



CHAPTER - 6

TIME OF SUPPLY

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CONTINUOUS SUPPLY OF GOODS OR SERVICES

“Continuous Supply of Goods”

Section 2(32) Continuous Supply of Goods

“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.



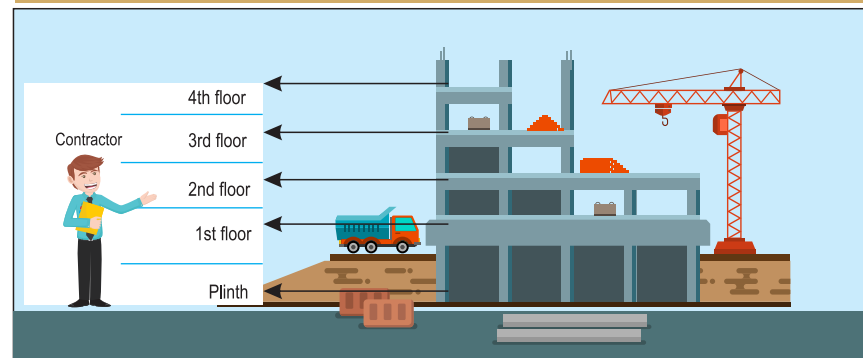
“Continuous Supply of Services”

Section 2(33) Continuous Supply of Services

“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.

Continuous supply of service-Analysis

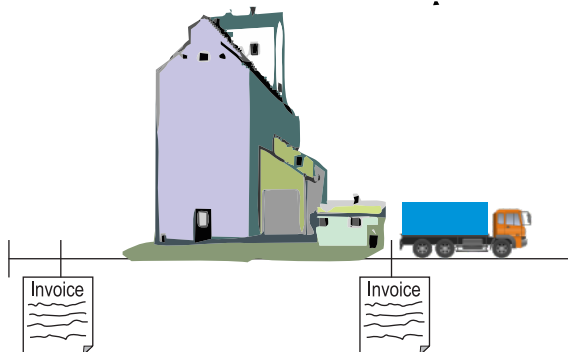


Section 31- Invoice for supply of goods

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**



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.*

Example

M/s Sheba Pvt Ltd, a registered person issues statement on 5th every month in respect of supplies made in previous month. Following information is provided :-

As on 11/7/20XX Goods supplied worth ₹ 45000

As on 14/8/20XX Goods supplied worth ₹ 30000

As on 17/9/20XX advance amount of ₹ 25000 received

Ans:- As the above case falls in the ambit of continuous supply of goods, thus the issue of invoice shall be before or on the following dates as per section 31(4) of CGST act i.e. :-

For goods supplied worth ₹ 45000 in the month of July, Invoice shall be issued on 5/8/20XX

For goods supplied worth ₹ 30000 in the month of August, Invoice shall be issued on 5/9/20XX

And for advance receipt, M/s Sheba pvt ltd shall issue a receipt voucher as on 17/9/20XX

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**

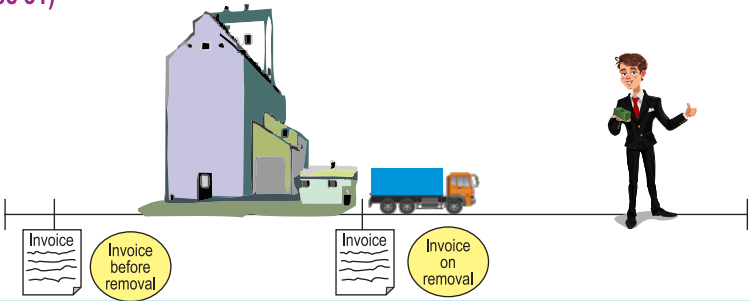
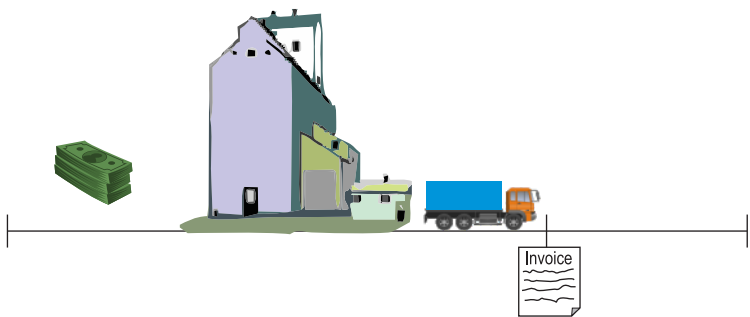
Example : Mr Vinay, a registered person, supplies goods on approval for sale or return basis,

