

GST e-invoicing must for biz with turnover of ₹5 cr or more

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Businesses with a turnover of ₹5 crore and above are obligated to generate e-invoicing for business-to-business (B2B) transactions under the goods and services tax, with effect from August 1. Currently, e-invoice is compulsory for companies with a turnover of ₹10 crore or above. The Ministry of Finance late on Wednesday notified a new mandate lowering the threshold for e-invoicing.

“Effective from August 1, any taxpayer with a turnover exceeding ₹5 crore should raise an e-invoice for B2B supplies,” read the notification.

The move is aimed at digitising higher volumes of transactions, greater transparency in sales reporting, minimising errors and mismatches, automating data entry work, and improving compliance.

Under the goods and services tax, e-invoicing (electronic billing) for B2B transactions was made mandatory for companies with turnover of over ₹500 crore from October 1, 2020. It was then extended to those with turnover of over ₹100 crore, effective January 1, 2021.

From April 1, 2021, companies with turnover of over ₹50 crore were generating B2B e-invoices, and the



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threshold was brought down to ₹20 crore, beginning April 1, 2022. From October 1, 2022, the threshold was further lowered to ₹10 crore.

Taxpayers must generate invoices on their internal systems or billing software and then report them to the invoice registration portal (IRP) — a requirement to avail of input tax credit.

“The industry needs to review its vendor masters and ensure any vendor supplying goods or services and breaching the threshold turnover of ₹5 crore is necessarily issuing an e-invoice from August 2023 to avoid any dispute concerning availing of input tax credit,” said Saurabh Agarwal, partner, EY.

CBIC rolls out module for automated GST returns' scrutiny

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The Central Board of Indirect Taxes and Customs (CBIC) has rolled out a module for automated scrutiny of GST returns. “This module will enable the officers to carry out scrutiny of GST returns of Centre Administered Taxpayers selected on the basis of data analytics and risks identified by the System,” the finance ministry said in a statement. In the module, discrepancies on account of risks associated with a return are displayed to the tax officers. Tax officers are provided with a workflow for interacting with the taxpayers through the GSTN Common Portal for communication of discrepancies noticed. “Implementation of this Automated Return Scrutiny Module has commenced with the scrutiny of GST returns for FY 2019-20,” the statement added.