

## Revision in aggregate turnover limit for e-invoice w.e.f. 1 August 2023

Presently, registered persons whose aggregate turnover in a financial year (FY) exceeds INR 10 crore are mandatorily required to prepare an e-invoice as mentioned in rule 48(4) of the Central Goods and Service Tax Rules, 2017 (Rules). With effect from 1 August 2023, the Central Board of Indirect Taxes and Customs (CBIC) has made the applicability of e-invoice mandatory for registered persons having aggregate turnover exceeding INR 5 crore in any of the previous years, i.e., from FY 2017-18 to 2021-22.

Thus, the present threshold of aggregate turnover for applicability of e-invoicing provisions is reduced from INR 10 crore to INR 5 crore.

Consequently, a registered person (other than a government department, a local authority, a Special Economic Zone unit and those referred to in sub-rules (2), (3), (4) and (4A) of rule 54, i.e. a bank, NBFC, goods transport agency (GTA) for carriage of goods by road, passenger transport service, and services of exhibiting cinematograph films in a multiplex) having aggregate turnover *exceeding INR 5 crores in any preceding financial year from 2017-18 onwards*, shall mandatorily prepare invoices and other prescribed documents, in terms of Rule 48(4) in respect of supply of goods or services or both to a registered person or for exports.

The said amendment shall come into force w.e.f. 1 August 2023.

### Summarised salient points of the amendment

- **Who is required to generate an e-invoice?** Registered persons whose aggregate turnover (PAN India basis) crosses INR 5 crore in any of the preceding FYs since FY 2017-18.
- **Required for supplies such as:** B2B supplies, debit notes/credit notes and export invoices.
- **Not required for:** Receipt voucher, refund voucher, payment voucher, self-invoice (RCM), bill of supply, ISD invoice.
- **Who are exempted?** SEZ Unit excluding developer, insurance/banking/NBFC, GTA, passenger transportation services, admission to exhibition of cinematograph films in multiplex theatres.

**Weblink** <https://taxinformation.cbic.gov.in/view-pdf/1009732/ENG/Notifications>

## Therefore

As evidenced by Government data, the GST collections have been on the rise with a record GST collection of INR 1.87 lakh crore in April 2023. Over a couple of years, the government has gradually brought down the threshold limit from INR 500 crore to INR 5 crore. Involving smaller businesses in issuing e-invoices will ensure compliance by plugging tax leakages through fake invoicing. Small dealers will now need to be compliant as they will lose the input tax credit in case they fail to obtain e-invoices from their suppliers.