



**Newsflash:**  
**Turnover exemption limit for E-invoicing under GST reduced from INR 10 crores to INR 5 crores effective from 1 August 2023**

## Newsflash

### Turnover exemption limit for E-invoicing under GST reduced from INR 10 crores to INR 5 crores effective from 1 August 2023

*For Circulation*

**12 May 2023**

- 1.0 With an objective to curb frauds and fictitious input credit claims, as well as to achieve enhanced automation through inter-operability and integration; the Government of India introduced the concept of E-invoicing under GST. E-invoicing is one of the most significant and major changes that has been witnessed by the trade and industry in the GST regime.
- 2.0 E-invoicing under GST has been implemented in a phased manner on the basis of taxpayers fulfilling the notified aggregate turnover criteria.
- 3.0 E-invoicing has been made effective from 1 October 2020 for persons whose aggregate annual turnover exceeds INR 500 crores.
- 4.0 The exemption limit was reduced from INR 500 crores to INR 100 crores with effect from 1 January 2021 and further brought down to INR 50 crores with effect from 1 April 2021. The threshold was further lowered down to INR 20 crores with effect from 1 April 2022 and INR 10 crores with effect from 1 October 2022.
- 5.0 Central Board of Indirect Taxes and Customs vide **Notification No. 10/2023 – Central Tax dated 10 May 2023** has further slashed the existing turnover limit for availing exemption from e-invoicing from INR 10 crores to INR 5 crores and the effective date notified for the said change is 1 August 2023. Thus, all taxpayers whose annual aggregate turnover exceeds INR 5 crores during any of the preceding financial years from FY 2017-18 onwards would have to mandatorily undertake e-invoicing from 1 August 2023 onwards.

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

| <b>Phased implementation of E-invoicing</b> |                           |   |                       |
|---|---------------------------|---|-----------------------|
| <b>Notification no.</b>                     | <b>Notification date.</b> | <b>Aggregate Turnover Criteria (in INR)</b> | <b>Effective date</b> |
| 61/2020 C.T.                                | 30 July 2020              | Exceeding 500 crores                        | From 01 October 2020  |
| 88/2020 C.T.                                | 10 November 2020          | Exceeding 100 crores                        | From 01 January 2021  |
| 05/2021 C.T.                                | 08 March 2021             | Exceeding 50 crores                         | From 01 April 2021    |
| 01/2022 C.T.                                | 24 February 2022          | Exceeding 20 crores                         | From 01 April 2022    |
| 17/2022 C.T.                                | 01 August 2022            | Exceeding 10 crores                         | From 01 October 2022  |
| 10/2023 C.T.                                | 10 May 2023               | Exceeding 5 crores                          | From 01 August 2023   |

- 6.0 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.
- 7.0 It may be noted that e-invoicing as on date is applicable in respect of tax invoice, debit note and credit notes issued to a registered person (i.e., B2B transactions) as well as in relation to exports.

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This Newsflash summarizes on the turnover exemption limit for E-invoicing under GST which was reduced from INR 10 crores to INR 5 crores effective from 1 August 2023. 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.

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