

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 **before or at the time of Invoice**, before or at the time of

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

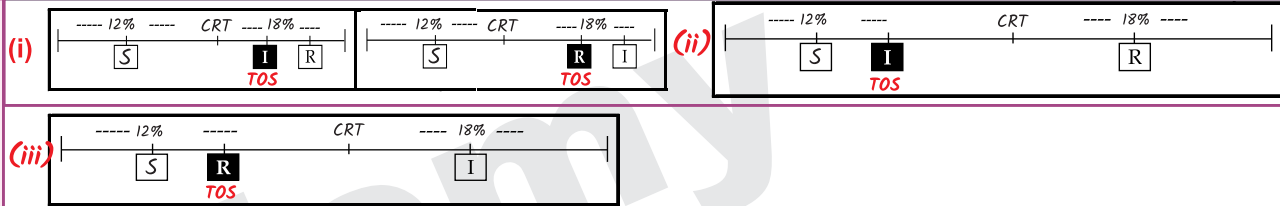
(b) **delivery of goods or making available** thereof to the recipient, in any other case

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**

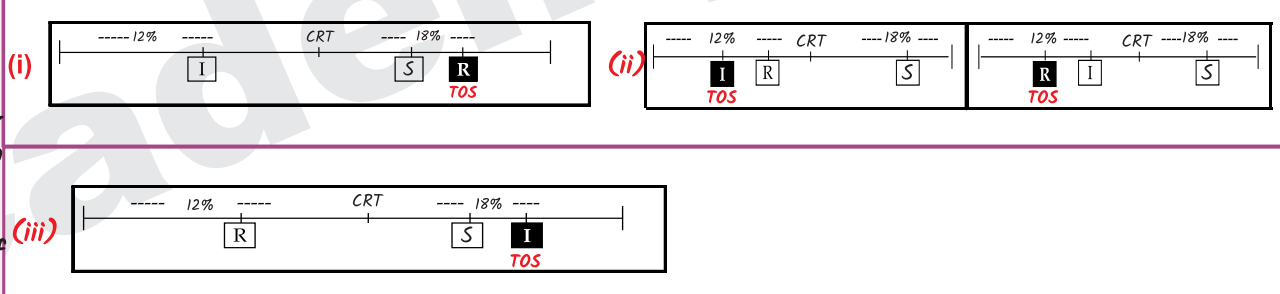
Sec 14- Change in Rate of Tax (CRT) (applicable to both supply of goods & services)

Sec 14 (a)
In case of supply of taxable Goods or service has been supplied before the change in effective rate



If completion before CRT then TOS is on date of invoice or receipt whichever is earlier.

Sec 14(b)
In case of supply of taxable Goods or service has been supplied after the change in effective rate of tax



If completion after CRT 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.

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

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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

Time of Supply u/s 12 & 13

Cases	Sec 12 : TOS for supply of goods	Sec 13 :- TOS for Supply of Service
	Sec 12(2) : TOS	Sec 13(2) :TOS
Forward charge or outward supply	Earlier of → Date of issue of Invoice or Last Date of issue of Invoice Note : As per N/N 66/2017, TOS of goods is not on date of Receipt of advance for supplier other than composition dealer & supplier of specified actionable claim	(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 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 Redemption of Vouchers	
Residual Cases	Sec 12(5) and 13(5) : TOS cannot be determined in any of the above section, 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**

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

CONTINUOUS SUPPLY OF GOODS OR SERVICES

"Continuous Supply of Goods"

