Time of Supply

SECTION 31- INVOICE FOR SUPPLY OF GOODS

Normal Case

As per Sec 31, a registered person supplying taxable goods invoice shall be issued **Invoice**, before or at the time of

(a) **removal of goods** for supply to the recipient, where the supply involves movement of goods; or

(b) **delivery of goods or making available** thereof to the recipient, in any other case

Invoice by supplier of the Service

As per Sec 31, a registered person supplying taxable services invoice shall be issued, **before or after the provision of service** **but not beyond 30 days (in case of banks or financial institution within 45 days) from the date of supply of service shall issue the Invoice**

CONTINUOUS SUPPLY OF GOODS OR SERVICES

"Continuous Supply of Goods (SOG)"

means a supply of goods which is provided, or agreed to be provided,

- continuously or on recurrent basis,
- under a contract,
- whether or not by means of a wire, cable, pipeline or other conduit, and
- for which the supplier invoices the recipient on a regular or periodic basis and

includes supply of such goods as the Government may, subject to such conditions, as it may by notification, specify.

"Continuous Supply of Services (SOS)"

means a supply of services which is provided, or agreed to be provided,

- continuously or on recurrent basis,
- under a contract,
- for a period exceeding three months with periodic payment obligations and

includes supply of such services as the Government may, subject to such conditions, as it may by notification, specify.

Sec 31(4):- Continuous supply of goods

In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time

- each such statement is issued or,
- as the case may be, each such payment is received.

Goods Sent for sale on Approval or Return Basis (Date of Issue of Invoice Section 31(7))

Where Goods are being sent for approval on Sale/Return are removed before Supply taken place, **Invoice shall be issued.**

(a) Before or at the time of Supply or

(b) 6 months from the date of Removal,

Whichever is earlier

Continuous supply of service-Analysis

Issue of Invoice Sec 31(5)

in case of continuous supply of services

Issue of Invoice

where the due date of payment is ascertainable	where the due date of payment is not ascertainable	where the payment is linked to the completion of an event,
Invoice shall be issued On or before due date of payment by recipient	Invoice shall be issued, On or before the receipt of payment by supplier	Invoice shall be issued On or before the date of completion of that event

Time of Supply u/s 12 & 13

Cases	Sec 12 : TOS for SOG Sec 12(2) : TOS	Sec 13 :- TOS for SOS Sec 13(2) :TOS	
Forward charge or outward supply	Earlier of ➲ Date of issue of Invoice or ➲ Last Date of issue of Invoice **Whichever is earlier** **Note** : As per N/N 66/2017, TOS of goods is not on date of Receipt	(a) If Invoice is issued within time	Date of invoice or Date of Receipt, whichever is earlier
		(b) If Invoice is not issued within time	Date of Completion or Receipt whichever is earlier
		(c) If TOS cannot be determined as per (a) or (b)	Date when Recipient shows receipt of service in his books
RCM or Inward Supply	**Sec 12(3)** : TOS is on (a) Date of Receipt of goods, or (b) Date of Payment, or (c) 31st Day from Supplier's Invoice **Whichever is earlier** **Note** : If (a) (b) or (c)is not possible then date of Entry in Books of Accounts of recipient	**Sec 13(3)** : TOS is on (a) Date of Payment, or (b) 61st Day from Supplier's Invoice **(c) Date of recipient invoice, if required.** **(applicable or Nov 25 Exam)** **Whichever is earlier** **Note** : If (a) or (b) is not possible then date of Entry in Books of Accounts of recipient	
Payment upto ₹1000 in excess of Invoice	**Proviso to Sec 12(2) and 13(2) :** TOS is on, at the option of Supplier, on the date of issue of next invoice in which such payment is adjusted		
Vouchers	**Sec 12(4) and 13(4) : TOS is on** **(a) If Supply is identifiable** - Date of Issue of Vouchers **(b) In Other Cases** - Date of payment of tax 		
Residual Cases	**Sec 12(5) and 13(5) : TOS cannot be determined in any of the above sec, then** (a) In case Periodical returns is to be filed - Date on which such return is filed (b) In Other Cases - Date of Payment of Tax		
Interest/ Late Fees or Penalty for delay payment of consideration	**Sec 12(6) and 13(6) : TOS is on** ➲ Date on which Supplier receives the addition in value		

Note:

i) Date of Payment received ➲ Date of book entry, or ➲ Credited to Bank } **Whichever is earlier**

ii) Date of Payment (RCM)= ➲ Date of Payment entered in books of accounts, or ➲ Date of debit to bank } **Whichever is earlier**

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Interest

Loan /advances or Deposits → Exempt

Delay payment of consideration

Note:- If payment is not made within 30 days, then Interest @ 3%

Value	1,00,000
GST @18%	18,000

Delay Payment of consideration = Interest / Late Fee / Penalty } GST payable

TOS = when such amount is received

'Debit Note'

TOS for SOG u/s 12(2) = Forward Charge

TOS for all SOG except specified actionable claims

TOS = Date of Issue of invoice or Last date of Invoice Whichever is earlier

Note: "Date of receipt of payment" is not be taken for TOS as per N/N 66/2017

Hence, Proviso of 'Excess payment upto ₹ 1000' is not relevant here because ultimately for such excess payment TOS shall be determined only when invoice is issued for such excess payment on not on advance.

