

Time of Supply in GST Law



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Change is the only Constant!

Supply

- Scope and key Issues**

Legal framework:

- GST to apply on

- supply of all goods and services
- in the taxable territory other than
- exempt and zero rated supply
- but including composite and mixed supply of goods and/or services



Key Concepts

Meaning and Scope of Supply

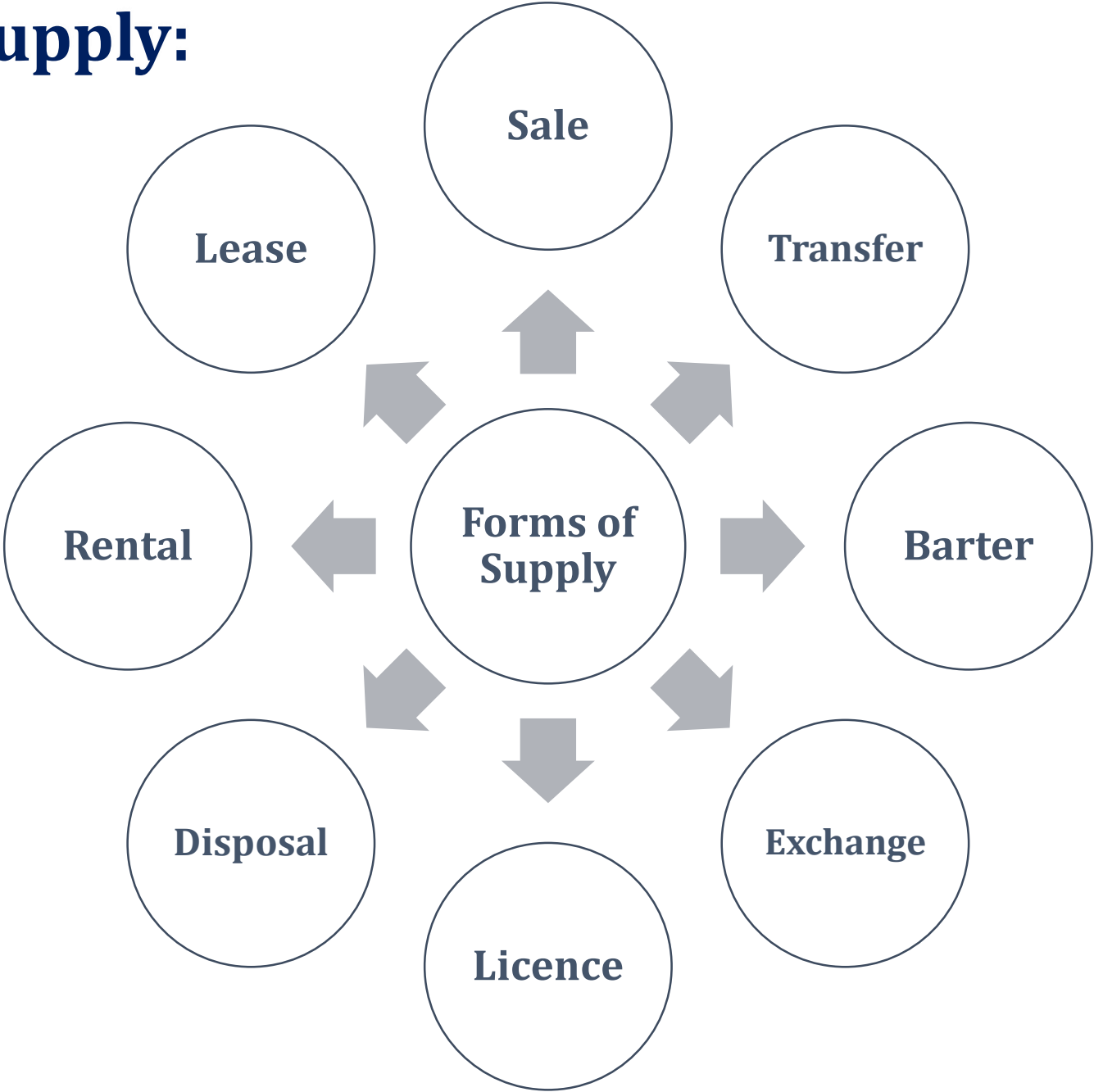
Mechanics to determine supply of goods and supply of services

