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TIME OF SUPPLY

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Introduction

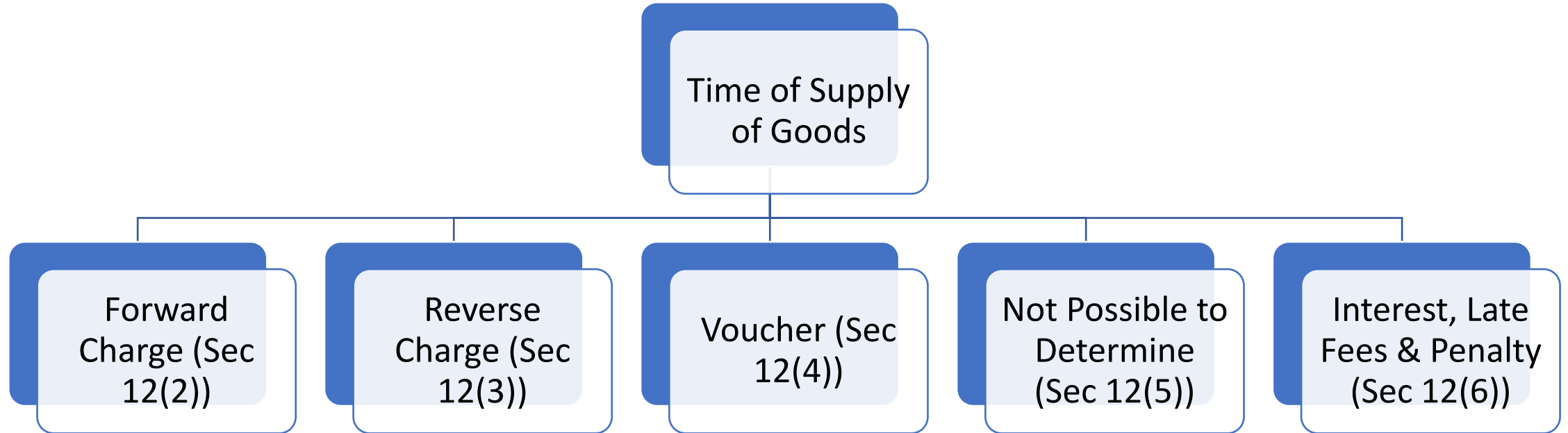
GST is payable on supply of goods or services. A supply consists of elements that can be separated in time, like purchase order, agreement, despatch of goods, delivery of goods, provision or performance of service, entry in the records, payment and entry of payment in record or deposit in bank.

Time of Supply determines the time at which the liability to pay GST arises.

Time of supply chapter is divided into 3 parts –

1. Time of Supply of Goods (Sec 12)
2. Time of Supply of Services (Sec 13)
3. Time of supply in case of Change in rate of tax in respect of supply of goods or services (Sec 14)

Time of Supply of Goods (Sec 12)



Time of Supply of Goods (Sec 12)

Sec 12(2) - Time of Supply of Goods is EARLIER of the following event – FORWARD CHARGE

Sec 12(2)(a)

The date of issue of invoice by the supplier

Sec 12(2)(a)

Last date on which supplier is required to issue the invoice u/s 31

Sec 12(2)(b)

The date on which the supplier receives the payment with respect to supply

Provided that where the supplier of taxable goods receives an amount up to one thousand rupees 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.

Explanation 1.—For the purposes of clauses (a) and (b), “supply” shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

Explanation 2.—For the purposes of clause (b), “the date on which the **supplier** receives the payment” shall be the date on which the payment is entered in his books of account or the date on which the payment is **credited** to his bank account, whichever is earlier.

Time of Supply of Goods (Sec 12)

Exemption from payment of Tax on Advances received for supply of goods –

All taxpayers (except composition suppliers **other than the registered person making supply of specified actionable claims as defined in clause (102A) of section 2 of the CGST Act**) are exempted from paying GST at the time of receipt of advance in relation to supply of goods. The entire GST shall be payable only when the invoice for the supply of such goods is issued or ought to have been issued. **(Notification No. 66/2017-CT dt 15-11-2017 as amended vide NN 50/2023-CT dt 29-9-2023, w.e.f. 1-10-2023, through the amendment exclusion to composition supplier was specified)**

A composition supplier has to pay, in lieu of tax payable by him, an amount calculated at the prescribed rate applied on his 'Turnover in the State/Union Territory' for a quarter. Therefore, the composition supplier is not required to pay any tax on advance received as the same does not form part of taxable supplies, and, in turn, also does not form part of the 'turnover in a State/Union Territory' at the end of the quarter.

Significance of “to the extent it is covered by the invoice or, as the case may be, the payment” –

Suppose, invoice is issued for part payment, the time of supply will not cover the full supply. The supply is deemed to have been made to the extent it is covered by the invoice.

Illustration : A Ltd. Enters into an agreement with B Ltd. To supply 100 kg of raw material. However, A Ltd. Supplies only 80 kg of raw material and issues the invoice for the same. Here, the supply would be deemed to have been made in respect of 80 kg of raw material, i.e. to the extent covered by the invoice. Therefore, the provisions relating to time of supply will be applicable to 80 kg only and not entire 100 kg.

Excess Payment upto ₹ 1,000: Option of taking invoice date as time of supply

Since, w.e.f. 15-11-2017, GST on supply of goods is payable only on the basis of issuance of invoice, this provision is practically irrelevant for supply of goods.

