

# GST TRACKER

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## ELECTRONIC INVOICE

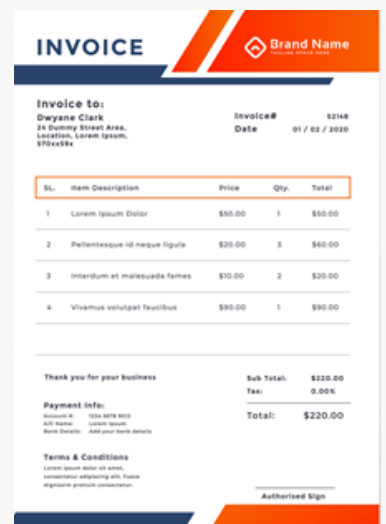
Can  
Achieve!



PKA Consultants



# Mere Business ka bill **PAKKABILL™**



## INVOICING SOLUTION

Contact @ 9811710274

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## What E-Invoicing achieved internationally, Can achieve for India

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Impermanence is the law of nature. Everything keeps on evolving: whether living or non-living. How much man has evolved! From ape to chimpanzee and then human being! And, so have evolved the societies and the technologies. Who could have foreseen that in the last decade of the 20th century and in the 21st century, Information Technology, especially the internet would give such a quantum jump to the way information would be exchanged the world over. Be it the photographs or graphics, or the texts and documents, or books, or the songs or the movies; anything can now be accessed or transferred the world over by just a click of the mouse or button on an electronic device: whether computer or laptop or tablet or smart mobile phone. And, internet coupled with secure software's and applications has enabled automation in so many fields as well as the exchange of data on a real-time basis amongst various users and entities, whether private or public through Electronic Data Interchange (EDI). And, interestingly such electronic interactions leave an authentic trail and footprint which can be saved for future access and retrieval.

Global scenario has been revolutionised in the last few decades due to electronic and information technology. Various private corporates as well as Government bodies the world over utilise software's and applications for automation of their internal business processes and for storage of data.

Besides, throughout the world, the entities concerned with Banking as well as the licencing and revenue authorities and many other participating Government Departments (whether Central or State) have created secure electronic platforms for collecting revenue from as well as for delivery of services to the public.

As a further evolutionary step, the system of “E-invoicing” i.e. the electronic invoicing has emerged in various countries of the world. It envisages electronic transmission, reception, and processing of digital transactional documents between suppliers and buyers in such a manner that data from the supplier can be integrated directly into the buyer’s system. “E-invoicing” provides following benefits to both the suppliers and the buyers:

- Benefits for Suppliers

1. Faster payment and improved cash flow: E-invoices are instantly accessible on the buyer’s system, and thus can be routed and approved faster. This leads to timely payments and improved cash flow.

2. Better account reconciliation: E-invoicing ensures that customers send the details of the invoices paid along with the payments to help simplify account reconciliation.

3. Cost reduction: There is a significant reduction in costs related to printing, storage, processing, and delivery of paper invoices. It also increases accuracy.

4. Fewer rejected invoices and disputes: As E-invoicing enables the transmission of data from the supplier’s AR (accounts receivable) system directly to the customer’s AP (accounts payable) system, there is hardly any risk of errors caused by data re-entry. Hence the probability of invoices being rejected is also reduced.

5. Improved customer satisfaction: Due to faster processing and fewer payment issues courtesy E-invoicing, suppliers are able to provide a higher level of customer service and thus build better customer relationship.

- Benefits for Buyers

1. Increased productivity and automation: Paper or PDF invoices system requires storage, sorting and re-entry of data into the buyers' AP (accounts payable) system; which is time-consuming involving data re-entry, and also prone to error. But e-invoicing enabling direct transmission of data from supplier to buyers' AP system, eliminates manual data re-entry. Such a reduction in workload enables accounting staff to devote more time to high-value activities. E-invoicing enables AP departments to automate the validations of invoices before they are routed to the line of business managers for approval. Simultaneously these validations ensure that all the calculations, such as VAT (GST) amounts, are correct. They also help in the identification of goods being purchased by different departments.

Unlike the normal system of matching the invoices as regards the prices as well as the description of the goods with the procurement documents such as contracts and purchase orders, E-invoicing enables automatic validation. This obviates calls and inquiries by the buyers to the suppliers for seeking details. And, through the integration of suppliers and buyers portals, E-invoicing helps in tracking the status of invoices as well as the approval and payment information. Suppliers are readily able to ascertain if their invoices have been received, which have been approved, and which have been submitted for payment. Thus there is a significant reduction in follow-up calls.

