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## E-INVOICING EXTENDED TO TAXPAYERS WITH TURNOVER MORE THAN ₹5 CRORES

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## Introduction

Persons registered under GST are liable to issue a tax invoice in case of taxable supplies made by him. E-Invoicing system under GST was implemented from 1st October 2020 for taxpayers with an aggregate turnover exceeding Rs.500 crore

## Reduction of applicable limit

Applicable limit for E-invoicing was later reduced to Rs. 100 crores from 1st January 2021, then it was reduced to Rs. 50 crores from 1st April 2021 and then to Rs.20 crores from 1st April 2022 and then to Rs. 10 crores from 1st October 2022. This is now reduced to Rs. 5 crores.

Central Board of Indirect Taxes and Customs vide Notification No. 10/2023 – Central Tax dated 10th May, 2023 has reduced the threshold for applicability of e-invoicing under GST with effect from 1st August 2023.

Hence, e-invoicing is now applicable for taxpayers with annual aggregate turnover of more than Rs. 5 crores in any financial year from FY 2017-18.

## Points to be considered

- ▶ From 1st August 2023, taxpayers whose aggregate turnover is more than Rs. 5 crores should raise invoices as e-invoice.
- ▶ Aggregate turnover has to be computed considering the turnover of all the GSTINs on the same PAN.
- ▶ If the aggregate turnover is more than Rs. 5 crores in any one of the financial years from FY 2017-18 to FY 2022-23 then e-invoicing shall be applicable.
- ▶ If e-invoice is not raised and instead manual invoice is raised by taxpayer to whom e-invoice is applicable then the invoice raised shall not be considered as a valid invoice under GST and liable for penalty.
- ▶ E-invoice is applicable for B2B invoices and export/SEZ invoices and not applicable for B2C invoices.
- ▶ E-invoice is applicable for debit and credit notes raised in reference to taxable invoices.
- ▶ Invoices issued by taxpayers to customers should contain the IRN generated in the e-invoicing portal and QR code.
- ▶ E-invoice is not applicable for exempt supplies where only bill of supply is required to be issued.
- ▶ Not raising e-invoice will not only affect the supplier but also create litigation for receipt of goods/services in relation to availment of ITC.
- ▶ E-invoice has to be raised on live basis, it has to be raised within 7 days from the date of invoice by taxpayers with Aggregate Annual turnover of more than Rs. 100 crores and this is effective from 1st August 2023.
- ▶ As of now, there is no time limit for raising e-invoice by taxpayers with less than Rs. 100 crores of turnover.
- ▶ E-invoicing shall not be applicable to the following categories of registered persons, irrespective of the turnover:
  - An insurer or a banking company or a financial institution, including an NBFC
  - A Goods Transport Agency (GTA)
  - A registered person supplying passenger transportation services
  - A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services
  - An SEZ unit
  - A government department and local authority
  - Persons registered under the Rule 14 of CGST Rules (OIDAR)