Illustration – Time of Supply of Goods

S.No.	Circumstances	Date of Invoice	Last Date of Issuance of Invoice	Date of Payment	Time of Supply
Suppose, ABC (Regular Dealer) sold goods to Mr. B, and issued invoice for the sale on 1-12-2019 for INR 4 Lacs. If					
1.	Goods were removed from the factory on 1-11-2019 and payment was made on 3-12-2019				
2.	Goods were removed from the factory on 2-12-2019 and payment was made on 3-12-2019				
3.	Payment was received on 1-11-2019 and goods were removed from the factory on 3-12-2019				

Illustration – Time of Supply of Goods

S.No.	Circumstances	Date of Invoice	Last Date of Issuance of Invoice	Date of Payment	Time of Supply
Suppose, ABC (Regular Dealer) sold goods to Mr. B, and issued invoice for the sale on 1-12-2019 for INR 4 Lacs. If					
1.	Goods were removed from the factory on 1-11-2019 and payment was made on 3-12-2019	1-12-2019	1-11-2019	3-12-2019	1-11-2019
2.	Goods were removed from the factory on 2-12-2019 and payment was made on 3-12-2019	1-12-2019	2-12-2019	3-12-2019	1-12-2019
3.	Payment was received on 1-11-2019 and goods were removed from the factory on 3-12-2019	1-12-2019	3-12-2019	1-11-2019	1-12-2019

Time of Supply of Goods (Sec 12)

Sec 12(3) - Time of Supply of Goods is EARLIER of the following event – REVERSE CHARGE

Sec 12(3)(a)

Date of Receipt of Goods

Sec 12(3)(b)

The date of payment as entered in the books of account of the **recipient** or the date on which the payment is **debited** in his bank account, whichever is **earlier**

Sec 12(3)(c)

The date immediately following 30 days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the **supplier**:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) or clause (c), the time of supply shall be the date of entry in the books of account of the **recipient of supply**.

Illustration – Time of Supply of Goods

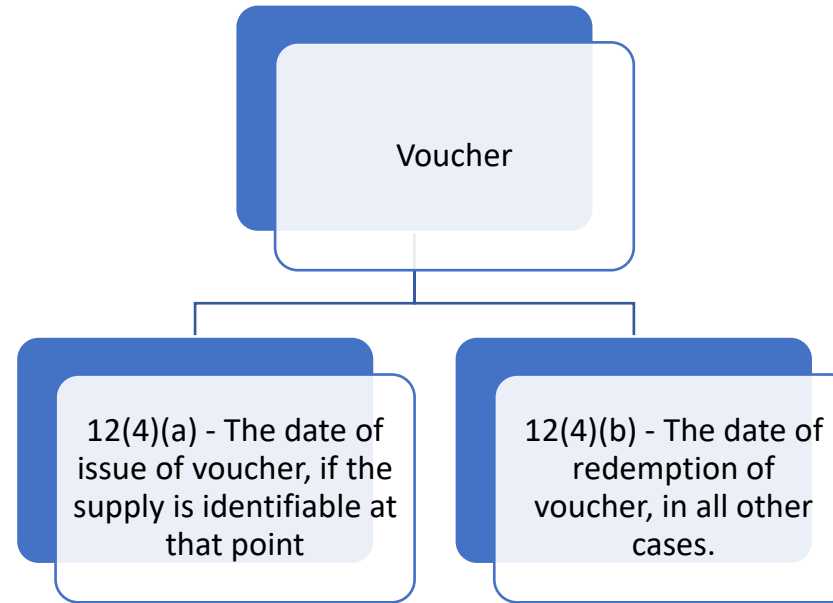
S.No.	Circumstances	Date of Invoice	Date of Receipt of Goods	Date of Payment	Time of Supply
Suppose, ABC received goods from Mr. Y, an Agriculturist for supply of Cashew nuts. Supplier issues invoices on 1-7-2019 if					
1.	Goods were received by the recipient on 15-7-2019 and payment was made on 2-8-2019				
2.	Goods were received by the recipient on 2-8-2019 and payment was made on 3-8-2019				
3.	Payment was made on 14-6-2019 and goods were received on 5-8-2019				

Illustration – Time of Supply of Goods

S.No.	Circumstances	Date of Invoice + 30 days	Date of Receipt of Goods	Date of Payment	Time of Supply
Suppose, ABC received goods from Mr. Y, an Agriculturist for supply of Cashew nuts. Supplier issues invoices on 1-7-2019 if					
1.	Goods were received by the recipient on 15-7-2019 and payment was made on 1-8-2019	31-7-2019	15-7-2019	3-8-2019	15-7-2019
2.	Goods were received by the recipient on 2-8-2019 and payment was made on 3-8-2019	31-7-2019	2-8-2019	3-8-2019	1-8-2019 (31 st date from date of supplier's invoice)
3.	Payment was made on 14-6-2019 and goods were received on 5-8-2019	31-7-2019	5-8-2019	14-6-2019	14-6-2019

Time of Supply of Goods (Sec 12)

Sec 12(4) - Time of Supply of Voucher



Eg – When one receives a voucher of ₹ 1,000 from Big Bazar Stating that the voucher of ₹ 1,000 can be redeemed by purchasing any product from Big Bazar, this is the case supply is not identifiable at that point of time But where voucher says it can be redeemed on purchase of Milton Water Bottles only, in that case supply is identifiable at that point.

Sec 2(118) “VOUCHER” means an instrument

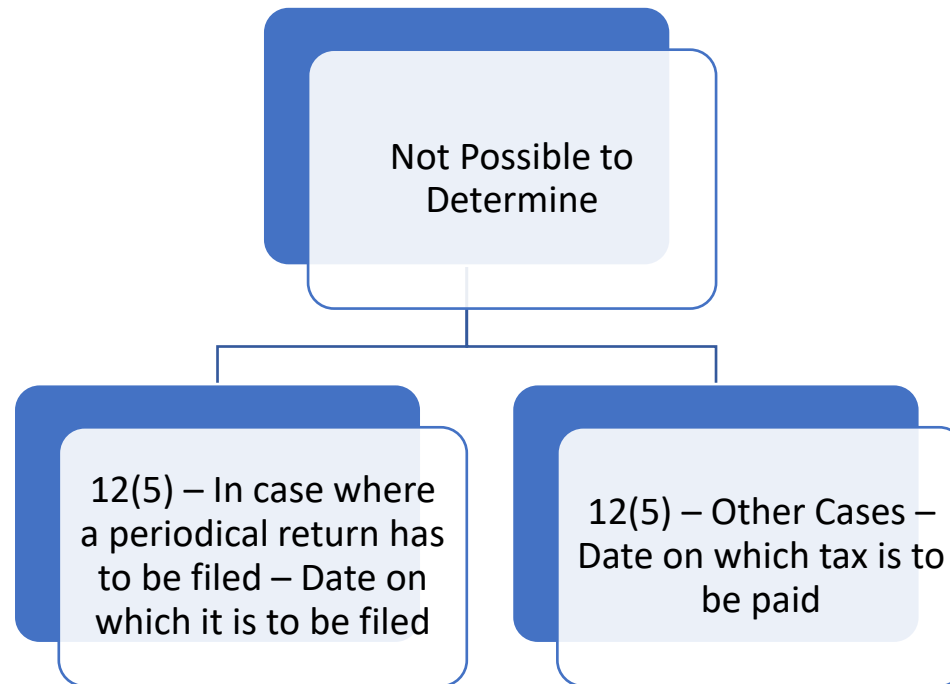
- where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both **and**
- where the **goods or services or both to be supplied** or the **identities of their potential suppliers** are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument;

