



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



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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:

Phased implementation of E-invoicing			
Notification no.	Notification date.	Aggregate Turnover Criteria (in INR)	Effective date
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.

For further information please contact:

RSM Astute Consulting Pvt. Ltd.

8th Floor, Bakhtawar, 229, Nariman Point, Mumbai - 400021.

T: (91-22) 6108 5555/ 6121 4444
F: (91-22) 6108 5556/ 2287 5771

E: emails@rsmindia.in

W: www.rsmindia.in

Offices: Mumbai, New Delhi - NCR, Chennai, Kolkata, Bengaluru, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham, Jaipur and Vijayanagar.

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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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