

TAX FLASH NEWS

9 March 2021

GST Notification update | E-invoice mandatory for turnover in excess of INR 50 crore

CBIC had earlier issued notification¹ requiring taxpayers having a turnover in excess of INR 500 crore to issue e-invoice for all B2B supplies. The said notification came into effect from 1 October 2020.

Subsequently, with effect from 1 January 2021 the requirement for issuing e-invoice was made mandatory² for taxpayers having a turnover in excess of INR 100 crore. Now in the next phase of mandating issuance e-invoice, CBIC has notified³ 1 April 2021 as the date from when taxpayer having an aggregate turnover in excess of INR 50 crore, shall be required to issue e-invoice for all B2B supplies made including exports.

Our comments

With this new notification, the Government has subscribed to its intention of phase wise implementation of e-invoice across all spectrums of taxpayers. Once implemented, this would pave the path to expedite and smoothen the ITC reconciliation related compliances required to be carried out by taxpayers and also address the increasing cases of tax frauds.

Assesseees with above INR 50 crore turnover need to quickly start working on upgrading the system so as to ensure implementation of the e-invoicing by 1 April 2021. Also, it gives opportunity to large businesses to educate their respective suppliers about e-invoice which would ensure that their ecosystem comes within the framework of e-invoice mechanism.



¹ Notification no. 61/2020-Central Tax dated 30 July 2020

² Notification no.88/2020-Central Tax dated 10 November 2020

³ Notification 5/2021-Central Tax dated 8 March 2021

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