

INTRODUCTION: Time of supply means the date when govt. states "supply" is made. Time of supply (TOS) is important component to be determined as it is the date when the tax liability of a registered person triggers / gets crystallized. Tax Liability shall be paid upto 20th of next month (of time of supply)

Time of Supply [Section 12, 13, 14 of CGST Act] (1/2)

1. TOS for GOODS

Normal Supply of Goods S. 12(2) of CGST

- 1) Date of issue of invoice or
- 2) Last date to issue Tax Invoice u/s 31 whichever is earlier

Last date to issue invoice (S. 31): -

- ❖ Removal – Supply involving movement or
- ❖ Delivery – Supply not involving movement of goods

(Ex. In Bill to Ship to Model third person shall issue invoice on recipient at the time when goods are removed from supplier's place)

Last date to issue invoice in case of Goods Sent on sale on approval basis [S. 31(7)] –

- ❖ Before or at the time of supply (approval) or
- ❖ six months from the date of removal, whichever is earlier.

Reverse Charge S. 12(3) of CGST

Earlier of –

- 1) Receipt of Goods or,
- 2) Date on which debited in his bank account or date on which entered in BOA of recipient whichever earlier
- 3) 31st Day from the date of issue of invoice

(Also refer common note for supply of goods or services under RCM)

Notes: - No GST on Advance received for supply of goods under forward charge

However, if advance is paid for supply of goods taxable under reverse charge, GST is applicable

CG has the power to prescribe time-limit for issuance of invoice [CGST Amendment Act]

Continuous Supply S. 12(2)

- 1) Date of issue of invoice or,
 - 2) Last date to issue Tax Invoice u/s 31
- Whichever is earlier

Last date to issue of Tax Invoice [S. 31(4) of CGST Act]: -

Where successive statements or successive payments as the case may be.

[In order to determine successive statement of payment check which is more frequent]

Supply = Value covered by inv.
(Explanation i)

2. TOS for SERVICES

Normal Supply of Service [S. 13(2)]

(A) If invoice is issued within Time Limit*: -

Date of issue of Tax Invoice or Receipt of payment whichever is earlier

(B) If invoice is not issued within Time Limit: -

Date of supply of service or Receipt of payment whichever is earlier

If TOS is not determinable as per (A) or (B) above, it shall be date on which recipient shows receipt of service in its books of accounts.

*Time limit to issue Tax Invoice

- ❖ 30 days from provision of service (R. 47)
- ❖ 45 days from provision of service in case of insurer or a banking company or a financial institution (incl. NBFC). (R. 47)

Reverse Charge S. 13(3)

Services received from Associate enterprise outside India

Earlier of: -
Date of Entry in Books of accounts of recipient
Date of Payment

Services received from other than Associate Enterprise outside India

Purchase from Regd. Supplier:

- ❖ Date on which debited in his bank account or
 - ❖ Date on which entered in BOA of recipient
 - ❖ 61st Day from the date of invoice from reg. supplier
- Whichever is earlier

Purchase from Unregd. Supplier:

- ❖ Date on which debited in his bank account or
 - ❖ Date on which entered in BOA of recipient
 - ❖ Date of issue of self-invoice
- Whichever is earlier

Common Note for Supply of Goods or Services under RCM: - [Proviso to S. 12(3) & 13(3)] –

Where it is not possible to determine the time of supply of goods or services under RCM, the time of supply shall be the date of entry in the books of account of the recipient of supply.

In respect of specified actionable claims – GST shall be paid at the time of receipt of payment

Common Note for Supply of Goods or Services under FCM: - [Proviso to S. 12(2) & 13(2)]

Where the supplier of taxable goods / Services receives an amount up to Rs. 1,000/- in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice in respect of such excess amount.

As per Notification 06/2019 CTR – TOS in case of TDR, FSI, Long term Lease for construction of Residential or commercial apartment - Date of issuance of Completion Certificate or First occupation whichever is earlier. TDR, FSI & Long-term lease are taxable in the hands of promoter under reverse charge.

3. TOS (Common Provisions) for Goods & Services

Vouchers 12(4) & 13(4)

If the supply is identifiable at the time of issue of voucher:
Date of issue of voucher

If supply is unidentifiable at the time of issue of voucher:

Date of redemption

Special Charges (Interest, Late fees etc.) 12(6) & 13(6)

Date on which the supplier receives such consideration.

