of the shareholders before the opening of the issue, against the shares held by them on the record date.

Supreme Court Recommends Amendment in Anti-Defection Law

In the case of ***Keisham Meghchandra Singh vs. The Hon'ble Speaker, Manipur Legislative Assembly and Ors.*** [Civil Appeal No. 547 of 2020, decided on 21.01.2020], the Hon'ble Supreme Court has decided that it is time that Parliament amends the law with regards to defection complaints being decided by the Speaker or the Chairman when they continue to be associated with a political party. To ensure fairness in our democracy, the constitutional power of the Speaker of a legislative assembly to decide a matter of disqualification of MLAs for defection under the 10th Schedule of the Constitution should be reposed in a permanent Tribunal chaired by a retired Judge of the Hon'ble Supreme Court or a retired Chief Justice of a Hon'ble High Court. In the present case, in Manipur Legislative Assembly ("**Assembly**"), where 31 seats in an Assembly of 60 seats are required in order to form the Government, the elections produced an inconclusive result. A minister who was elected from the Congress party defected to BJP along with 12 other MLAs after the election and staked claim before the Hon'ble Governor of Manipur to form the government against which a complaint was filed by the petitioner with the Hon'ble Speaker of the Assembly. Meanwhile, as the petition before the Hon'ble Speaker was being delayed without a decision, a writ petition was filed before the Hon'ble High Court of Manipur ("**High Court**"). The High Court ruled that the office of the Speaker is a quasi-judicial office and the disputes referred must be decided within a reasonable time which should not be more than five years which is the life of the Assembly itself. As the MLA won the election from the Congress Party but became a minister in the BJP after the election shows that he stands disqualified under Clause 2(1)(a) of the 10th Schedule of the Constitution. However, as a simi-

lar issue was pending before the Hon'ble Supreme Court, the High Court did not pass any order. The Hon'ble Supreme Court, while deciding the matter, referred to its judgment in the case of ***Kihoto Hollohan vs. Zachillhu and Ors***. [1992 SCR (1) 686] wherein it opined that the Speaker and the Chairman while adjudicating disputes under the 10th Schedule of the Constitution act as a Tribunal and their decisions in such capacity are subject to judicial review. Thereby, the Hon'ble Supreme Court ruled that the Hon'ble Speaker failed in his constitutional duty to exercise his jurisdiction under the 10th Schedule of the Constitution and accepted a clear case of defection as a split merely on the basis of the claim and chose not to decide the dispute regarding the defection of the MLAs.

Mineral Laws (Amendment) Ordinance 2020

The ***Mineral Laws (Amendment) Ordinance 2020*** was promulgated on 10.01.2020 by the Union Cabinet to amend the Coal Mine (Special Provisions) Act, 2015 ("**CMA**") and the Mines and Minerals (Development and Regulation) Act, 1957 ("**MMDRA**") to liberalize the norms for entry into coal mining and relax regulations on mining and selling coal in the country and provide operational flexibility to persons engaged in mining. Until now only those in power in iron and steel, and coal washery business could bid for mines and the bidders needed prior experience of mining in India which effectively limited the potential bidders to a select circle of players and thus limited the value that the government could extract from the bidding. The key amendments brought by the Ordinance are mentioned herein below:

- Eligibility to participate in coal auctions: The requirement of carrying on coal mining operations in India has been done away with, enabling other players to also participate in competitive bidding for reconnaissance permit, prospecting license/mining lease ("**Mining Concessions**"), subject to meeting the bidding criteria specified therein.

- Removal of end-use restrictions on minerals: Earlier, only companies engaged in a 'specified end-use' were considered eligible to bid in the auction of Mining Concessions for certain mines in Schedule II and III of the CMA. This eligibility restriction has now been removed though the Central Government retains the right to prescribe end-use restrictions for coal mines.
- Use of coal in holding/subsidiary company: The use of coal in the allottee's plants engaged in common specified end-use under the CMA has been expanded to include the use of coal in the plants of the subsidiary/holding company as well.
- Removal of approval redundancies: The requirement for State Governments to obtain approval of Central Government to grant Mining Concessions even for mines where such reservation/allocation made by the Central Government has been done away with.
- Inclusion of provision for reallocation of mines in CMA: Clarification given for right in favour of erstwhile allottees in case of a termination of allocation to receive compensation for the land and mine infrastructure.
- Transfer of approvals: In respect of minerals other than those specified in Part A and Part B of first schedule of the MMDRA (that is, other than coal, lignite and atomic minerals), a successful bidder is now deemed to acquire all rights, approvals, clearances and licenses vested with the previous lessee for a period of two years within which the allottee will be required to obtain the same.
- Right accorded to the holder of an NERP: The MMDRA did not permit the holder of a non-exclusive reconnaissance permit (NERP) to make a claim for grant of mining lease (ML) or a prospecting license-cum-mining lease (PLML). This has been diluted in respect of 'deep seated' or other specified minerals whereby, an NERP holder may make an application for grant of ML/PLML through the auction process as prescribed after

undertaking specified levels of exploration.