2. Reduction in costs: Due to reduction, or complete elimination of manual data re-entry, sorting, validation, and registering of invoices, e-invoicing can provide cost savings of 60 to 80 per cent.

3. Advantage of early payment discounts: Suppliers often offer a discount in cases of early payment. As E-invoicing allows results in faster processing and payment cycles, buyers using E-invoicing get opportunities of getting discounts.

4. Improved supplier relationship: Faster and efficient payments help in the development of a good and strong relationship with suppliers leading to a streamlined supply chain and improved customer satisfaction.

- Benefits for both Suppliers and Buyers

Carbon footprint: E-invoicing almost eliminates the need for paper. And there is no dissipation of energy in the production and transportation of documents.

And, in its missionary zeal to have more efficient and effective tax administration for the Goods and Service Tax, the Department of Revenue under the Ministry of Finance has introduced E-invoicing scheme. The standard E-invoice was approved in the 37th meeting of the GST Council held on 20 September 2019 and was published on the GST portal along with the scheme.

For operationalising E-invoicing in the context of the GST in India, Central Government has prescribed two things:

Firstly, all those taxpayers whose aggregate turnover (based on PAN) in a financial year is more than Rs 500 Crores [except few sectors viz. SEZ Units, Insurance, Banking (including NBFCs), Goods Transport Agency (transporting goods by road in goods carriage), Passenger Transport Services, Multiplex Cinema Admissions] are required to follow a standard format i.e. the invoice schema INV-01 issued by the GSTN for each data exchange among all accounting/billing software and all businesses. And, this standard schema would be applicable to GST invoices, Credit Notes and Debit Notes in respect of B2B Supplies & Exports. And, the taxpayers can continue to create their GST invoices on their own Accounting/Billing/Enterprise Resource Planning (ERP) Systems. The invoice schema has both mandatory and non-mandatory parameters. The suppliers are required to report their GST invoices to the IRP in JSON format (JavaScript Object Notation), which is a common language for systems/machines to communicate with each other and exchange data.

The E-invoice Schema ensures that E-invoice is 'machine-readable' and 'interoperable, i.e. the invoice/format can be readily 'picked up', 'read', 'understood' and further processed by different systems like Tally, SAP etc. As there is no requirement for further data entry by the buyers, transcription errors are eliminated. And, an invoice so created and authenticated cannot be amended. The supplier has the option to only cancel the earlier invoice and generate a new invoice for reporting and authentication.

Secondly, an 'Invoice Registration Portal (IRP)' has been developed by the GSTN, and all these invoices have to be mandatorily reported to the IRP. After such reporting, the IRP returns the E signed invoice ( i.e. digitally signed invoice) with a unique 'Invoice Reference Number (IRN)' along with a Quick Response (QR) Code and these particulars:

- i. GSTIN of supplier
- ii. GSTIN of Recipient
- iii. Invoice number as given by Supplier
- iv. Date of generation of invoice
- v. Invoice value (taxable value and gross tax)
- vi. Number of line items.
- vii. HSN Code of the main item (the line item having the highest taxable value
- viii. Unique Invoice Reference Number (hash)

Then, the invoice can be issued to the receiver (with QR Code). So a GST invoice acquires validity only with a valid IRN. The IRP will return the digitally signed JSON with IRN back to the seller along with the QR code. And, interestingly, the Registered invoice will also be sent to the seller and buyer on their mail ids as provided in the invoice. The QR code will enable offline verification of the invoices using mobile app. And, thus there will be no need of further reporting to the GST or E way bill



- Benefits of E-Invoicing system in the GST

The E-invoicing mode besides the benefits enumerated in the beginning has added advantages in the Indian GST system:

- Auto-reporting of invoices into GST Return as a result GSTR-1 of the Seller will be updated and the GSTR-2A of the Buyer will also be updated
- Buyer will be able to view the Input Tax Credit (ITC) related to the invoice in the GSTR-2A as there will be system level matching of the input credit and output tax.
- Auto-generation of e-way bill, where required
- GST reporting compliance will become part of natural business system
- Improved overall business efficiency
- Facilitation of business-friendly e-initiatives such as invoice financing
- Mitigate invoice fraud

## **Way forward >>**

It is just the beginning, and later on, it will be enabled for all taxpayers in a phased step-wise manner. So, India our vast country with a giant emerging economy is certainly going to gain enormously with this new reform.