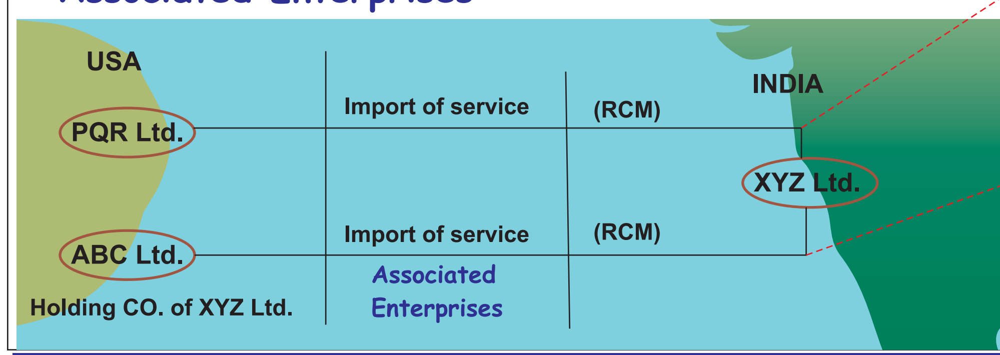
Specified actionable claims [Goods includes actionable claims]

TOS = 1) Date of issue of Invoice or
2) Last date of Invoice
3) Date of receipt of Payment
Whichever is earlier

Note: N/N 66/2017 is not applicable in this case.

Hence, Proviso of 'Excess payment upto ₹ 1000' is relevant here where at the option of supplier TOS for such excess payment shall be fixed on issue of next invoice rather than advance.

Associated Enterprises



TOS = 12(3)
- Date of payment
  - Book entry or -bank debit
- 61th day from suppliers invoice

TOS = Proviso 2 to sec 13(3)

In this case criteria of 61th day is not applicable
1) Date of entry of service in the books of A/c or
2) Date of payment

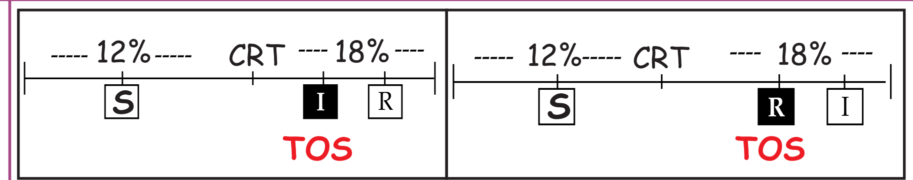
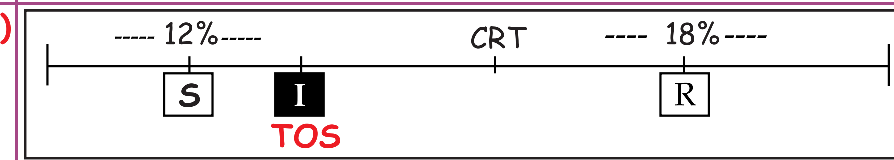
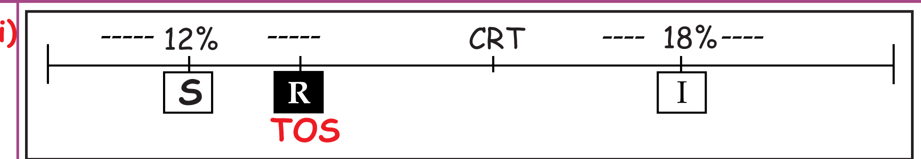
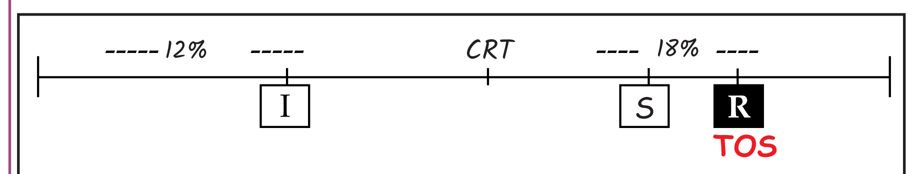
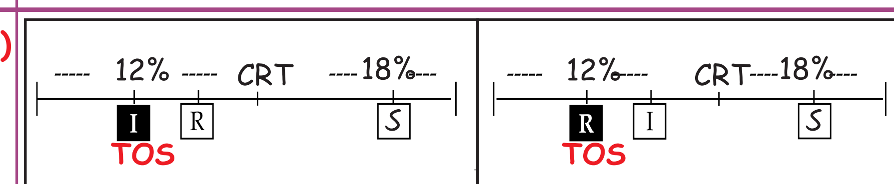
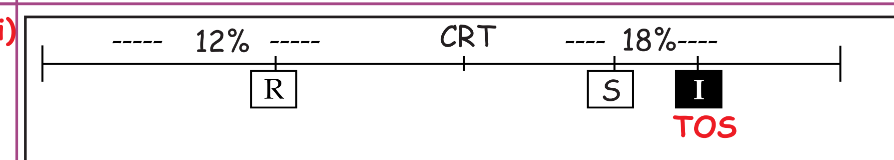
TOS IN CASE OF ASSOCIATED ENTERPRISES