Time of Supply of Goods (Sec 12)

Sec 12(5) - Time of Supply of Goods – Not Possible to Determine

(5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—

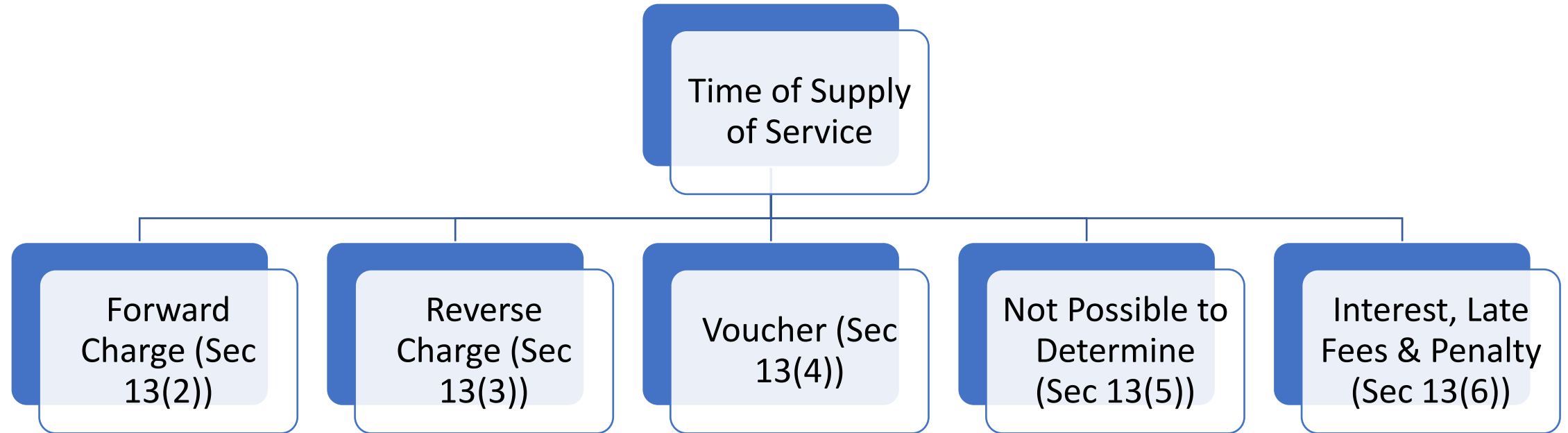
- (a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or
- (b) in any other case, be the date on which the tax is paid.



Sec 12(6) - Time of Supply of Goods – Interest, Late Fees or Penalty

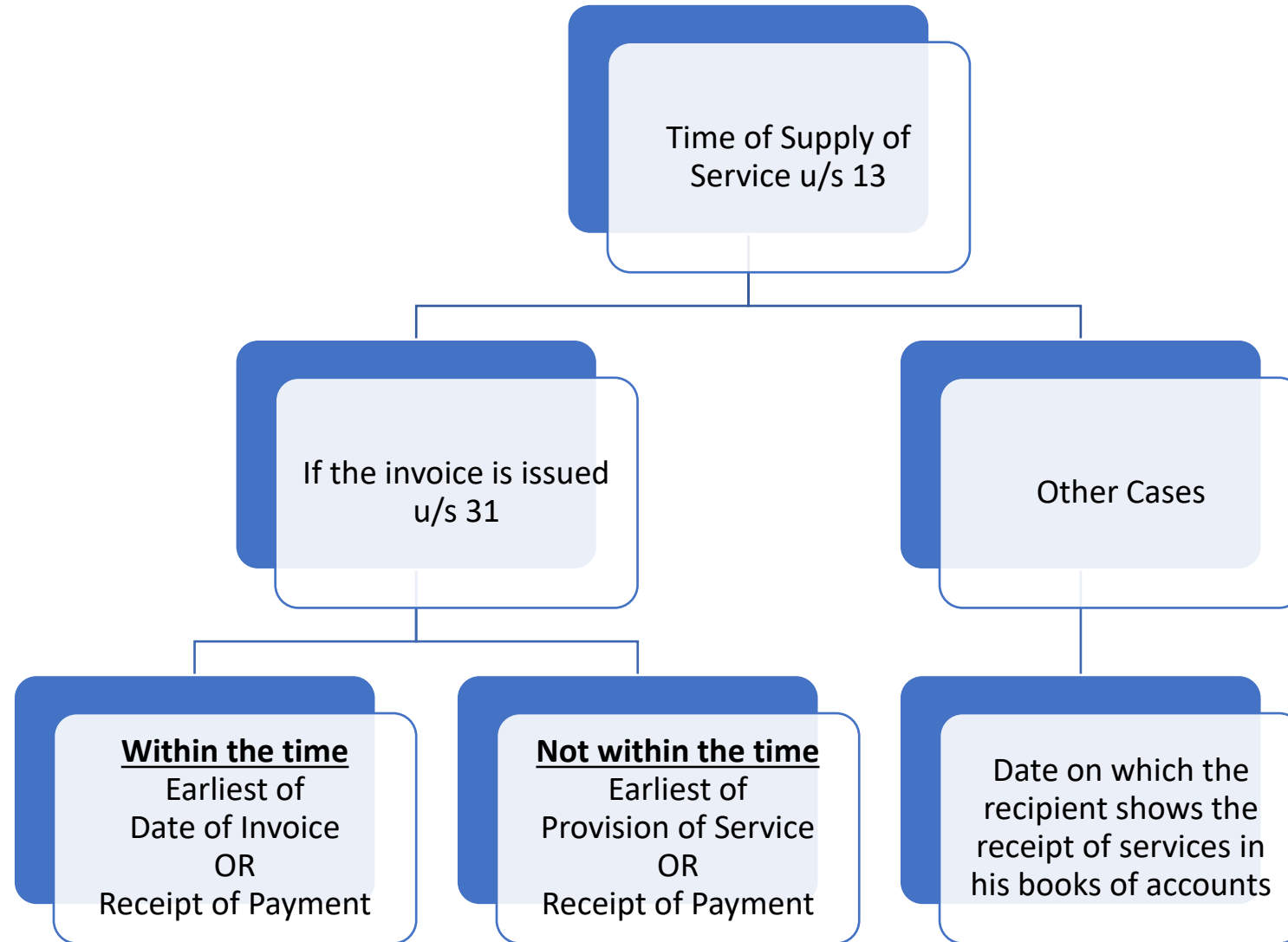
(6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the **date on which the supplier receives such addition in value.**