## GSTN updates February 2021

Date of Issue	Subject
01/02/2021	Auto-population of e-invoice details into GSTR-1
03/02/2021	Payment of Tax by Fixed Sum Method under QRMP Scheme
11/02/2021	Due dates for filing of Form GSTR-3B from the Tax Period of January, 2021
18/02/2021	Know more about “QRMP scheme and how to furnish details in IFF” and Answers to FAQs
22/02/2021	Advisory on Reconciliation Statement (GSTR-9C )
24/02/2021	Advisory on Annual Return (GSTR-9)

Source: [www.gst.gov.in](http://www.gst.gov.in)

## Notifications/Circulars/Orders issued in the month of February 2021

### Ø Central Tax Notifications February 2021

Notification Nos.	Date of Issue	Subject
03/2021	23/02/2021	Seeks to notify persons to whom provisions of sub-section (6B) or sub-section (6C) of section 25 of CGST Act will not apply.
04/2021	28/02/2021	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the FY 2019-20 till 31.03.2021.

### Ø Central Tax (Rate) Notifications February 2021

No Central Tax ( Rate) Notification was issued in the month of January 2021

### Ø Integrated Tax Notifications February 2021

No Integrated Tax Notification was issued in the month of January 2021

### Ø Integrated Tax (Rate) Notifications February 2021

No Integrated Tax ( Rate) Notification was issued in the month of January 2021

Source: [www.cbic.gov.in](http://www.cbic.gov.in)

## Notifications/Circulars/Orders issued in the month of February 2021

### Ø Circulars

Circular Nos.	Date of Issue	Subject
146/02/2021	23/02/2021	Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21st March, 2020 - Reg.

### Ø Orders

No Orders issued in the month of February 2021

### Ø Removal of Difficulty Orders February 2021

No order was issued in the month of February 2021

Source: [www.cbic.gov.in](http://www.cbic.gov.in)

# TECHNOLOGY NEEDS TO BE SIMPLE FIRST, ADVANCED LATER.

Technology has advantages and limitations. One needs to assess how it can be put to good use. The Indian MSME industry had been grappling with technology adoption challenges post GST rollout to meet the compliance aspects. The pandemic has aggravated the need and forced the industry to adopt technology and develop digital skills overnight.

Pakkabill founder **Pankaj Kataria** shares his views on how the most simplistic and technologically advanced tools like MS-Excel can help the industry at this juncture with ease.

Before pandemic, businesses were introducing technologies, but pandemic increased the pace. It also made businesses realise the potential technology possess, the benefits it provides and cost economies associated with it. It not only helped to improve compliances but also brought visibility and improvement in the staff competencies.

Ever imagined, why MS-Excel is being preferred as a tool of choice? The answer to this question is its “Ease of use”, because Digital transformation is more about People than Technology. The flexibility that MS-Excel provides to analyse data is un-matched to answer WHAT and WHY of management.



Each business is different and can't be seen using the same reference frame. Deploying standard tools for data management and analysis limits the viewing pane. Ex: Financial statements are used to measure a business. If we dwell on organisational operations, we will find multiple reports are generated on a weekly, monthly, quarterly or yearly basis to measure business. Financial statements are used for reporting purpose as per standards defined by the government and not by business.

That's the reason; organisations still prefer to manage their day to day operational data using Excel. Advancements in collaboration tools like Google Sheets, Office 365 etc. endorses this aspect.

Compared to the earlier tax regime, the inroads digitisation has made due to GST, businesses and professionals are still trying to figure out the best solution to be in compliance with the law.

GST introduced digital technology to the majority of SME/MSME business users. Their first challenge was to figure out “How to make a GST invoice”? Even after the completion of 3 and half years of GST, business owners are looking for the right solution enabling them to understand their business and not just for making invoices. Pakkabill invoicing solution is such a solution to help the industry. It addresses two important aspects i.e. Ease of use and business-specific customisation (invoice and reports). It can also be connected with business ERP or accounting solutions by importing the data using excel format. Organised data and visual reports help one understand the business better and easier.

We started this in 2017, identified the industry problem i.e. “How to make a GST compliant invoice”? and launched Pakkabill, an Excel-based solution to address the first hurdle i.e. making GST Compliant Invoices.

During the past three years, our team developed multiple business solutions using Excel platform to ease their operations workflow and simultaneously organising their business data. Few examples of solutions are like:

- a) NEFT letter generation and record manager
- b) Business lead record manager
- c) Business proposal generation with CRM
- d) MailX1 for sending personalised Email to multiple recipients and
- e) Many more

It's our endeavour to help industry by enabling them to view their business from a different perspective in a different technology (digital) era, using simple solutions.

To know more about how simple solutions can benefit your business, contact us at 9811710274.



# Business solutions

**Pakkabill Invoicing**

**SolarquoteXP**

**MaiX1**

**ERP Solutions**

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