Sec 2 - Associated Enterprise

"Associate Enterprise" Shall have the same meaning as assigned to it in Section 92-A of the Income tax Act, 1961

TOS : As per **2nd Proviso of sec 13(3)**, in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the
- date of entry in the books of account of the recipient of supply or
- the date of payment, whichever is earlier

Sec 14- Change in Rate of Tax (CRT) (applicable to both supply or goods & services)

Sec 14 (a):In case of supply of taxable Goods or service has been supplied before the change in effective rate	(i)		If completion before CERT then TOS is on date of invoice or receipt whichever is earlier.
	(ii)		
	(iii)		
Sec 14(b) In case of supply of taxable Goods or service has been supplied after the change in effective rate of tax	(i)		If completion after CERT then TOS is on date of invoice or receipt whichever is later. But if invoice & receipt occurred before CRT then TOS is on invoice or receipt whichever is earlier.
	(ii)		
	(iii)		
Proviso to Date of Payment		Date of Payment shall be date of credit in book in following cases i)Entry in books ├ CRT/First ┤ Credit in Bank i) Credit in bank after 4 working days from date of CRT ii) Payment is made by way of an instrument → Date of payment = Date of credit in bank	Note:- N/N - 66/2017 is also applicable to sec 14

TOS for payment of GST on spectrum usage services by telecom operators (Circular No. 222/16/2024):-

- Spectrum allocation services with deferred payments is considered as continuous SOS.
- Invoices must be issued by the payment due date specified in the contract as per sec 31(5)(a).
- For full upfront payment, GST is due when the payment is made or due, whichever is earlier.
- For deferred payments, GST is due with each instalment, when due or paid, whichever is earlier.

TOS of services of construction of road Services & maintenance thereof of National Highway Projects of NHAI in Hybrid Annuity Mode (HAM) model i.e. (Circular No. 221/15/2024):-

- If invoices issued on time, TOS is earlier of invoice date or payment receipt date.
- If invoices not issued on time, TOS is earlier of service provision date or payment receipt date.

Determination of Time of Supply in different Situations

Supply	Time of Supply		Normal case	Continuous Supply	Goods sent for sale on approval or return basis
Supply of Goods	Sec 12(2)(a) :- Tos is earlier of the following a) Date of issue of invoice		If invoice is issued on or before ➲ Removal for supply (if movement involved), or ➲ Delivery of goods or made available TOS = Date of issue of invoice	If invoice is issued on or before, the date of successive statement of accounts or successive payment TOS = Date of issue of invoice	a) If acceptance is given before 6 months and invoice is issued on or before acceptance b) If acceptance is not given before 6 months and invoice is issued on or before the date when 6 months expires TOS = Date of issue of invoice
	b) Last Date of issue of invoice		If invoice is not issued on or before ➲ Removal for supply (if movement involved), or ➲ Delivery of goods or made available TOS = Date of removal of goods or Date of delivery	If invoice is not issued on or before, the date of successive statement of accounts or successive payment TOS = Date of successive statement of a/c or Date of Payment received	a) If acceptance is given before 6 months but invoice is not issued on or before acceptance TOS = Date of Acceptance b) If acceptance is not given within 6 months and invoice is also not issued on or before acceptance TOS = Date on which 6 months expires
Supply of Services	Sec 13(2):- a) If invoice is issued within prescribed time	TOS is on :- ➲ Date of issue of invoice or ➲ Date of receipt Whichever is earlier	If invoice is issued on or before 30 days or 45 days (In case of banking or FI) TOS = Date of issue of invoice or receipt , WIE	a) If due date is ascertainable and invoice is issued on or before due date b) If due date is not ascertainable and invoice is issued on or before receipt of payment c) If invoice is issued on or before completion of event TOS = Date of issue of invoice or receipt, WIE	——
	b) If invoice is not issued within prescribed time	TOS is on :- ➲ Date of provision of service or ➲ Date of receipt Whichever is earlier	If invoice is not issued within 30 days or 45 days (In case of banking or FI) then, TOS = Date of provision of service or Receipt, WIE	a) If due date of payment is ascertainable and invoice is not issued on or before due date TOS = Due Date of payment or Date of Receipt, whichever is earlier Note:- As per ICAI's interpretation date of completion is the due date of payment in contract b) If due date of payment is not ascertainable and also invoice is not issued on or before receipt of payment TOS = Date of receipt of payment c) If service is linked to completion of event and invoice is not issued on or before completion of event TOS = Date of completion of event or Date of receipt, , WIE	——