As on 5/5/2019 or worth ₹ 75000 to Mr. Sagar with option of return within 2 months. As on 15/6/2019 Mr. Sagar signifies his approval for the entire quantity of goods.

Specify when Mr. Vinay will issue the invoice ? would you answer differ if Sagar has given approval on 18th Feb 2020

Ans:-

Section 12 : Time of Supply of Goods

1.	The liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section.
2.	<p>The time of supply of goods shall be the earlier of the following dates, namely</p> <p>(a) the date of issue of invoice by the supplier or the last date on which he is required to issue the invoice with respect to the supply (Sec 31)</p>  <p>(b) the date on which the supplier receives the payment with respect to the supply:</p> <p>Explanation For the purposes of clause (b), "the date on which the supplier receives the payment" shall be</p> <ul style="list-style-type: none"> 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.  <p>Explanation 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.</p> <p>Significance of "to the extent supply is covered by the invoice" : The TOS, as discussed above shall be only to the extent of the amount covered in the invoice i.e., suppose, invoice is issued for part value, the time of supply will not cover the full supply. The supply shall be deemed to have been made to the extent it is covered by the invoice.</p>

Proviso	<p>Time of Supply if excess amount is received upto 1000</p> <p>Provided that where the supplier of taxable goods</p> <ul style="list-style-type: none"> receives an amount upto ₹ 1000 in excess of the amount indicated in the tax invoice, <p>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.</p>
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Time of Supply is only on invoice basis

N/n - 40/2017 C.T. dated 13 Oct. 2017 Superseded by N/n 66/2017 dated 15 Nov.2017

Any registered person who did not opt for the composition levy under section 10 of the said Act as the class of persons

who shall pay the central tax

on the **outward supply of goods** at the time of supply as specified in **clause (a) of sub-section (2) of section 12** of the said Act

including in the situations attracting the provisions of section 14 of the said Act,

and

shall accordingly furnish the **details and returns** as mentioned in Chapter IX of the said Act and the rules made thereunder and

the period prescribed for the **payment of tax** by such class of registered persons shall be such as specified in the said Act.

Important Comment:- In simple words all taxpayers (except composition suppliers) 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 supply of such goods is issued or ought to have been issued.

A composite supplier has to pay, in lieu of tax payable by him, and amount calculated at the prescribed rate applied on his turnover in the State/UT for quarter.

Therefore, composition supplier is not required to pay any tax on advanced received as the same does not form part of taxable supplies and, in turn, also does not form a part of the turnover in a state/UT at the end of the quarter