Others S. 12(5) & 13(5)

If impossible to determine the ToS under the above provisions the ToS shall: -

In a case where a periodical return has to be filed, be the date on which such return is to be filed; or

In any other case, be the date on which the tax is paid

Time of Supply [Section 12, 13, 14 of CGST Act] (2/2)

4. TOS in case of Change in Rate Effective of Tax (CERT) S. 14 of CGST

Section 14 is non-obstante to anything contained in section 12/13, meaning thereby, in case of change in rate of tax, section 14 will prevail over section 12/13.

(S – Supply of goods & services, I – Date of issue of Tax Invoice, P – Receipt of Payment, Line indicates date of change in Rate of tax, and Pink Box Indicates Time of Supply)

The date of receipt of payment if payment (P) is credited

If credited within 4 Working Days from CERT (Incl. Date of CERT): -

Date on which the payment is entered in the books of account of the supplier or;

The date, on which the payment is credited to his bank account, whichever is earlier

After 4 working days from Change of Rate of Tax

Shall be date on which payment is credited in Bank account.

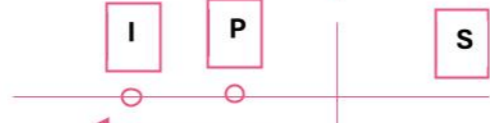
Supply provided before change in Rate of Tax



Whichever is earlier

When I or P are before CERT i.e. near to S they will be time of supply

Supply provided after change in Rate of Tax



Whichever is earlier

When I or P are after CERT i.e. near to S they will be time of supply

5. Time of Supply for Continuous supply of Services (Sec 13)

If issued within Time limit: -

- ❖ Date of issue of Tax Invoice or
- ❖ Receipt of payment whichever is earlier

If not issued: -

- ❖ Date of supply of service or
- ❖ Receipt of payment whichever is earlier

Time limit to issue Tax Invoice [S. 31(5)]

Case	Due date to issue invoice
Due date of payment is ascertainable from the contract	on or before such due date.
If not ascertainable	on or before receipt of payment,
Payment linked to completion of event	on or before completion of such event.

Department Clarifications:

Hybrid Annuity Model Contracts:

- ❖ HAM contracts are treated as a single **“continuous supply of services”** (construction + operation & maintenance, typically 15–17 years) under Section 2(33) CGST Act.
- ❖ Based on Section 13(2) + 31(5) CGST, **invoice shall be issued within time limit** as per sec 31(5) & TOS will be as per **13(2) only**.
- ❖ The **interest component in annuity payments by NHAI is taxable**, per Section 15(2)(d) CGST. TOS provisions applicable as per 31(5) r/w **13(2) of CGST Act**.
- ❖ **Example:** NHAI awards a ₹600 crore road project under HAM, where 40% (₹240 crore) is paid during construction and 60% (₹360 crore) is paid as semi-annual annuity over 15 years, including interest. GST at 18% is applicable on both EPC and annuity payments. The construction is treated as a continuous supply of service. Time of supply is based on milestone due dates or payment, whichever is earlier. Interest on annuity is also taxable under GST.

Spectrum Circular:

As per Circular No. 222/16/2024-GST, spectrum allotment by Dept. of Telecommunications is treated as a continuous supply of service, and GST is payable under reverse charge by telecom operators. For deferred payments, GST is payable on the earlier of

- ❖ The due date of payment or
- ❖ Date of actual payment.

For upfront payment, GST is due on the earlier of payment or when it becomes due. Frequency Assignment Letter is not treated as a tax invoice. Tax invoice must be issued as per Section 31(5)(a).

Circular on Vouchers [Circular No. 243/37/2024-GST dated 31st December, 2024]:

- ❖ Vouchers recognized as RBI-approved **prepaid instruments are treated as money**, hence not supply of goods/services, and not liable to GST.
- ❖ **Non-RBI vouchers** may qualify as actionable claims, exempt under **Schedule III**, thus also not taxable.
- ❖ Pure **trading of vouchers** on principal-to-principal basis is not supply, **so no GST**.
- ❖ When **distributed on commission/fee basis**, **GST is applicable** on commission as service.
- ❖ **Additional services** like marketing, tech support are **taxable separately under GST**.
- ❖ **Unredeemed vouchers** (breakage) involve no supply, **so no GST is applicable on such amounts**.