

# Time of Supply

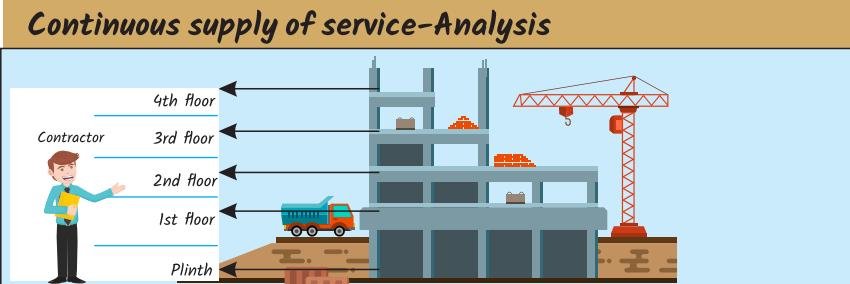
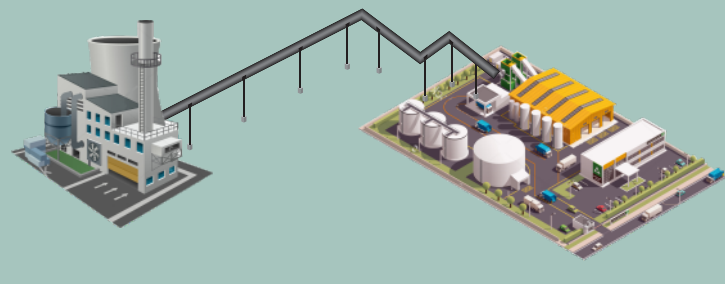


## SECTION 31- INVOICE FOR SOG/SOS

Invoice by Supplier of Goods	Invoice by supplier of the Service
As per Sec 31, a RP supplying taxable goods invoice shall be issued <b>Invoice</b> , before or at the time of (a) <b>removal of goods</b> for supply to the recipient, <b>where the supply involves movement of goods</b> ; or (b) <b>delivery of goods or making available</b> thereof to the recipient, <b>in any other case</b>	As per Sec 31, a RP supplying taxable services invoice shall be issued, <b>before or after the provision of service</b> <b>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</b>

## CONTINUOUS SUPPLY OF GOODS OR SERVICES

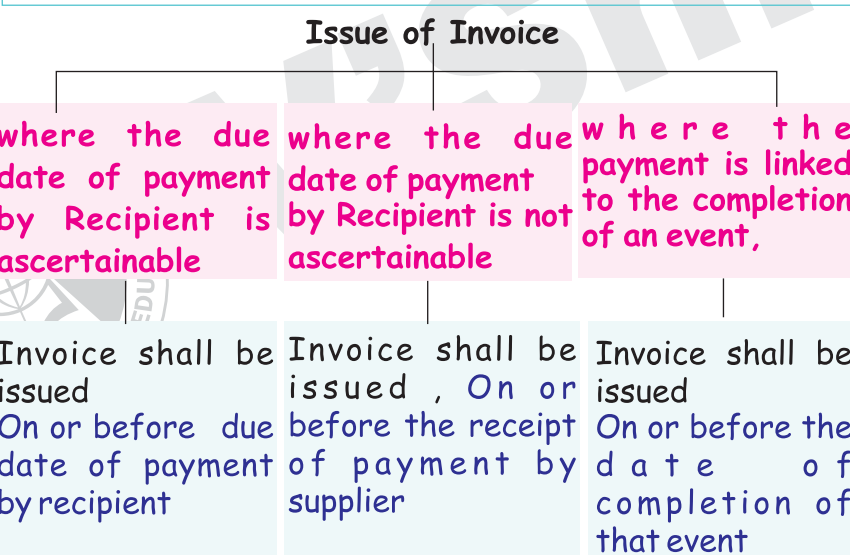
"Continuous Supply of Goods (SOG)"	"Continuous Supply of Services (SOS)"
<b>means</b> a supply of goods which is provided, or agreed to be provided, <ul style="list-style-type: none"> <li>continuously or on recurrent basis,</li> <li>under a contract,</li> <li>whether or not by means of a wire, cable, pipeline or other conduit, and</li> <li>for which the supplier invoices the recipient on a regular or periodic basis and</li> </ul> <b>includes</b> supply of such goods as the Government may, subject to such conditions, as it may by notification, specify.	<b>means</b> a supply of services which is provided, or agreed to be provided, <ul style="list-style-type: none"> <li>continuously or on recurrent basis,</li> <li>under a contract,</li> <li>for a <b>period exceeding three months</b> with periodic payment obligations and</li> </ul> <b>includes</b> supply of such services as the Government may, subject to such conditions, as it may by notification, specify.



