QR code demystified

Quick Response Code

Some clarifications and keynotes

QR Code on the e-invoice will be used to obtain information about a particular invoice in a quick manner, without the need to read/retrieve such information manually.

B2B Transactions (Transaction between two GST registered persons)

- As per the new e-invoicing rules, companies with a turnover of more than INR 100 crore will be required to generate an e-invoice with respect to B2B transactions from 1 April 2020. These include exports and outward supplies where tax is subject to reverse charge.

- As a part of the e-invoicing workflow, a company needs to push a B2B invoice on an IRP portal in a JSON format and IRP will generate IRN and a QR Code and send it back in two separate JSON payloads.

- IRN and QR code both would be generated by IRP i.e. by the government. Such a QR code must be printed on the invoice, which will also capture the IRN.

    It is left to the company whether or not to print IRN separately.

- QR Code generated by IRP (in case of B2B transactions) would have the following 8 details and will be readable only by the buyers and tax officers on the GST / EWB Portal:
    - IRN (in form of hash)
    - GSTIN of the Supplier
    - GSTIN of the Buyer
    - Invoice number
    - Invoice Date
    - Invoice value
    - Number of line items
    - HSN code of the main item (line item having the highest taxable value)

Sample QR Code

It is reiterated that the IRN and QR code generation will be done by IRP only in cases where the company is having a turnover of more than INR 100 crore (on PAN level basis) and the transaction/invoice is a B2B invoice (i.e. supplier and buyer both are registered under GST)

B2C Transactions (Transactions where the buyer is unregistered under GST)

- Government vide Notification 72/2019-CT dated 13 Dec 2019 has stated that a company having annual turnover of more than INR 500 crore must print a QR code in case of B2C invoices from 1 April 2020.

- This QR code has to be generated by the company internally and not by the IRP or the government. An IRN is not required to be generated for the same.

- The QR code would be a basic one having payment details for customers via the digital mode (Similar to UPI payments).

- Presently for retail transactions QR code is generated using POS as under:
  - POS device uses QR code for UPI based digital payments
  - Customer given option for UPI payment for his purchases
  - Invoice generation triggers the display of QR Code for scan and payment by the customer
  - The customer scans QR Code using Mobile App and gets the Invoice details for the payment transfer authorisation
  - On successful payment receipt, charge slip generated from POS

Sample QR Code

Presently, there are no guidelines provided by the CBIC in this regard, however, it is clear that QR code with respect to B2C invoices is to be generated by the company internally without any intervention by Government or IRP.

Summary of QR code applicability and mode of generation

Sr. No.	Company Turnover (INR)	Transaction Type	QR Code Requirement	QR Generation Process
1.	Up to 100 Crore	B2B	No	-
		B2C	No	-
2.	Above 100 to 500 Crore	B2B	Yes	IRP to generate
		B2C	No	-
3.	Above 500 Crore	B2B	Yes	IRP to generate
		B2C	Yes	Company to internally generate

In the Union Budget 2020 held on the 1st of February 2020, FM pronounced that in the coming days, further parameters shall be added by using a dynamic QR code for B2C invoices. It is only for the purpose of enabling better usability and tracking of invoices under the tax system.

Thank You

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being your go-to partner for e-invoicing

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