Meaning and scope of composite and mixed supply of goods and/or services

Meaning and scope of exempt and zero rate supply

Concept of Consideration and Taxable territory

Concept of Supply:



Recap on Supply:

- Supply comprises:
 - Included supplies
 - Implied supplies (Sch. I)
 - Excluded supplies (Sch. III)
- Chargeability to tax:
 - Forward charge on supplier
 - Reverse charge on imports
 - Lateral charge (e-commerce)
- Supply characterization:
 - Composite supply or
 - Mixed supply

- Cases to consider:
 - *Purpose* of supply – business or not
 - Same *forms of supply* apply to services
 - Supply by casual taxable person
 - ISD or inter-branch service transfer
 - Intra-State stock transfer
 - Free samples and warranty are supplies *for consideration*
 - Material supplied for job-work
 - Sch II not exhaustive but specific
 - No supply, no tax but ***no credit too***

Time of Supply

What is time of supply?

- ❑ **Time of supply** means the point in time when goods/services are considered supplied. When the seller knows the 'time', it helps him identify due date for payment of taxes.
- ❑ In order to calculate and discharge tax liability it is important to know the date when the tax liability arises i.e. the date on which the charging event has occurred. In GST law, it is known as Time of Supply.
- ❑ GST law has provided separate provisions to determine the time of supply of goods and time of supply of services.
- ❑ Sections 12, 13 & 14 of the CGST Act, 2017, deals with the provisions related to time of supply and by virtue of section 20 of the IGST Act, 2017, these provisions are also applicable to inter-State supplies leviable to Integrated tax

Point of time when supplier receives the payment or date of receipt of payment

- ❑ The phrase “the date on which supplier receives the payment” or “the date of receipt of payment” means earlier of the 2 below
 - ✓ the date on which payment is entered in his books of accounts; or
 - ✓ the date on which the payment is credited to his bank account

Time of issue of invoice for supply

Supply of Goods -

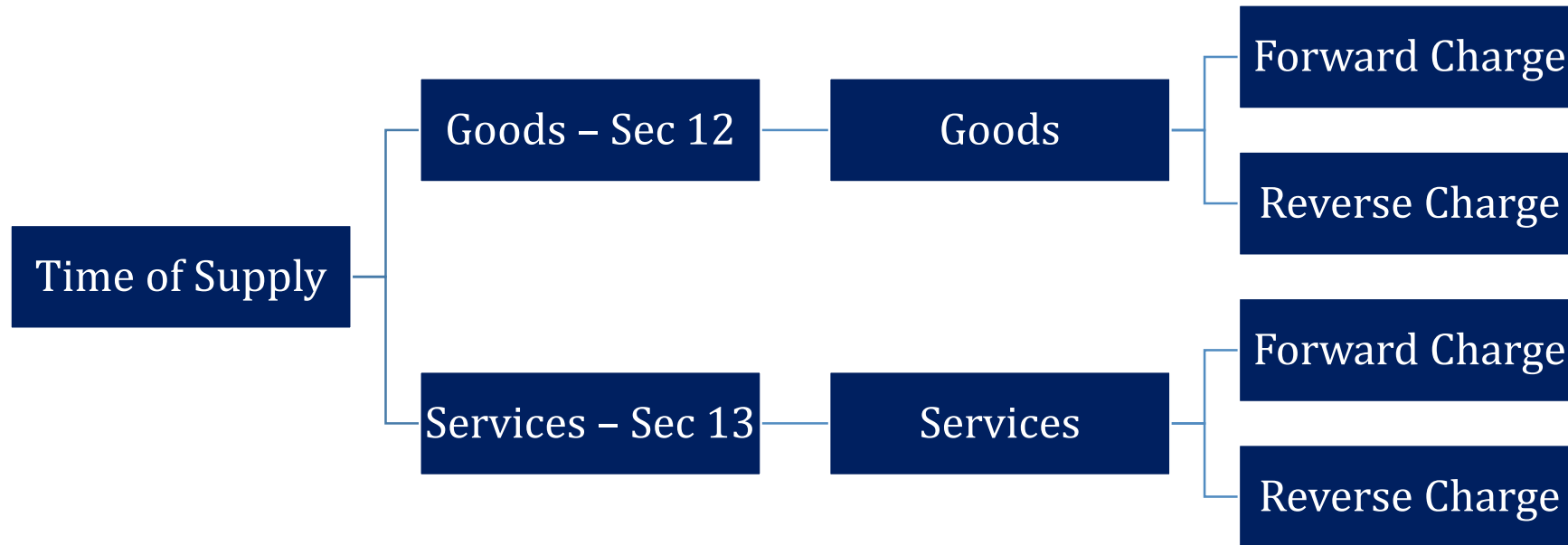
- ❑ As per section 31 of the CGST Act, an invoice for supply of goods needs to be issued before or at the time of removal of goods for supply to the recipient, where the supply involves movement of goods. However, in other cases, an invoice needs to be issued before or at the time of delivery of goods or while making goods available to the recipient.

