



Newsflash:
**Turnover exemption limit for E-invoicing under
GST reduced from Rs. 20 crores to Rs. 10 crores
effective from 1 October 2022**

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2 August 2022*

1.0 Background

E-invoicing is one of the most significant and major changes that has been witnessed by the trade and industry in the GST regime.

E-invoicing under GST has been implemented in a phased manner on the basis of taxpayers fulfilling the notified aggregate turnover criteria.

E-invoicing has been made effective from 1 October 2020 for persons whose aggregate annual turnover exceeds Rs. 500 crores.

The exemption limit was reduced from Rs. 500 crores to Rs. 100 crores with effect from 1 January 2021 and further brought down to Rs. 50 crores with effect from 1 April 2021.

The threshold exemption prescribed in relation to e-invoicing was further lowered to Rs. 20 crores w.e.f. 1 April 2022, thus requiring all taxpayers whose aggregate annual turnover exceeds Rs 20 crores in any of the preceding financial years to comply with E-invoicing mechanism and rules.

2.0 Amendment

The Central Board of Indirect Taxes and Customs vide Notification No. 17/2022 – Central Tax dated 1 August 2022 has further slashed the existing turnover limit for availing exemption from E-invoicing from Rs. 20 crores to Rs. 10 crores and the effective date notified for the said change is 1 October 2022. Thus, all taxpayers whose annual aggregate turnover exceeds Rs. 10 crores during any of the preceding financial years from FY 2017-18 onwards would have to mandatorily undertake E-invoicing from 1 October 2022 onwards.

The relevant notifications giving effect to phased implementation of invoicing is summarized as under:

Phased implementation of E-invoicing			
Notification no.	Notification date.	Aggregate Turnover Criteria (Rs.)	Effective date
61/2020 C.T.	30 July 2020	Exceeding 500 crores	From 1 October 2020
88/2020 C.T.	10 November 2020	Exceeding 100 crores	From 1 January 2021
05/2021 C.T.	08 March 2021	Exceeding 50 crores	From 1 April 2021
01/2022 C.T.	24 February 2022	Exceeding 20 crores	From 1 April 2022
17/2022 C.T.	1 August 2022	Exceeding 10 crores	From 1 October 2022

The taxpayers who would be getting covered in the upcoming phase of E-invoicing would be required to demonstrate preparedness by suitably configuring their ERPs or billing softwares to comply with the process of E-invoicing.

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This newsflash summarizes the recent changes notified with respect to turnover exemption limit for e-invoicing. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said judgement and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

2 August 2022

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