

## **From Jan 1, e-invoicing mandatory for firms with turnover Rs.100 Cr or more**

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The government has made it mandatory for companies with annual turnover of at least Rs.100 crore to go for e-invoicing for business to companies (B2C) transactions from January 2021. It has come out with a notification to this effect.

Currently, e-invoicing is mandatory for companies with annual turnover of at least Rs.500 crore. While it was made mandatory from October, the government had put off penalty for errant companies for at least one month.

Abhishek Jain, tax partner at EY, said, "Aligned to the recent communications by various government officials, e-invoicing has now been notified for companies with a turnover of Rs.100 crore and above companies as well. With only 50 more days to go, these mid-size companies would need to soon gear up their processes and IT systems to enable compliance with this new invoicing regulation."

Under the system, companies have to raise e-invoices through a unique invoice reference portal and generate the IRN (invoice reference number). Failing this, the companies concerned will not be able to move goods for business-to-business (B2B) transactions.

The government plans to throw open e-invoicing for all companies from April next year.