Supply of Service -

- ❑ An invoice for supply of services is to be issued before or after the provision of service but not later than thirty (30) days from the date of provision of service. (Other than Banking or FI)
- ❑ For banking or FI its not later than forty five (45) days from the date of provision of service

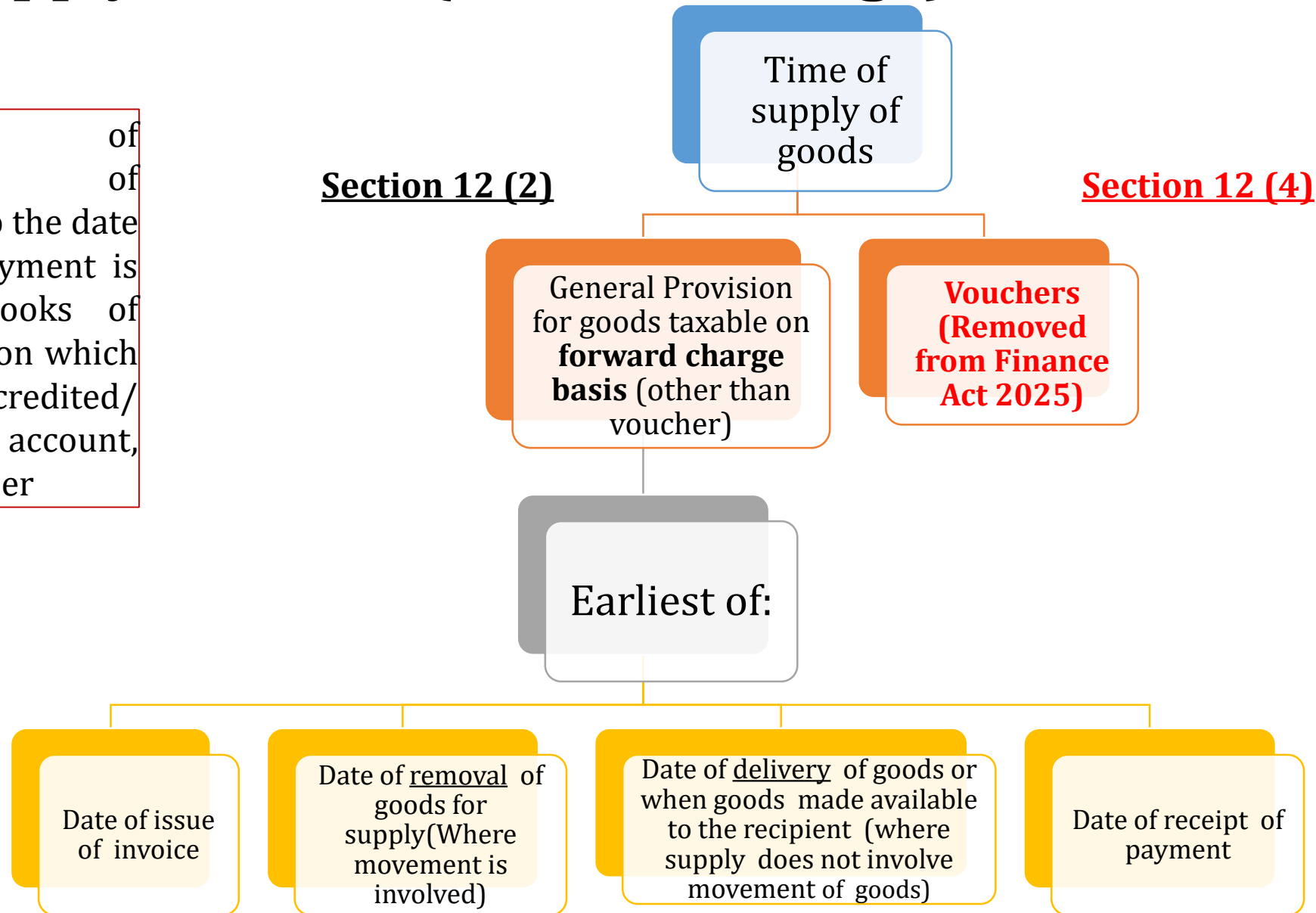
Time of Supply:

- ❑ The **liability to pay tax** on goods or services shall arise at the **time of supply**.
[Section 12(1)]
- ❑ Chapter – IV (CGST)
 - ❑ Section 12: Time of supply of **goods**
 - ❑ Section 13: Time of supply of **services**
 - ❑ Section 14: **Change in rate of tax** in respect of supply of goods or services.



Time of supply of Goods (Forward Charge) – Sec 12:

Note: Date of receipt/making of payment refers to the date on which the payment is entered into books of account or date on which payment is credited/debited to bank account, whichever is earlier



Time of Supply of Goods - FCM - Illustration

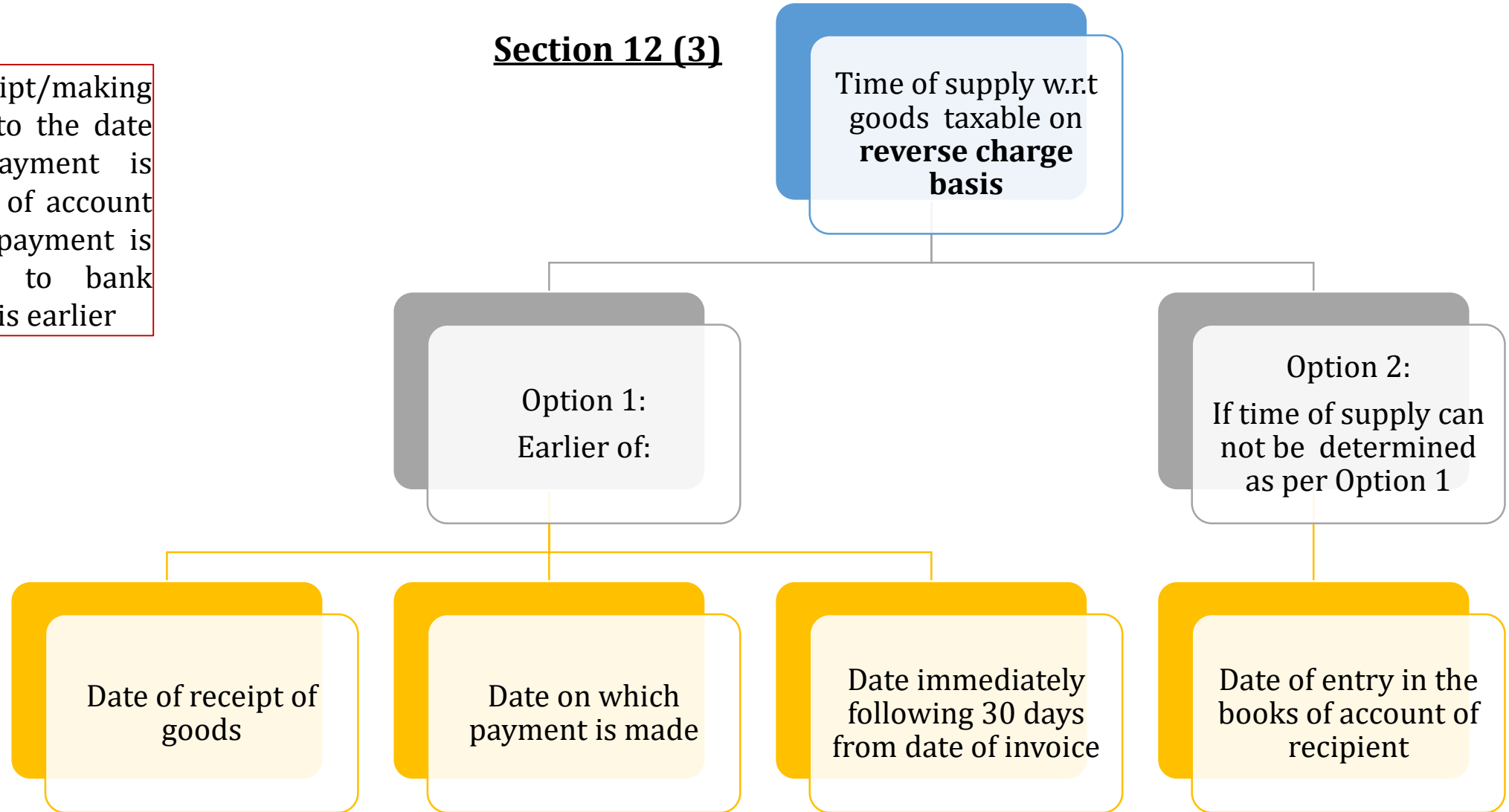
S. No.	Date of Issue of Invoice	Date of receipt of money	Time of Supply of Goods (FCM)
1	21 April 2025	1 May 2025	21 April 2025
2	21 April 2025	1 April 2025	1 April 2025