### Sec 31(4):- Issue of Invoice

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



### 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**

## Time of Supply u/s 12 & 13

Cases	Sec 12 : TOS for SOG	Sec 13 :- TOS for SOS	
	Sec 12(2) : TOS	Sec 13(2) : TOS	
<b>Forward charge or Tax on Outward supply</b>	<b>Earlier of</b> <ul style="list-style-type: none"> <li>Date of issue of Invoice or</li> <li>Last Date of issue of Invoice</li> </ul> <b>Whichever is earlier</b> <b>Note :</b> As per N/N 66/2017, TOS of goods is not on date of Receipt except 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
<b>RCM or Tax on Inward supply</b>	<b>Sec 12(3) :</b> TOS is on (a) Date of Receipt of goods, or (b) Date of Payment, or (c) 31st Day from Supplier's Invoice <b>Whichever is earlier</b> <b>Note :</b> If (a) (b) or (c) is not possible then date of Entry in Books of Accounts of recipient	<b>Sec 13(3) :</b> TOS is on (a) Date of Payment, or (b) 61st Day from Supplier's Invoice <b>Whichever is earlier</b> <b>Note :</b> If (a) or (b) is not possible then date of Entry in Books of Accounts of recipient	
<b>Payment upto ₹1000 in excess of Invoice</b>	<b>Proviso to Sec 12(2) and 13(2) :</b> TOS is on, at the option of Supplier, on the date of issue of next invoice in which such payment is adjusted		
<b>Vouchers</b>	<b>Sec 12(4) and 13(4) :</b> TOS is on (a) If Supply is identifiable - Date of Issue of Vouchers (b) In Other Cases - Date of payment of tax		
<b>Residual Cases</b>	<b>Sec 12(5) and 13(5) :</b> 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		
<b>Interest/ Late Fees or Penalty for delay payment of consideration</b>	<b>Sec 12(6) and 13(6) :</b> TOS is on Date on which Supplier receives such addition in value		

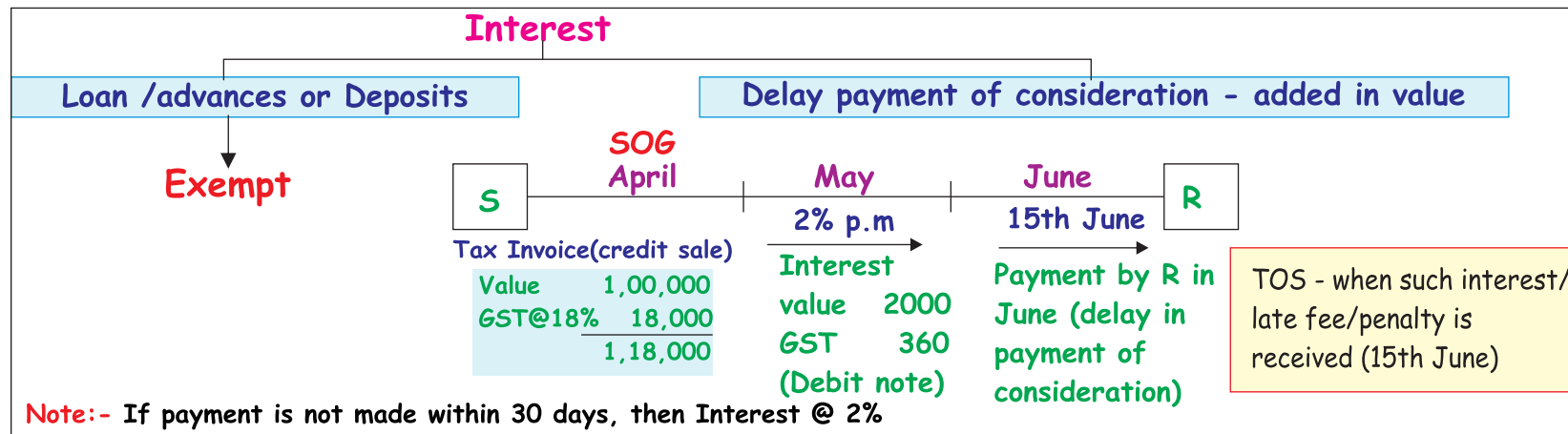
**Note:**  
 i) **Date of Payment received**

