

# E-invoicing under GST pick up speed, posts 17% growth in November

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E-invoicing under goods and services tax (GST), overcoming early hiccups, picked up pace right in the second month of its roll-out, with bill generation posting 17 per cent growth in November over the previous month. This paves the way for the second phase of e-invoicing, which is to make it mandatory for entities with a turnover of Rs 100 crore and more from January 1 and the rest from April 1 for business-to-business transactions.

The e-invoicing system is now mandatory for entities with a turnover of Rs.500 crore and more. About 56 million invoice reference numbers (IRNs), or e-invoices, were generated in November against 48 million in October, reflecting economic demand revival.

Days ahead of Diwali, 3.26 million IRNs were generated on November 6, the highest since the rollout on October 1.

Daily invoice generation has now improved to 2.5-2.7 million per day compared to an average of 1.5 million a day in October.

## GAINING TRACTION

E-Invoicing (million)	Oct 1	Oct 29	Nov 30
IRN generation	0.8	2.4	2.7
GSTINs issuing e-invoices	8,500	18,111	20,000
	Oct	Nov	% chg
Total IRNs (million)	48	56	17

\*IRN: Invoice reference number; GSTIN: GST Identification Number Source: Official sources

There are almost no complaints. This is because these are large firms with sound tech systems. We are prepared to roll out the next phase from January 1," said a government official. The system is aimed at bringing in more transparency in sales reporting, minimising errors and mismatches, automating data entry work, and improving compliance. It will help prevent tax evasion once it is made mandatory for small and medium firms.

With close to 20,000 GSTINs (GST identification numbers) in the Rs.500 crore and above category already there, another 90,000 GSTINs are estimated get added on January 1. E-invoicing testing for these entities started on November 15.

The e-invoice data started auto-populating the GSTR 1 or the sales return form from Friday. "The e-invoicing system will do away with the need for separate e-way bills," said the official.

Abhishek Jain, tax partner, EY, said firms with a turnover of Rs.500 crore and more, with small initial hiccups, smoothly adopted mandate, and this was evident from the increased number of IRN generation. While in the medium run, this mechanism will replace the existing e-way bill system, the Centre is hoping to dispense with filing GST returns for MSMEs.

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