Time of Supply of Services (Sec 13)



Time of Supply of Services (Sec 13)

Sec 13(2) - Time of Supply of Service is EARLIER of the following event – FORWARD CHARGE



Time of Supply of Services (Sec 13)

Sec 13(2) - Time of Supply of Services is EARLIER of the following event – FORWARD CHARGE

Provided that where the supplier of taxable service receives an amount up to one thousand rupees 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 relating to such excess amount.

Explanation.—For the purposes of clauses (a) and (b)—

- (i) the supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment;
- (ii) “the date of receipt of payment” shall be the 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.

Time of Supply of Services (Sec 13)

RULE 47 - TIME LIMIT FOR ISSUING TAX INVOICE.- The invoice referred to in rule 46, in the case of the taxable supply of services, shall be issued within a period of **30 days** from the date of the supply of service:

➤ Provided that where the supplier of services is

an insurer or

a banking company or

a financial institution, including a non-banking financial company,

the period within which the invoice or any document in lieu thereof is to be issued shall be **45 days** from the date of the supply of service:

➤ Provided further that

an insurer or

a banking company or

a financial institution, including a non-banking financial company, or

a **telecom operator**, or

any other class of supplier of services as may be notified by the Government on the recommendations of the Council,

making taxable supplies of services between **distinct** persons as specified in section 25, may issue the invoice

- before or at the time such supplier records the same in his books of account or
- before the expiry of the quarter during which the supply was made.

Illustration - Time of Supply of Services

Case	Circumstances	Date of Invoice	Last date of Issuance of Invoice	Date of Payment	Time of Supply
Suppose, ABC Consultants services rendered to Mr B on 5-8-2019, if					
1.	ABC Consultants issued invoice on 30-8-2019 and payment was received on 1-9-2019				
2.	ABC Consultants issued invoice on 15-9-2019 and advance payment was received on 4-8-2019				
3.	ABC Consultants issued invoice on 15-9-2019 and payment was received on 4-10-2019				

Illustration - Time of Supply of Services

Case	Circumstances	Date of Invoice	Last date of Issuance of Invoice	Date of Payment	Time of Supply
Suppose, ABC Consultants services rendered to Mr B on 5-8-2019, if					
1.	ABC Consultants issued invoice on 30-8-2019 and payment was received on 1-9-2019	30-8-2019	4-9-2019	1-9-2019	30-8-2019
2.	ABC Consultants issued invoice on 15-9-2019 and advance payment was received on 4-8-2019	15-9-2019	4-9-2019	4-8-2019	4-8-2019
3.	ABC Consultants issued invoice on 15-9-2019 and payment was received on 4-10-2019	15-9-2019	4-9-2019	4-10-2019	5-8-2019

Time of Supply of Services (Sec 13)

Sec 13(3) - Time of Supply of Services is EARLIER of the following event – REVERSE CHARGE

Sec 13(3)(a)

- The date of payment as entered in the books of account of the recipient
OR
- The date on which the payment is debited in his bank account,
WHICHEVER IS EARLIER

Sec 13(3)(b)

(b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be the date of entry in the books of account of the recipient of supply:

Provided further that 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.

Time of Supply of Services (Sec 13)

Special Provisions in respect of Associated Enterprise –

Provided further that 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**.

Therefore the scope of this proviso is restricted in those cases where –

- Supply is by associated enterprise
- Supplies are related to services and
- Supplier of services is located outside India (If it will come under the purview of Import of Service, then, liable to reverse charge)

Sec 2(12) “ASSOCIATED ENTERPRISES” shall have the same meaning as assigned to it in section 92A of the Income-tax Act, 1961;