Example :Determine the Time of Supply in the following cases-

1. M/s. ABC Ltd. removed the goods valuing ₹ 10 lakh on 15.6.20XX & issued invoice thereof on 12.6.20XX.The payment is received on 1.8.20XX (book entry and bank realization is on same date).
2. M/s. A Ltd. removed the goods valuing ₹ 12 lakh on 15.6.20XX & issued invoice thereof on 15.6.20XX.The payment is received on 21.9.20XX (book entry and bank realization is on same date).
3. Mr. A removed the goods valuing ₹ 14 lakh on 15.7.20XX & issued invoice thereof on 20.7.20XX.The payment is received on 21.9.20XX (book entry and bank realization is on same date).
4. M/s. MNL AOP removed the goods on 1.5.20XX. An invoice towards value of ₹ 2 lakh was issued on 1.5.20XX. The payment is received by cheque and entered in books on 10.4.20XX. It is realized in bank by 13.4.20XX.
5. M/s. AB HUF removed the goods valuing ₹ 12 lakh on 19.6.20XX & part payment ₹ 4,00,000 received on 21.6.20XX & balance payment received on 2.7.20XX (book entry and bank realization is on same date).The invoice thereof is issued on 19.6.20XX.
6. M/s. XYZ Ltd. removed the goods valuing ₹ 12 lakh on 19.6.20XX & part payment ₹ 5,00,000 received on 21.5.20XX (book entry is on 21.5.20XX and bank realization is on 19.5.20XX) & balance payment received on 2.8.20XX (book entry and bank realization is on same date).The invoice thereof is issued on 2.7.20XX.

Solution:

Assessee	Date of removal of goods	Date of Invoice	Last Date of Invoice	Date of receipt of Payment		Date of TOS (read with N/N 66/2017)	Remark
				Book entry	Credit in Bank		

3.

Time of Supply for goods in case of reverse charge

In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely:—

- (a) the date of the receipt of goods;



OR

- (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; or



OR

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



Whichever is earlier

Proviso 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.

Case : Where reverse charge is applicable as per section 9(3) & 9(4) of CGST act

Sr. No.	Date of receipt of goods	Date of issue of Invoice by supplier	31st day after invoice	Date of		Time of Supply	Comments
				Payment in books of recipient	Payment debited in bank a/c		
1.	22.10.20XX	20.10.20XX		23.10.20XX	25.10.20XX		
2.	22.10.20XX	15.10.20XX		17.10.20XX	18.10.20XX		
3.	22.10.20XX	15.10.20XX		20.10.20XX	18.10.20XX		
4.	22.10.20XX	10.10.20XX		23.11.20XX	25.11.20XX		

Determination of Time of Supply in different cases

Invoice	Normal Case	Sec 31(4):- Continuous supply of goods	Goods Sent for sale on Approval or Return Basis(Date of Issue of Invoice Section 31(7))
	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	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.	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	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
	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

Sec 31(4):- Continuous supply of goods

Time of Supply as per Sec 12

Sr. No.	Date of removal of goods	Date of Receipt of Payment		Date of issue of Invoice	Last date of issue of as per Sec 31(4) invoice	Time of Supply	Comments
		Statement of A/C	Successive Payment				
1.	20.10.20XX to 25.10.20XX	25.10.20XX	28.10.20XX	25.10.20XX	25.10.20XX		
2.	20.10.20XX to 24.10.2017	25.10.20XX	28.10.20XX	23.10.20XX	25.10.20XX		
3.	20.10.20XX to 24.10.20XX	25.10.20XX	20.10.20XX	20.10.20XX	20.10.20XX		

Goods Sent for sale on Approval or Return Basis(Date of Issue of Invoice Sec31(7))

Sr. No.	Sale as App. Basis	Removal of Goods	Issue of Services	Accepted by Recipient	Receipt of Payments	Time of Supply
1.	Acceptance Communicated Within 6 month of Removal	01/11/19	25/11/19	15/11/19	25/11/19	
2.	Amt. paid to Supplier before informing acceptance	01/11/19	25/11/19	15/11/19	12/11/19	
3.	Acceptance Not Communicated Within 6 month of Removal	01/10/19	15/05/20	15/05/20	2/05/20	

1) In case goods are sent for sale on Approval / Return Basis, last day of invoice is date of acceptance by recipient OR Completion of 6 month if acceptance not given within 6 month. So, Invoice issued after last date i.e. 15/11/19. Hence, TOS is on 15/11/19.