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

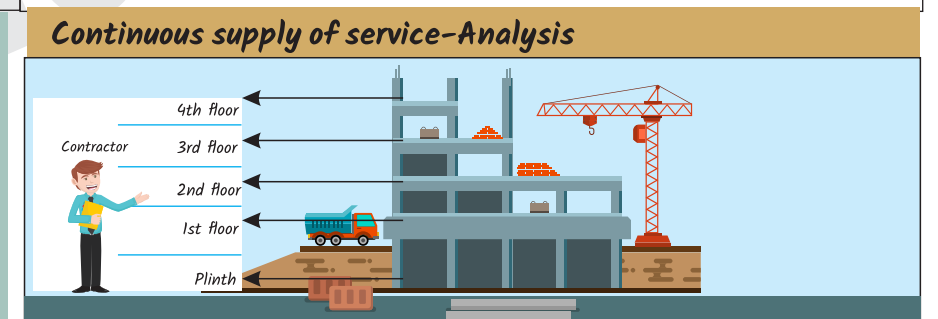
includes supply of such goods as the Government may, subject to such conditions, as it may by notification, specify.

"Continuous Supply of Services"

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.

Issue of Invoice Sec 31(5)

in case of continuous supply of services

(a) **where the due date of payment is ascertainable** from the contract, the invoice shall be issued on or before the due date of payment

(b) **where the due date of payment is not ascertainable** from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment

(c) **where the payment is linked to the completion of an event**, the invoice shall be issued on or before the date of completion of that event.

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**

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	<p>Sec 12(2)(a) :- Tos is earlier of the following</p> <p>a) Date of issue of invoice</p>	<p>If invoice is issued on or before</p> <p>⇒ Removal for supply (if movement involved), or</p> <p>⇒ Delivery of goods or made available</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of issue of invoice</p>	<p>If invoice is issued on or before, the date of successive statement of accounts or successive payment</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of issue of invoice</p>	<p>a) If acceptance is given before 6 months and invoice is issued on or before acceptance</p> <p>b) If acceptance is not given before 6 months and invoice is issued on or before the date when 6 months expires</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of issue of invoice</p>
	<p>b) Last Date of issue of invoice</p>	<p>If invoice is not issued on or before</p> <p>⇒ Removal for supply (if movement involved), or</p> <p>⇒ Delivery of goods or made available</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of removal of goods or Date of delivery</p>	<p>If invoice is not issued on or before, the date of successive statement of accounts or successive payment</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of successive statement of a/c or Date of Payment received</p>	<p>a) If acceptance is given before 6 months but invoice is not issued on or before acceptance</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of Acceptance</p> <p>b) If acceptance is not given within 6 months and invoice is also not issued on or before acceptance</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date on which 6 months expires</p>
Supply of Services	<p>Sec 13(2):-</p> <p>a) If invoice is issued within prescribed time</p>	<p>TOS is on :-</p> <p>⇒ Date of issue of invoice or</p> <p>⇒ Date of receipt</p> <p>Whichever is earlier</p>	<p>If invoice is issued on or before 30 days or 45 days (In case of banking or FI)</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of issue of invoice or receipt, WIE</p>	<p>a) If due date is ascertainable and invoice is issued on or before due date</p> <p>b) If due date is not ascertainable and invoice is issued on or before receipt of payment</p> <p>c) If invoice is issued on or before completion of event</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of issue of invoice or receipt, WIE</p>
	<p>b) If invoice is not issued within prescribed time</p>	<p>TOS is on :-</p> <p>⇒ Date of provision of service or</p> <p>⇒ Date of receipt</p> <p>Whichever is earlier</p>	<p>If invoice is not issued within 30 days or 45 days (In case of banking or FI) then,</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of provision of service or Receipt, WIE</p>	<p>a) If due date of payment is ascertainable and invoice is not issued on or before due date</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Due Date of payment or Date of Receipt, whichever is earlier</p> <p><i>Note:- As per ICAI's interpretation date of completion is the due date of payment in contract</i></p> <p>b) If due date of payment is not ascertainable and also invoice is not issued on or before receipt of payment</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of receipt of payment</p> <p>c) If service is linked to completion of event and invoice is not issued on or before completion of event</p> <p style="border: 1px solid red; padding: 2px; display: inline-block;">TOS = Date of completion of event or Date of receipt, WIE</p>