Illustration - Time of Supply of Services

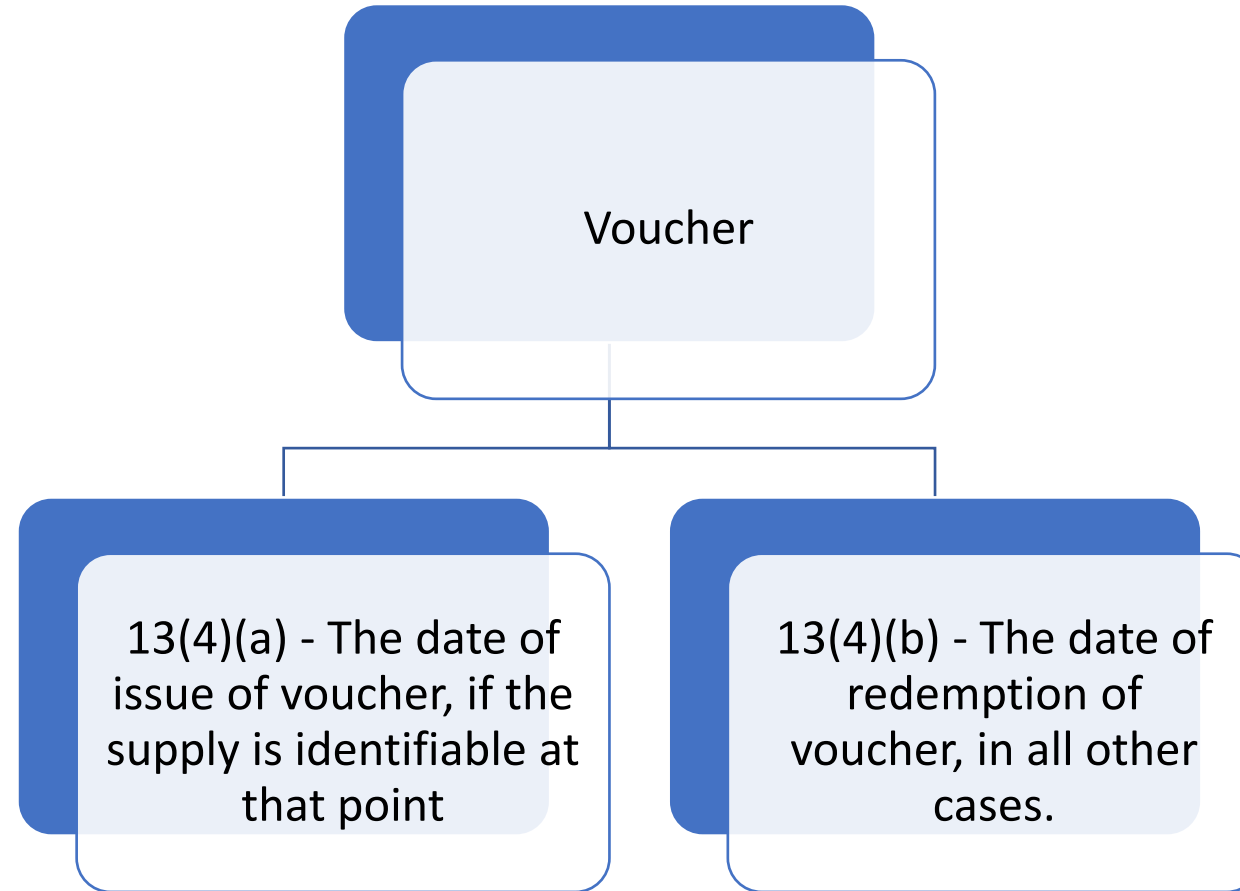
Case	Circumstances	Date of Invoice	Date of Payment	Time of Supply
Suppose, ABC Ltd a registered firm received services from Mr P an advocate, Issued invoice to ABC Ltd on 1-7-2019 if				
1.	Mr P rendered services on 30-6-2019 and received a payment on 15-8-2019			
2.	Mr P rendered services on 15-8-2019 and received payment on 30-9-2019			
3.	Mr P rendered services on 15-6-2019 and received payment on 18-6-2019			
4.	Mr P rendered services on 25-9-2019 and received payment on 30-9-2019			

Illustration - Time of Supply of Services

Case	Circumstances	Date of Invoice + 60 days	Date of Payment	Time of Supply
Suppose, ABC Ltd a registered firm received services from Mr P an advocate, Issued invoice to ABC Ltd on 1-7-2019 if				
1.	Mr P rendered services on 30-6-2019 and received a payment on 15-8-2019	30-8-2019	15-8-2019	15-8-2019
2.	Mr P rendered services on 15-8-2019 and received payment on 30-9-2019	30-8-2019	30-9-2019	31-8-2019 (61 st date from date of supplier's invoice)
3.	Mr P rendered services on 15-6-2019 and received payment on 18-6-2019	30-8-2019	18-6-2019	18-6-2019
4.	Mr P rendered services on 25-9-2019 and received payment on 30-9-2019	30-8-2019	30-9-2019	31-8-2019 (61 st date from date of supplier's invoice)

Time of Supply of Services (Sec 13)

Sec 13(4) - Time of Supply of Voucher

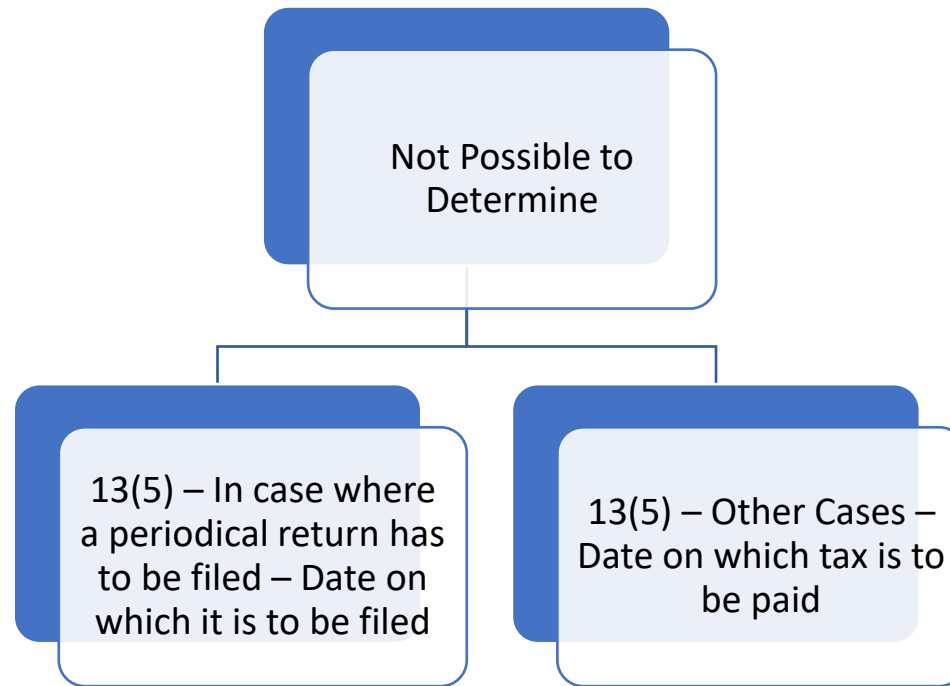


Time of Supply of Services (Sec 13)

Sec 13(5) - Time of Supply of Services – Not Possible to Determine

(5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—

- (a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or
- (b) in any other case, be the date on which the tax is paid.