- Date of book entry, or
- Credited to Bank

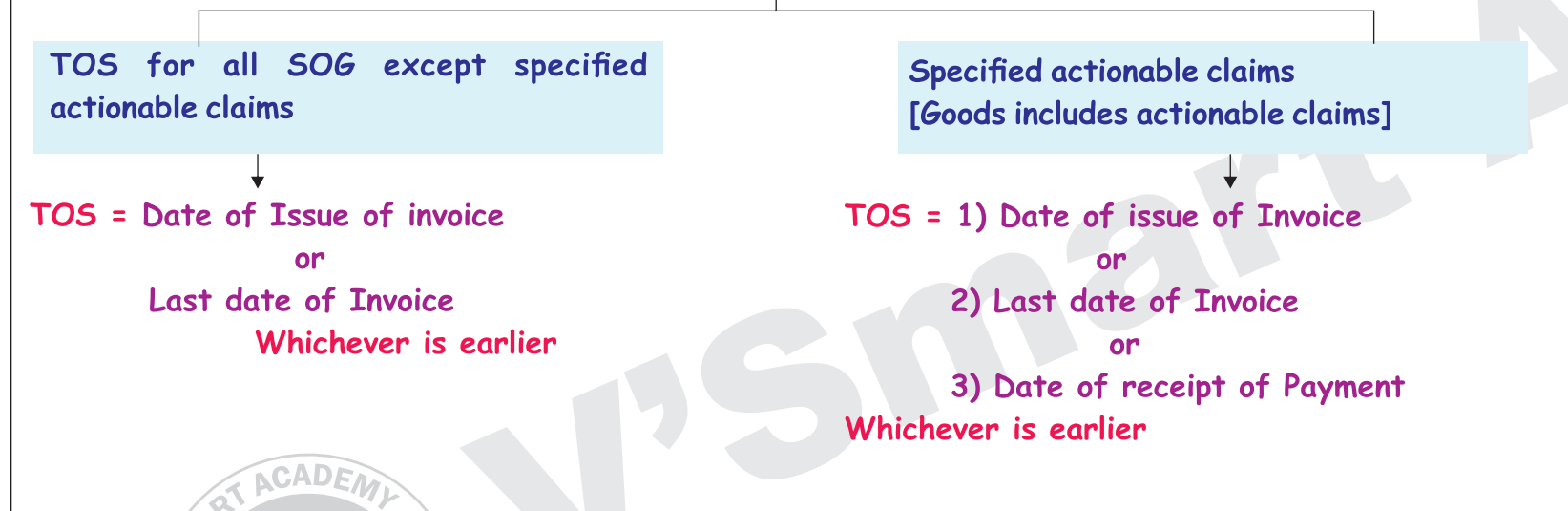
**Whichever is earlier**  
 ii) **Date of Payment (RCM)=**

- Date of Payment entered in books of accounts, or
- Date of debit to bank

**Whichever is earlier**



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



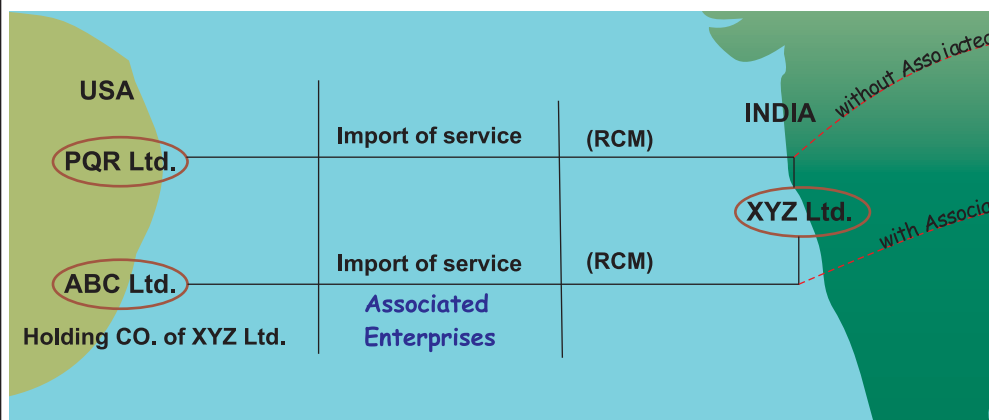
**TOS IN CASE OF ASSOCIATED ENTERPRISES**