Section 31- Invoice for supply of Service

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

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
	Example:- On 1/10/20XX ABC Ltd enters into contract with Mr. H a practicing CMA for supply of Cost Audit Services by the said CMA for a period of one year. In terms of aforesaid contract the due date of payment is fifteenth day of every month with effect from 15/11/20XX. In the above case Mr. H shall be required to issue an invoice on or before fifteenth day of every month
(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;
	Example:- On 1/10/20XX ABC Ltd enters into contract with Mr. H a practicing CMA for supply of Cost Audit Services by the said CMA for a period of one year. In the above case Mr. H receives the payment from ABC Ltd on 15/10/20XX hence he shall be required to issue an invoice on or before 15/10/20XX
(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.
	Example:- On 15/10/20XX Mr. R a builder enters into a contract with Mr. O a landlord for supplying construction services for Rs. 50,00,000 . In terms of the said contract Mr. O shall be required to make payment as per the following details 1) ₹ 30,00,000 on completion of ground floor. The completion of the same takes place on 15/11/20XX 2) ₹ 20,00,000 on completion of first floor. The completion of the same takes place on 15/12/20XX. In the above case Mr. R will issue invoice on or before 1) 15/11/20XX 2) 15/12/20XX

Section 13 : Time of Supply of Service

- | | |
|--|--|
| 2. Time of Supply for Normal Charge : | <i>The time of supply of services shall be the earliest of the following dates, namely</i> |
|--|--|

the date of issue of invoice by the supplier,
or
the date of receipt of payment,
whichever is earlier



(b) if the invoice is not issued within the period prescribed under section 31

the date of provision of service,
or
the date of receipt of payment,
whichever is earlier



"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.

the date on which the recipient shows the receipt of services in his books of account.

Proviso	Time of Supply if excess amount is received upto 1000
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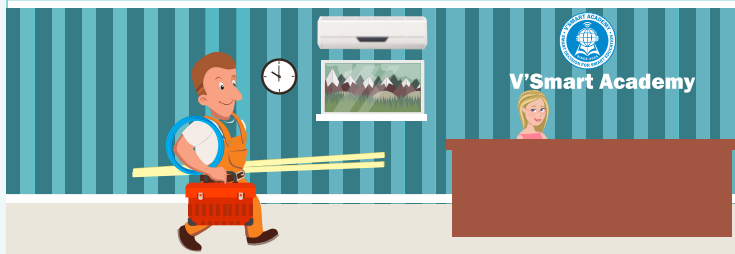
Example	Idea bill amount is Rs 1453/-. Mr Vishal is the service recipient has paid Rs 1500 (through Credit card online) So, for Idea company Rs 47/- is advance received. Idea company at its option can issue invoice for such excess amount received as per proviso to section 13(2) of CGST act.
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1. M/s. ABC Ltd. provided taxable services valuing ₹ 10 lakh on 15.6.20XX & issued invoice thereof on 12.6.20XX. The payment is received on 1.8.20XX (book entry and bank realization is on same date).
2. M/s. A Ltd. provided taxable services valuing ₹12 lakh on 15.6.20XX & issued invoice thereof on 15.6.20XX. The payment is received on 21.9.20XX (book entry and bank realization is on same date).
3. Mr. A provided taxable services valuing ₹14 lakh on 15.7.20XX & issued invoice thereof on 20.7.20XX. The payment is received on 21.9.20XX (book entry and bank realization is on same date).
4. M/s. MNLAOP provided taxable services on 1.5.20XX. An invoice towards value of ₹ 2 lakh was issued on 1.5.20XX. The payment is received by cheque and entered in books on 10.4.20XX. It is realized in bank by 13.4.20XX.
5. M/s. AB HUF provided taxable services valuing ₹ 12 lakh on 19.6.20XX & part payment ₹4,00,000 received on 21.6.20XX & balance payment received on 2.7.20XX (book entry and bank realization is on same date). The invoice thereof is issued on 19.6.20XX.
6. M/s. XYZ Ltd. provided taxable services valuing ₹ 12 lakh on 19.6.20XX & part payment ₹ 5,00,000 received on 21.5.20XX (book entry is on 21.5.20XX and bank realization is on 19.5.20XX) & balance payment received on 2.8.20XX (book entry and bank realization is on same date). The invoice thereof is issued on 2.7.20XX.