Sec 13(6) - Time of Supply of Services – Interest, Late Fees or Penalty

(6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the **date on which the supplier receives such addition in value.**

Change in Rate of Tax (Sec 14)

Sec 14. Notwithstanding anything contained in section 12 or section 13, the time of supply, where there is a change in the rate of tax in respect of goods or services or both, shall be determined in the following manner, namely:—

(a) in case the goods or services or both have been supplied before the change in rate of tax,—

- (i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or
- (ii) where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or
- (iii) where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;

(b) in case the goods or services or both have been supplied after the change in rate of tax,—

- (i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or
- (ii) where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or
- (iii) where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice:

Provided that the date of receipt of payment shall be the date of credit in the bank account if such credit in the bank account is after four working days from the date of change in the rate of tax.

Explanation.—For the purposes of this section, “the date of receipt of payment” shall be the 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.

Change in Rate of Tax (Sec 14)

Supply provided (BEFORE OR AFTER) the change in Rate of Tax	Invoice has been issued (BEFORE OR AFTER) the change in Rate of Tax	Payment received (BEFORE OR AFTER) the change in Rate of Tax	Point of Taxation	
BEFORE	AFTER	AFTER	Date of receipt of payment or Date of issue of Invoice	Whichever is earlier
BEFORE	BEFORE	AFTER	Date of Invoice	
BEFORE	AFTER	BEFORE	Date of Payment	
AFTER	BEFORE	AFTER	Date of Payment	
AFTER	BEFORE	BEFORE	Date of receipt of payment or Date of issue of Invoice	Whichever is earlier
AFTER	AFTER	BEFORE	Date of Invoice	

Illustration - Change in Rate of Tax

Supply Provided	Invoice has been issued	Payment Received	Point of Taxation
25 th June, 2019	2 nd July, 2019	5 th July, 2019	
25 th June, 2019	26 th June, 2019	6 th July, 2019	
25 th June, 2019	4 th July, 2019	29 th June, 2019	
5 th July, 2019	30 th June, 2019	6 th July, 2019	
5 th July, 2019	28 th June, 2019	24 th June, 2019	
5 th July, 2019	7 th July, 2019	29 th June, 2019	

Illustration - Change in Rate of Tax

Supply Provided	Invoice has been issued	Payment Received	Point of Taxation
25 th June, 2019	2 nd July, 2019	5 th July, 2019	2 nd July, 2019
25 th June, 2019	26 th June, 2019	6 th July, 2019	26 th June, 2019
25 th June, 2019	4 th July, 2019	29 th June, 2019	29 th June, 2019
5 th July, 2019	30 th June, 2019	6 th July, 2019	6 th July, 2019
5 th July, 2019	28 th June, 2019	24 th June, 2019	24 th June, 2019
5 th July, 2019	7 th July, 2019	29 th June, 2019	7 th July, 2019

Illustration – Proviso to Section 14

Supply Provided	Invoice has been issued	Payment Received		Point of Taxation
		Entry in the Books of Accounts	Credit in Bank Account	
25 th Mar, 2019	2 nd April, 2019	5 th Apr, 2019	3 rd April, 2019	2 nd April, 2019
25 th Mar, 2019	2 nd April, 2019	31 th Mar, 2019	3 rd April, 2019	31 st Mar, 2019
25 th Mar, 2019	2 nd April, 2019	5 th Apr, 2019	29 th April, 2019	2 nd April, 2019
25 th Mar, 2019	2 nd April, 2019	31 th Mar, 2019	29 th April, 2019	<u>2nd April, 2019</u>

Provided that the date of receipt of payment shall be the date of credit in the bank account if such credit in the bank account is after four working days from the date of change in the rate of tax.

Explanation.—For the purposes of this section, “the date of receipt of payment” shall be the 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.

Last Date of Invoice (Sec 31)

Sec 31(1) A registered person supplying taxable goods shall, 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,

issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.

Sec 31(2) A registered person supplying taxable services shall, before or after the provision of service but within a **prescribed** period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—

(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(b) tax invoice may not be issued.

Sec 31(4) 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.

Last Date of Invoice (Sec 31)

Sec 31(5) Subject to the provisions of clause (d) of sub-section (3), 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.

Sec 31(7) Notwithstanding anything contained in sub-section (1), where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or 6 months from the date of removal, whichever is earlier.

“CONTINUOUS SUPPLY OF GOODS” (Sec 2(32))