The government endeavor is to attract large investment in mining which will create jobs and set off demand in critical sectors such as mining equipment and heavy commercial vehicles. Infusion of sophisticated mining technology, especially for underground mines may be expected if multinationals decide to invest after such relaxation .

Highlights of Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020

The Insolvency and Bankruptcy Board of India had introduced amendments to the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("**Regulation**") through the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020 ("**Amendment**") notified *vide* ***Notification No. IBBI/2019-20/GN/REG053 dated 06.01.2020***. The Amendment has introduced the following major changes to the Regulations w.e.f. 06.01.2020:

1. The Amendment clarifies that a person who is not eligible under the Insolvency and Bankruptcy Code, 2016 ("**IBC**") to submit a resolution plan for insolvency resolution of a corporate debtor u/s 29A of the IBC will not be a party in any manner to a compromise or arrangement of the corporate debtor u/s 230 of the Companies Act, 2013.
2. Further, in the event that a secured creditor sells or transfer a security interest in asset of the corporate debtor, he is barred to sell or transfer such asset to any person who is not eligible u/s 29A of the IBC to submit a resolution plan for insolvency resolution of the corporate debtor.
3. Additionally, a secured creditor, who proceeds to realize its security interest, is required to contribute its share of the insolvency resolution process cost, liquidation process cost and workmen's dues, within 90 days of the liquidation commencement date. Such a creditor shall also pay excess of realized value of the asset, which is subject to security interest, over the amount of its claims admitted, within 180 days of the liquidation commencement date. Where the secured creditor fails to pay such amounts to the Liquidator within 90 days or 180 days, as the case may be, the asset shall become part of Liquidation Estate.
4. The Amendment mandates that a Liquidator deposit all amounts of unclaimed dividends, if any, and undistributed proceeds, in a liquidation process along with any income earned thereon into the Corporate Liquidation Account before an application for dissolution of the corporate debtor is submitted. Further, The Amendment also lays down a process for a stakeholder to seek withdrawal of amount it is entitled to receive from liquidation from the Corporate Liquidation Account.

KEY TAKE AWAYS

- The Ministry of Home Affairs *vide* ***Notification S. O. 172 (E) dated 10.01.2020*** has notified that the Citizenship (Amendment) Act, 2019 shall come into force from 10.01.2020.

- The ***Constitution (104th Amendment) Act, 2019*** received the assent of the President on the 21.01.2020 and came into force on 25.01.2020. The Act extends reservation for ten years for Scheduled Caste and Scheduled Tribes to Lok Sabha and State Assemblies and does away with the provision for nomination of Anglo Indians.

- The Ministry of Finance *vide* ***Notification dated 08.01.2020*** has notified the Clearing Corporation of India as a Stock Exchange as a collecting agent u/s 34A (2) of the Payment and Settlement Systems Act, 2007.

- The Ministry of Finance *vide* ***Notification No. 05/2020-Central Tax dated 13.01.2020*** in pursuance of S. 5 r/w S. 2(99) of CGST Act, 2017 has authorized the Principal Commissioner of Central Tax and the Additional or Joint Commissioner of Central Tax as Revisional Authority u/s 108 of the Act.

- The Ministry of Law and Justice *vide* ***Notification G.S.R. 38 (E) dated 17.01.2020*** has declared the United Arab Emirates to be a reciprocating territory u/s 44A Explanation 1 of the Code of Civil Procedure.

- The Ministry of Corporate Affairs *vide* ***Notification dated 30.01.2020*** has amended the Companies (Accounts) Rules, 2014 by adding Rule 12 (1A) which states that every NBFC required to comply with Ind AS shall file financial statements with Form AOC-4 NBFC (Ind AS) and consolidated financial statement with Form AOC-4 CFS NBFC (Ind AS).