Assessee	Date of removal of goods	Date of Invoice	Last Date of Invoice	Date of receipt of Payment		Date of TOS (read with N/N 66/2017)	Remark
				Book entry	Credit in Bank		

3. Time of Supply for goods in case of reverse charge

In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely



(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

OR

(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



Whichever is earlier

Proviso 1 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

Proviso 2 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

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

Section 92-A of the Income Tax Act, 1961

Associated Enterprise means :

1. An enterprise, which participates, directly or indirectly, or through one or more intermediaries, in the management or control or capital of the other enterprise or
2. An enterprise in respect of which one or more persons who participate, directly or indirectly, or through one or more intermediaries, in its management or control or capital, are the same persons who participate, directly or indirectly, or through one or more intermediaries, in the management or control or capital of the other enterprise.

TOS : As per 2nd Proviso, 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**

Case :

Sane & Sane Ltd is located in India and holding 51% of the shares of Parker Ltd., a USA based Company. Parker Ltd. provides Business Auxiliary services to Sane & Sane Ltd. From the following details, determine the Point of Taxation of Sane & Sane Ltd:



Agreed Consideration		US \$ 1,00,000
Date on which services are provided by Parker Ltd.		16.09.20XX
Date on which invoice is sent by Parker Ltd		19.09.20XX
Date of debit in the books of account of Sane & Sane Ltd		30.09.20XX
Date on which payment is made by Sane & Sane Ltd		23.12.20XX

Hint : Time of supply shall be as on 30.09.20XX as per proviso to Sec 13(3) of CGST Act

Case -Where reverse charge is applicable as per section 9(3) & 9(4) of CGST act

Sr.no	Date of service provision by supplier	Date of Invoice by issue of supplier of	Last date section issue as per 13(3)(b) i.e. 61 days	Date of		Time of Supply	Comments
				Payment in Books of recipient	Payment Debited in bank a/c		
1.	01.10.20XX	01.10.20XX	01.12.20XX	03.10.20XX	04.12.20XX		
2.	01.08.20XX	01.08.20XX	01.10.20XX	21.10.20XX	20.10.20XX		

Common Provision of sec 12 & 13

Voucher 12(4)/ 13(4)	<p>Time of Supply in case of Voucher</p> <p><i>In case of supply of vouchers by a supplier, the time of supply shall be</i></p> <p>(a) the date of issue of voucher, if the supply is identifiable at that point; or</p> <p>(b) the date of redemption of voucher, in all other cases.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Any food item can be purchased from food pass</p> </div> <div style="text-align: center;"> <p>Supply is not identifiable at the time of issue of the voucher</p> <p>→</p> <p>Date of Redemption of voucher</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Only a shirt can be purchased from the shirt Coupon</p> </div> <div style="text-align: center;"> <p>Supply is identifiable at the time of issue of voucher</p> <p>→</p> <p>Date of issue of Voucher</p> </div> </div>
Residual case 12(5)/ 13(5)	<p><i>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</i></p> <p>(a) Periodic return has to be filed – Date when return required to be filed</p> <p>(b) Other case – Date of tax payment</p>
Interest, late fee or penalty 12(6)/ 13(6)	<p>Enhancement in value on account of interest/late fee etc. for delayed payment of consideration</p> <p><i>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.</i></p>