**Sec 2(12) - 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



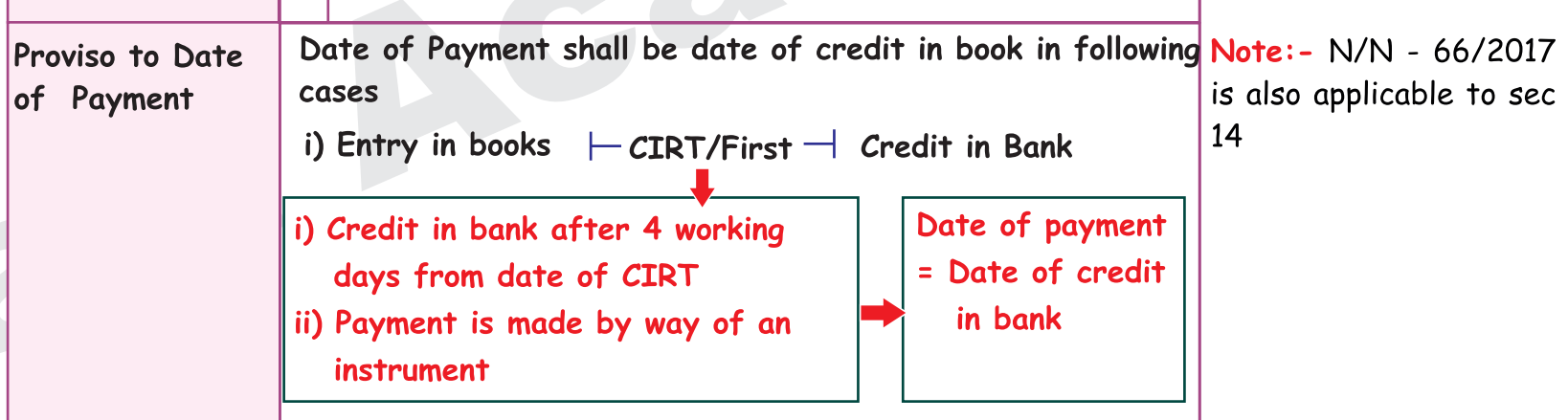
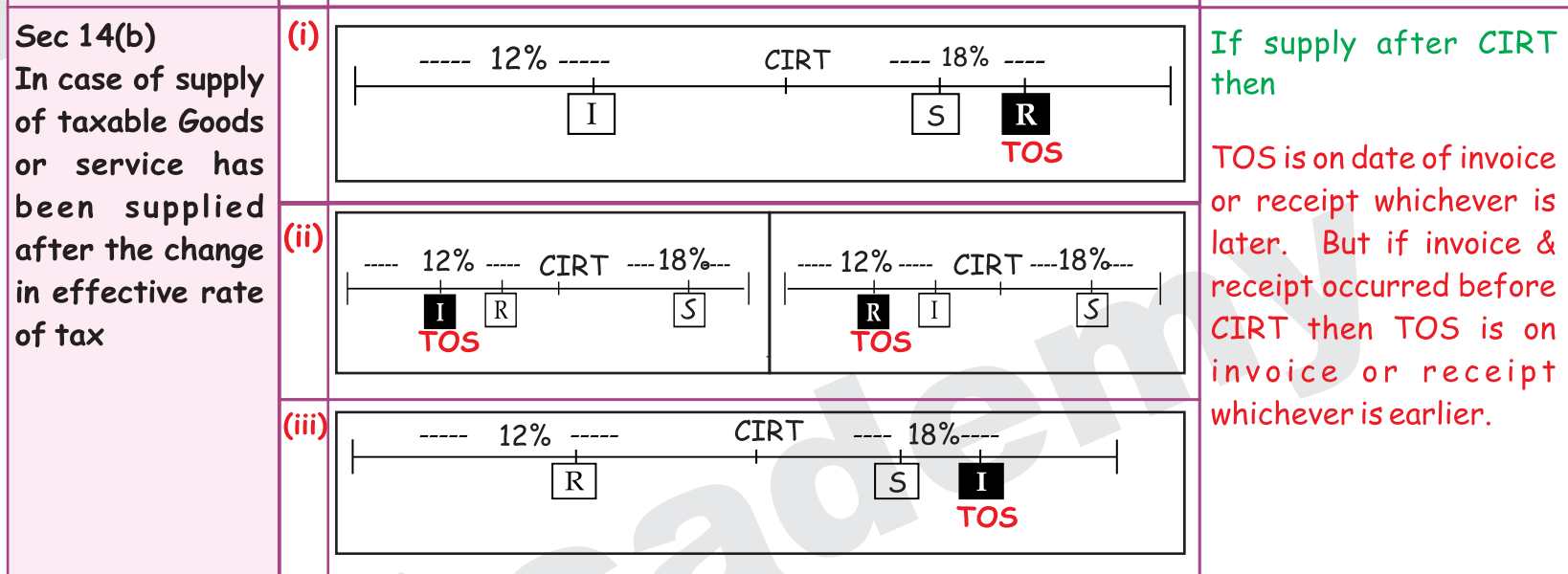
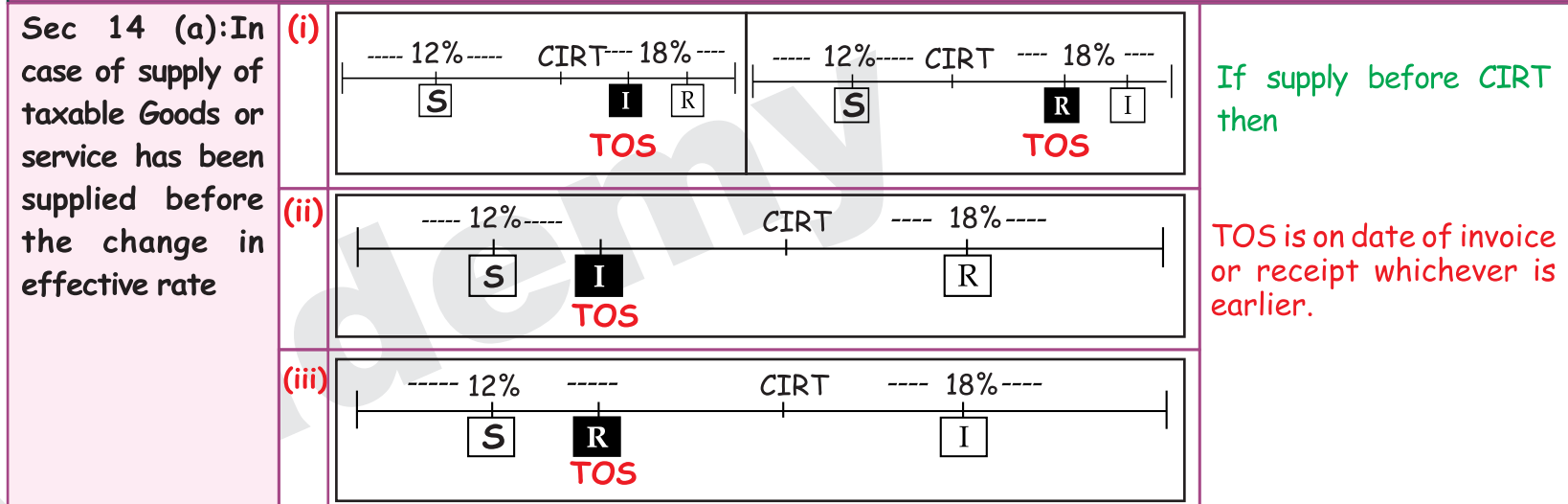
**TOS = 12(3)**

- Date of payment
- Book entry or -bank debit
- 61th day from suppliers invoice

**TOS = Proviso 2 to sec 13(3)**

- 1) Date of entry of service in the books of A/c or
- 2) Date of payment

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



**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.

Principle of TOS		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  TOS = Date of issue of invoice or receipt, WIE	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 of payment by Recipient is ascertainable and invoice is issued on or before due date b) If due date of payment by Recipient 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 by Recipient 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 by Recipient 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