- The Ministry of Corporate Affairs vide ***General Circular No. 02/2020 dated 30.01.2020*** has informed that AOC-4 NBFC (Ind AS) and AOC-4 CFS NBFC (Ind AS) shall be deployed on 31.01.2020 and 17.02.2020 respectively and thereby the last date of filing has been extended till 31.03.2020.

- The National Consumer Dispute Redressal Commission, New Delhi in the case of ***Manu Solanki & Ors. vs. Vinayaka Mission University*** *[CC No. 261/2012 dated 20.01.2020]* has held that 'educational institutions' do not impart 'services' and hence the consumer forum does not have jurisdiction to entertain complaints against them.

- The High Court of Kerala in the case of ***Tata Consultancy Services Ltd. vs. State of Kerala*** *[WA.No.979 OF 2018 dated 23.01.2020]* has struck down Rule 21A(2) of the Kerala Minimum Wages (Amendment) Rules 2015 which mandated the payment of wages electronically through bank accounts.

- The High Court of Delhi in the case of ***Union of India vs. Raju Kumar Shah*** *[WP (C) 3495/2015 dated 20.01.2020]* held that the office of a Controller General of Patents, Designs and Trade Marks is an industry u/s 2(j) of the Industrial Disputes Act and thus directed reinstatement of workers illegally retrenched from their services.

- The ***Transgender Persons (Protection of Rights) Act, 2019*** which has received the assent of the President on 05.12.2019 came into force from 10.01.2020.

KNOWLEDGE CENTRE

FAQ's on New regime for Trusts, Institutions and Funds by Union Budget 2020-21 w.e.f. 01.06.2020

Registration of existing entities

Q: Whether all the existing entities registered/notified/approved u/s 12A/12AA/10 (23C)/80Ghave to apply for registration again?

A: Yes, they have to apply for registration again within 3 months of new provisions coming into force.

Q: Whether such new registration be valid for lifelong?

A: No, it shall be valid for a maximum period of 5 years at one time calculated from 01.04.2020.

Q: What is the procedure to apply for new registration?

A: It will be prescribed by the Government in due course. It is expected to be in the form of an online application.

Q: How much time would it take to revalidate such existing registrations as new registrations?

A: It shall be revalidated within 3 months from the end of the month in which application is received by the prescribed authority.

Registration of new entities

Q: What is the procedure to apply for registrations for new entities/trusts?

A: An application has to be made in prescribed form which would be notified in due course. It should be made 1 month prior to the commencement of the year relevant to the A.Y. from which the said registration is sought. For eg: If registration (benefit of exemption) is needed from A.Y.2022-23, an application for registration shall be made by 28.02.2021.

Q: How long such registration will be valid?

A: Registrations shall be granted provisionally for a period of 3 years initially.

Q: What about the applications pending for registration at present? Do they need to be made again?

A: No, all pending applications would be deemed to be new applications w.e.f. 01.06.2020

Q: Whether any inquiry will be conducted for grant of registration?

A: No inquiry will be conducted when provisional registration is granted. However later it may be conducted.

Q: On the basis of provisional registration, whether activities can be conducted for 3 years without any other procedure?

A: No. Application has to be made for final registration within 6 months of commencement of activities or before 6 months of expiry of provisional registration whichever is earlier.

Q: In how much time will the registration to new entities/trust be granted?

A: Provisional registration would be granted within one month from the end of the month in which application is made. Final registration would be granted against provi-

sional registration within 6 months from the end of the month in which application is made after verification of documents and inquiry.

Q: Can the registration be denied/ cancelled?

A: Yes when applying for final registration against provisional one or when application is made pursuant to modification of objects of trust, if the prescribed authority is not satisfied with the documents received or inquiry made, it may reject the application or cancel the existing registration after giving a reasonable opportunity of being heard.

Statement and Certificate to be furnished by Donee

Q; What new statements are to be filed by Donees?

A:A statement in prescribed form giving details about sums of donations received from donee shall be furnished. A certificate shall also be issued to the donor to enable him to claim the deduction. This mechanism will be a cross check between the sums received by the Donee and the sums claimed as a deduction by the Donor.

Q: Is it mandatory to file such statement and deliver such certificate?

A: Yes because the Donee will get deduction only on this basis. Further, if compliance is not made, a late fees of Rs. 200/- per day of default subject to maximum of donation amount will be levied u/s 234G as proposed. Further a penalty between Rs. 10,000/- to Rs. 1,00,000/- may also be levied u/s 271K.

Exemption u/s 10(23C)/10(46) or Section 11

Q: Can exemption be claimed u/s 10(46) of the IT Act even when the trust is registered u/s 12A/12AA?