Determination of Time of Supply for continuous supply of service

Supply	Time of Supply	Continuous Supply
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 ➡ Date of receipt Whichever is earlier</p> <p>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</p> <p>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 ➡ Date of receipt Whichever is earlier</p> <p>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</p> <p>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</p> <p>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</p>

Question

Determine the Time of Supply for the following case: (ICAI BGM)

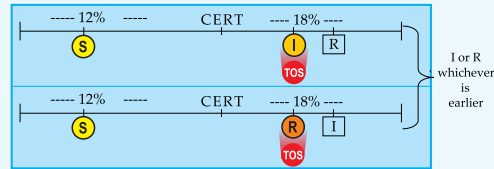
	Continuous supply of services Section 13(2) r/w Section 31(5)	Invoice date	Date as per contract	Receipt of payment	Entry of provision of services in books	Time of supply
1	Section 31(5)(a) Contract provides for payments monthly on the 10th of succeeding month	02-Nov-19	10-Nov-19	15-Nov-19	31-Oct-19	
		17-Dec-19	10-Dec-19	15-Dec-19	30-Nov-19	
		10-Jan-20	10-Jan-20	06-Jan-20	31-Dec-19	
2	Section 31(5)(c) Contract provides for payments on completion of event. Recipient to pay within 1 month from date of completion	12-Nov-19	10-Nov-19	25-Nov-19	12-Nov-19	
		24-Apr-20	24-Apr-20	20-Apr-20	24-Apr-20	

Sec. 14 : Determination of Time of Supply in case of Change in Rate of Tax of Goods or Services

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

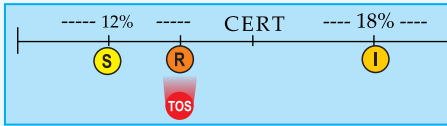
- (i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the **date of issue of invoice, whichever is earlier;** or



- (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**

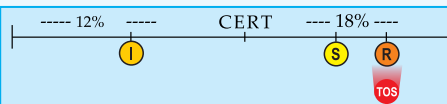


Sec 14(a): Date of CERT- 1st Sept 2017 (Supply of Service) Change in Rate 12% to 18% GOODS OR SERVICES SUPPLIED BY XYZ LTD BEFORE CERT

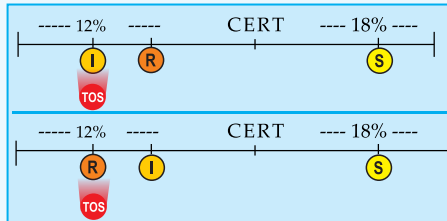
Sr. No.	Date of Supply	Date of Invoice	Date of receipt of payment	Time of Supply as per 14(a)	Applicable Rate
1.	1-7-20XX	11-7-20XX	20-7-20XX		
2.	4-8-20XX	20-9-20XX	10-9-20XX		
4.	25-8-20XX	28-8-20XX	15-9-20XX		
5.	22-8-20XX	15-9-20XX	29-8-20XX		
6.	20-8-20XX	3-9-20XX	15-11-20XX		

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

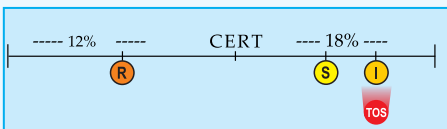
- (i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or



- (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:**



Sec 14(b) : Date of CERT- 1st Sept 17 (Supply of Service) Change in Rate 12% to 18%

GOODS OR SERVICES SUPPLIED BY XYZ LTD AFTER CERT

Sr. No.	Date of Supply	Date of Invoice	Date of receipt of payment	TOS as per Sec 14/13	Applicable Rate
1.	25-9-20XX	21-8-20XX	10-9-20XX		
2.	25-9-20XX	21-8-20XX	15-11-20XX		
3.	25-9-20XX	01-8-20XX	14-8-20XX		
4.	25-9-20XX	30-9-20XX	12-8-20XX		
5.	25-10-20XX	30-10-20XX	6-11-20XX		

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.

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		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	—