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

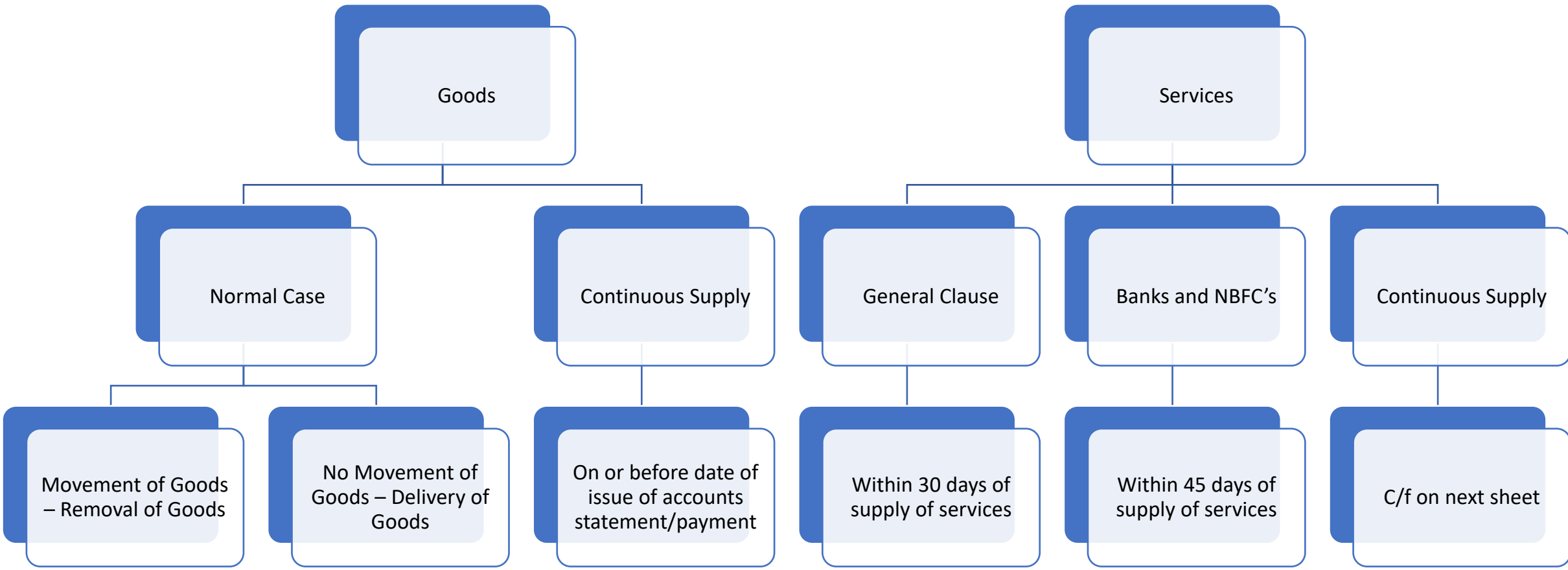
- continuously or on recurrent basis,
- under a contract,
- whether or not by means of a wire, cable, pipeline or other conduit, and
- for which the supplier invoices the recipient on a regular or periodic basis and
- includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify;

“CONTINUOUS SUPPLY OF SERVICES” (Sec 2(33))

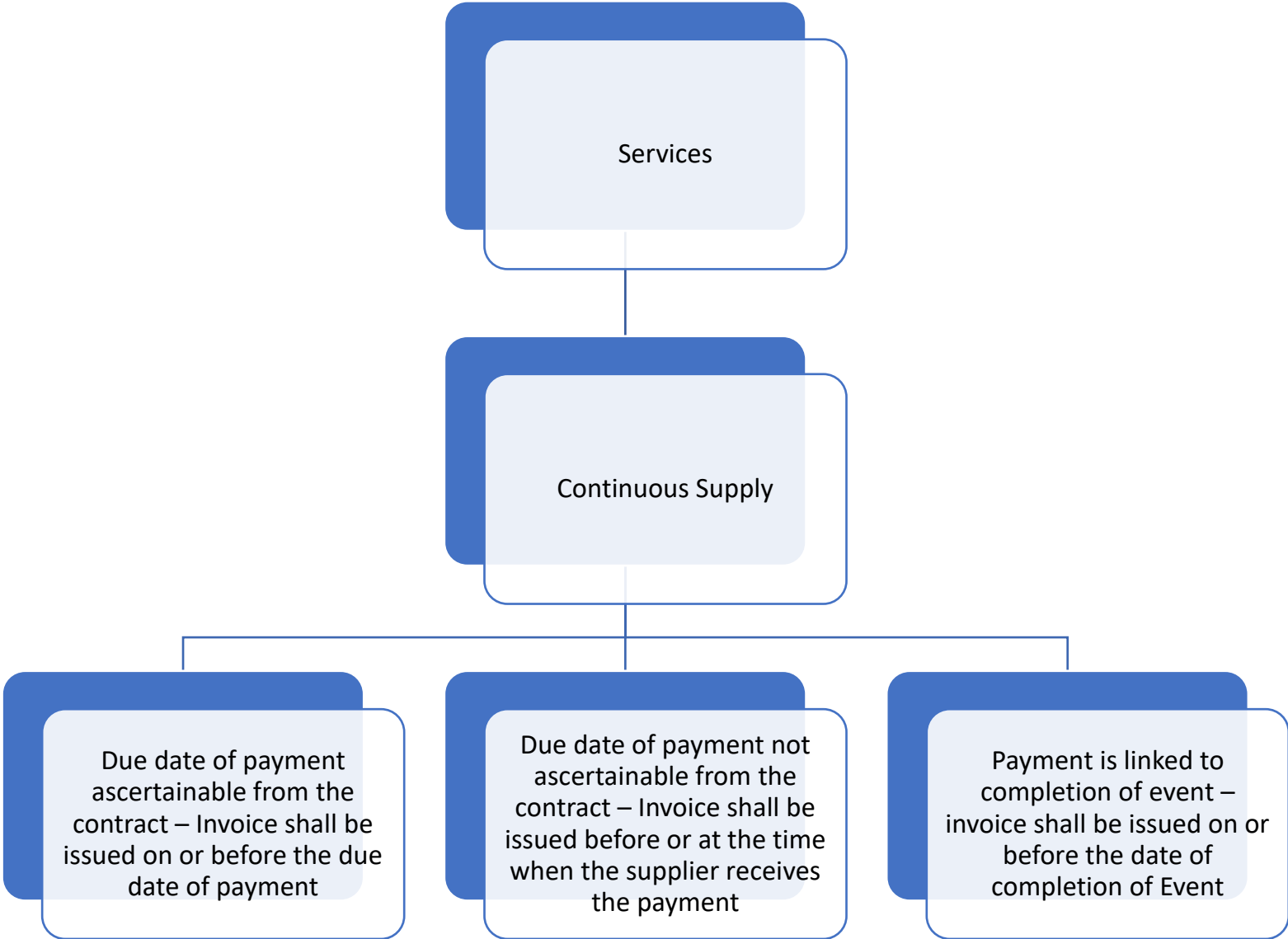
means a supply of services which is provided, or agreed to be provided,

- 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;

Last Date of Invoice (Sec 31)



Last Date of Invoice (Sec 31)



Illustrations – On Time of Supply

Illustration 1

A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are

Date	Event
15 th September	Purchase order with advance of ₹ 50,000 is received for machine worth ₹ 12 Lakh and entry duly made in the seller's books of account
20 th October	The machine is assembled, tested at site, and accepted by buyer
22 rd October	Invoice raised
5 th November	Balance payment of ₹ 11,50,000 received

Determine the time of supply in the above scenario for the purpose of payment of tax.