A: No, the new regime provides that a trust already registered u/s 12A/12AA will be eligible to apply for exemption u/s 10(46) but consequently, the registration u/s 12A/12AA/12AB shall become inoperative.

Q: Can simultaneous exemption be claimed u/s 10(23C)/10(46) and Section 11?

A: No, when the new provisions come into force, exemption shall be available either only u/s 11 or u/s 10(23C)/10(46).

Q: Once registration u/s 12AB becomes inoperative, can it be taken again?

A: Yes, subject to the condition that approval u/s 10(23C)/10(46) shall become ineffective.

Q: Can switchover be made from Section 10(23C)/10(46) to Section 11 for exemption from year to year?

A: No, switchover can be made only once.

The above amendments are proposed to be made applicable w.e.f. 01.06.2020

EDITORIAL

Note on E-Invoice

By CA Palash Sharma

GST Council in its 37th meeting approved the introduction of Electronic Invoicing or E-invoice in phased manner for reporting of B2B transactions with effect from 1st January, 2020 on voluntary basis for the registered persons having turnover of more than Rs.500 crore and on mandatory basis w.e.f. 1st April, 2020 for the notified persons. In this regard, the Central Government *vide* Notification No. 68/2019-Central Tax dt. 13th December, 2019 inserted sub-rule (4) in Rule 48 of the Central Goods and Services Tax Rule, 2017 ("***CGST Rules***") wherein the notified registered persons are required to prepare the invoice from the **Common Goods and Services Tax Portal** ("***Electronic Portal***"). The said rule reads as under:

Rule48: Manner of issuing invoice

(1) The invoice shall be prepared in triplicate, in the case of supply of goods, in the following manner, namely,—
(a)the original copy being marked as ORIGINAL FOR RECIPIENT;
(b)the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
(c)the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
(2) The invoice shall be prepared in duplicate, in the case of the supply of services, in the following manner, namely,—
(a)the original copy being marked as ORIGINAL FOR RECIPIENT; and
(b)the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
(3) The serial number of invoices issued during a tax period shall be furnished electronically through the common portal in FORM GSTR-1.
(4) The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.
(5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.
(6) The provisions of sub-rules (1) and (2) shall not apply to an invoice prepared in the manner specified in sub-rule (4).

As per the above rule, the e-invoice shall be prepared after obtaining the Invoice Reference Number (**IRN**) and shall contain such particulars as are mentioned in Form GST INV-01. In the process of generation of IRN and then preparation of e-invoice, the portals notified by the government has a check functionality to prevent the duplication of invoice issued by the seller during the financial year.

It is important to mention that from the bare perusal of the above provision it appears that it mandates the notified persons to generate invoices only, through electronic portal. However, from the perusal of the note and FAQs available on the website of GSTN, it is evident that following documents that will also be required to be generated through the said portal

by the supplier:

- Invoice by Supplier
- Credit Note by Supplier
- Debit Note by Supplier
- Any other document as required by law to be reported by the creator of the document (as notified by the Government from time to time).

TRANSACTION TYPES

Further, as per GSTN website, e-invoice can be made only for the following types of transactions:

- Business to Business(B2B) invoices
- Business to Government (B2G) invoices
- Business to Export invoices
- Reverse Charges invoices
- Supplies through e-Commerce Operator

Notified Registered Persons and Effective Date

The Central Government *vide* Notification No. 70/2019-Central Tax dt. 13th December, 2019 notified the registered person whose **aggregate turnover in a financial year exceeds one hundred crore rupees** as the person who are required to prepare e-invoice. Further, vide Notification No. 72/2019-Central Tax dt. 13th December, 2019 mandates the registered person whose **aggregate turnover in a financial year exceeds five hundred crore rupees** to mention QR code on their invoice even if they are issued to unregistered persons. The aforesaid notifications will **come into effect w.e.f. 1st April,2020**.

Common Portal

At this instance it is also worth mentioning that to avoid the risk of system failures, government *vide* Notification No. 69/2019- Central Tax dt. 13th December,2019 has notified 10 websites as Common Goods and Services Tax Electronic Portal for the purpose of preparation of the e-invoice. The said portals are as follows:

(i) www.einvoice1.gst.gov.in;
(ii) www.einvoice2.gst.gov.in;
(iii)www.einvoice3.gst.gov.in;
(iv) www.einvoice4.gst.gov.in;
(v) www.einvoice5.gst.gov.in;
(vi) www.einvoice6.gst.gov.in;
(vii) www.einvoice7.gst.gov.in;
(viii) www.einvoice8.gst.gov.in;
(ix) www.einvoice9.gst.gov.in;
(x) www.einvoice10.gst.gov.in

Generation of E-Invoice

The entire process of e-invoice generation, registration and receipt of confirmation can be divided into the two major sections:

Part A: It will involve the interaction between the business (supplier in case of invoice) and the Invoice Registration Portal (**IRP**) of GST.

Part B: It will involve the interaction between the IRP and GSTN or E-Way Bill portal and the Buyer.

The note published by the GSTN also specifies the step wise process for generation of e-invoice which has been discussed in brief hereinbelow.

Step 1: The first and foremost step to prepare e-invoice involves generation of invoice by the seller in its respective accounting system. The accounting system should be capable to generate the invoice in JSON format which can be further uploaded on IRP as the said portal is capable to take only take JSON for e-invoice. In case the accounting system of the seller is not capable to generate JSON, assistance of the offline tool can also be taken to key-in data of invoice and then submit the same.

In regard to the invoice to be issued by the seller, a schema or standard has been issued wherein the mandatory details that the invoice should contain, are specified and the invoice issued by the seller should adhere to the said schema. The said scheme is attached herewith for your reference. However, the seller may also mention additional details on its invoice as per the requirement of its trade.

Step 2: This step involves uploading the JSON file onto the IRP by the seller either directly or by taking assistance from the third-party software or applications.

Step 3: Based on the JSON uploaded by the seller, the IRP will generate the hash (may in the form of code, or number or any image) based on seller's GSTIN, document type, document number and financial year and will check the said hash from the Central Registry of GST System to ensure that the same document (invoice etc.) from the same supplier pertaining to same financial year is not being uploaded again. On receipt of confirmation from the Central Registry, IRP will add its signature on the Invoice Data as well as a QR code to the JSON. The QR code will contain GSTIN of seller and buyer, invoice number, invoice date, number of line items, HSN of major commodity contained in the invoice as per value, hash, etc. The hash computed by IRP will become the IRN of the e-invoice which shall be unique to each invoice and hence be the unique identity for each invoice for the entire financial year in the entire GST System for a taxpayer.

Step 4: It involves returning the digitally signed JSON with IRN back to the seller along with a QR code. The said document will then be shared with GST system which will update the outward supply return of the seller and the inwards supply return of the buyer. Similarly, it will also be shared with the E-way bill system and the relevant details required for preparation of e-way bill will be extracted from there directly.

Digital Signing of E-invoice and Generation of QR Code

E-invoice: As already discussed above, once the invoice data has been uploaded on the IRP, it will generate the hash (i.e. IRN) and then the said document will be digitally signed by the IRP using its private key. The said signed e-invoice will be a valid document that can be used by the seller for his business transaction and it will only be send by the IRP onto the GST portal and e-way bill portal.

Quick Reference Code (QR Code): It will be generated by the IRP along with IRN and it can be verified on the central portal as well as by an Offline App. It will be generated on the basis of the following parameters:

a. GSTIN of supplier
b. GSTIN of Recipient
c. Invoice number as given by Supplier
d. Date of generation of invoice
e. Invoice value (taxable value and gross tax)
f. Number of line items.
g. HSN Code of main item (the line item having highest taxable value)
h. Unique Invoice Reference Number (hash)

The QR Code will be verifiable by the taxpayers as well as tax officers to validate that whether the e-invoice is accepted by IRP or not, as it will contain both the IRN as well as the Digital Signature of IRP.

An offline app will be available to check the authenticity of the QR code of the e-invoice and its related details. The said facility to view the e-invoice will be available to buyers or tax officers on the GST System or E-way bill system instead of IRP as it will not have the feature to store the invoice for more than 24 hours.

Printing of Invoice

The seller will receive a signed JSON file from the IRP which can be converted into PDF and can get printed by placing his logo and other information.

Cancellation of E-Invoice

The cancellation of e-invoice will be done by using the '**Cancel IRN**' option available on e-invoice portal. In this regard it is important to mention that as per the FAQs issued in regard to e-invoice, **once an invoice is cancelled, the same invoice number cannot be used again to generate another invoice.**

Amendment of e-invoice already reported

Amendment of e-invoice already uploaded on IRP will be done only on GST portal. Any amended e-invoice, if reported to IRP, will get rejected as its IRN (unique hash) will be already be existing in the IRP system. Hence amendment of invoices will not be possible through the IRP.

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