Answer

As per Notification No. 66/2017 CT dt 15-11-2017, a registered person (excluding composition supplier) has to pay GST on the outward supply of goods at the time of supply as specified in section 12(2)(a) i.e. date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31.

Therefore, the time of supply for the purpose of payment of tax for the entire amount of ₹ 12 lacs is 20th October which is the date on which the goods were made available to the recipient as per section 31(1)(b), and the invoice should have been issued on this date [Section 12(2)(a)].

Illustrations – On Time of Supply

Illustration 2

Gas is supplied by a pipeline. Monthly payments are made by the recipient as per contract. Every quarter, invoice is issued by the supplier supported by a statement of the goods dispatched and payments made, and the recipient has to pay the differential amount, if any. The details of the various events are:

Date	Particulars
August 5, September 5, October 6	Payments of ₹ 2 lakh made in each month
October 3	Statement of accounts issued by supplier, with invoice for the quarter July – September
October 17	Differential payment of ₹ 56,000 received by supplier for the quarter July – September as per statement of accounts

Answer

As per Notification No. 66/2017 CT dated 15-11-2017, a registered person (excluding composition supplier) has to pay GST on the outward supply of goods at the time of supply as specified in section 12(2)(a), i.e. date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31.

As per section 31(4), in case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice is issued before or at the time of each such statement is issued or, as the case may be, each such payment is received. Therefore, invoice should be issued on August 5, September 5 and October 6 when monthly payments of ₹ 2 lakh are received.

Thus, the time of supply for the purpose of payment of tax will be August 5, September 5 and October 6, respectively for goods valued at ₹ 2 lakh each. For goods valued at ₹ 56,000, the time of supply for the purpose of payment of tax will be October 3, the date of issuance of invoice.

Illustrations – On Time of Supply

Illustration 3

Determine the time of supply from the given information

Date	Particulars
May 4	Supplier invoices goods taxable on reverse charge basis to B & Co. (30 days from the date of issuance of invoice elapse on June 3)
May 12	Bridge & Co. receives the goods
May 30	Bridge & Co. makes the payment

Answer - Here, May 12 will be the time of supply, being the earliest of the three stipulated dates, namely, receipt of goods, date of payment and date immediately following 30 days of issuance of invoice [Section 12(3)].

Illustration 4

Determine the time of supply from the given information

Date	Particulars
May 4	Supplier invoices goods taxable on reverse charge basis to P & Co. (30 days from the date of issuance of invoice elapse on June 3)
June 12	P & Co. receives the goods
July 3	Payment made for the goods

Answer - Here, June 4, 31st day from the date of supplier's invoice, will be the time of supply, being the earliest of the three stipulated dates, namely, receipt of goods, date of payment and date immediately following 30 days of issuance of invoice [Section 12(3)].

Illustrations – On Time of Supply

Illustration 5

Determine the time of supply from the following particulars:

Date	Particulars
6 th May	Booking of convention hall, sum agreed ₹ 15,000, advance of ₹ 3,000 received.
15 th September	Function held in convention hall
27 th October	Invoice issued for ₹ 15,000, including balance of ₹ 12,000
3 rd November	Balance payment of ₹ 12,000 received

Answer

As per section 31(2) read with rule 47 of the CGST Rules, the tax invoice is to be issued within 30 days of supply of service. In the given case, the invoice is not issued within the prescribed time limit. As per section 13(2)(b), in a case where the invoice is not issued within the prescribed time, the time of supply of service is the date of provision of service or receipt of payment, whichever is earlier.

Therefore, the time of supply of service to the extent of ₹3,000 is 6th May as the date of payment of ₹3,000 is earlier than the date of provision of service. The time of supply of service to the extent of the balance of ₹ 12,000 is 15th September, which is the date of provision of service.

Illustration 6

Investigation shows that ABC & Co. carried out service of cleaning and repairs of tanks in an apartment complex, for which the Apartment Owners' Association showed a payment in case on 4th April to them against work of this description. The dates of the work are not clear from the records of ABC & Co. ABC & Co. have not issued invoice or entered the payment in their books of account.

Answer

The time of supply cannot be determined vide the provisions of clauses (a) and (b) of section 13(2) as neither the invoice has been issued nor the date of provision of service is available as also the date of receipt of payment in the books of the supplier is also not available. Therefore, the time of supply will be determined vide clause (c) of section 13(2), i.e. the date on which the recipient of service shows receipt of the service in his books of account.

Thus, time of supply will be 4th April, the date on which the Apartment Owners' Association records the receipt of service in its books of account.

Illustrations – On Time of Supply

Illustration 7

Determine the time of supply from the given information. (Assume that service being supplied is taxable under reverse charge)

Date	Particulars
May 4	The supplier of service issues invoice for service provided. There is a dispute about amount payable, and payment is delayed.
August 21	Payment made to the supplier of service

Answer – Here, July 4 will be the time of supply, being the earliest of the two stipulated dates, namely, date of payment and date immediately following 60 days since issue of invoice.

Illustration 8

Date	Particulars
May 4	A German company issues email informing its associated company ABC Ltd. Of the cost of technical services provided to it
July 2	ABC Ltd. Transfers the amount to the account of the German company

Answer – As there is no prior entry of the amount in the books of account of ABC Ltd., July 2 will be the time of supply, being the date of payment in terms of second proviso to section 13(3)