Note - The Time of Supply for Goods is the earliest of the following dates -

- Date of Issue of Tax Invoice as per provisions of section 31 of the CGST Act
- Date of Receipt of Payment

Time of supply of Goods (Reverse Charge) – Sec 12:

Note: Date of receipt/making of payment refers to the date on which the payment is entered into books of account or date on which payment is credited/ debited to bank account, whichever is earlier



Time of Supply of Goods - RCM - Illustration

S. No.	Date of receipt of goods	Date of receipt of money	Date of issue of Invoice by supplier	Time of Supply of Goods (RCM)
1	21 April 2025	20 April 2025	21 April 2025	20 April 2025
2	1 May 2025	20 April 2025	1 May 2025	20 April 2025
3	11 May 2025	20 May 2025	8 April 2025	8 May 2025 (30 days from date of invoice)
4	07 May 2025	20 May 2025	8 April 2025	7 May 2025

The time of supply for goods under reverse charge is the earliest of the following dates

- Date of receipt of goods
- Date on which payment is made
- Within 30 days from the date of issue of an invoice by the Supplier

Section 12: Time of Supply of Goods

Continuous supply of goods: Tax invoice rules

- Where successive statements of accounts or successive payment are involved → 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

Residuary provision: **Section 12 (5)**

Where it's not possible to determine time of supply by (2)/ (3)/ (4) time of supply shall be:

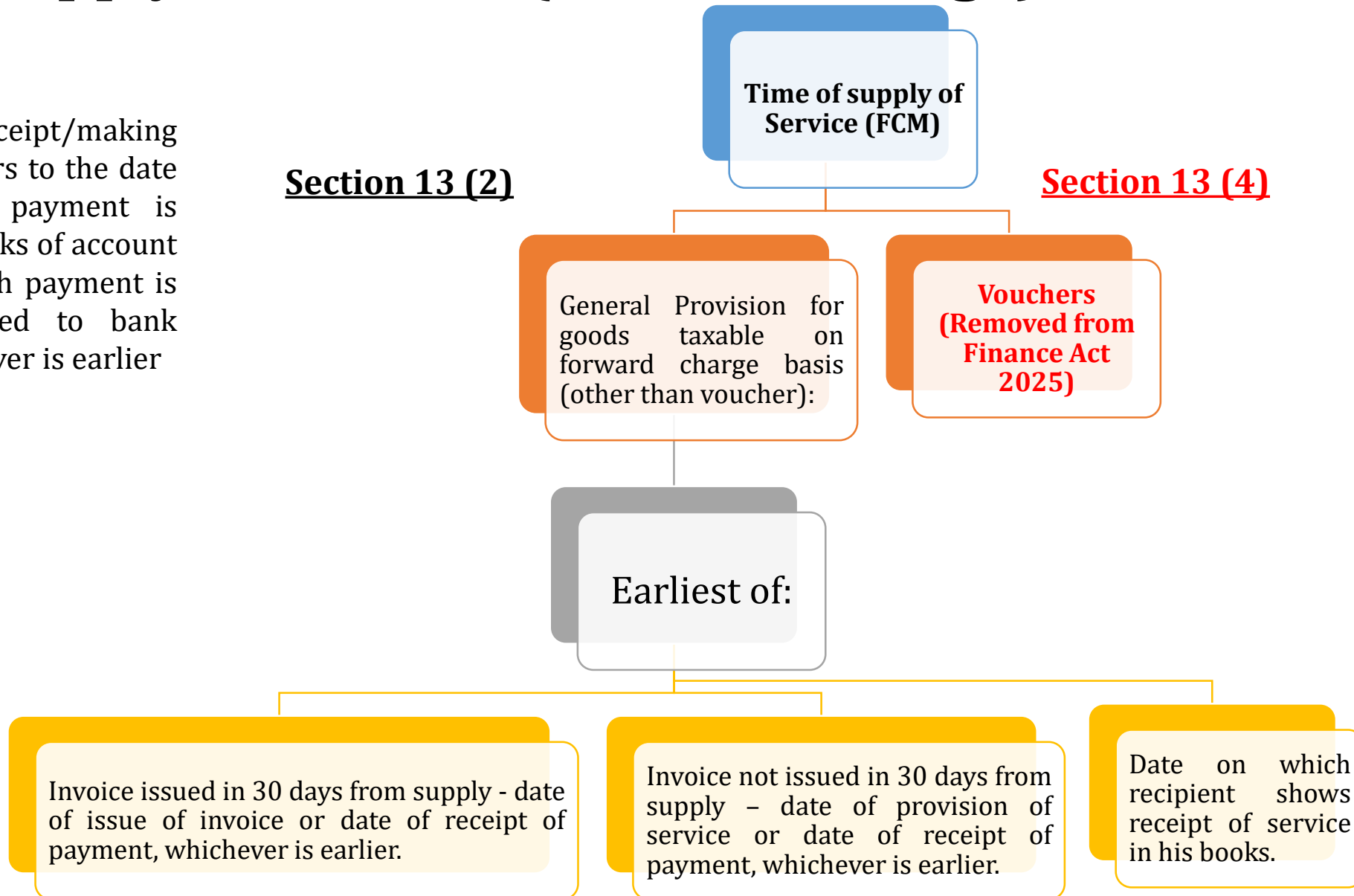
- Where periodical return has to be file – Date on which such return is filed
- In any other case – Date on which tax is paid.

Section 12(6): Interest, late fee or penalty for delayed payment of any consideration: Time of supply

- Date on which the supplier receives such addition in value

Time of Supply of Services (Forward Charge) – Sec 13:

Note: Date of receipt/making of payment refers to the date on which the payment is entered into books of account or date on which payment is credited/ debited to bank account, whichever is earlier



Time of Supply of Service - FCM - Illustration

If invoice issued within 30 days -

S. No.	Date of Issue of Invoice	Date of receipt of payment	Time of Supply of Service (FCM)
1	21 April 2025	1 May 2025	21 April 2025
2	21 April 2025	1 April 2025	1 April 2025

Note - The Time of Supply for Service is the earliest of the following dates -

- Date of Issue of Tax Invoice as per provisions of section 31 of the CGST Act
- Date of Receipt of Payment

If invoice not issued within 30 days -

S. No.	Date of provision of Service	Date of issue of Invoice	Date of receipt of payment	Time of Supply of Service (FCM)
1	21 April 2025	25 May 2025	25 April 2025	21 April 2025
2	1 May 2025	3 June 2025	10 April 2025	10 April 2025

Note - The Time of Supply for Service is the earliest of the following dates -

- Date of provision of service if invoice is not issued within 30 days
- Date of Receipt of Payment

Time of Supply of Services (Reverse Charge) – Sec 13:

Note: Date of receipt/making of payment refers to the date on which the payment is entered into books of account or date on which payment is credited/ debited to bank account, whichever is earlier

Section 13 (3)

Time of supply w.r.t services taxable on reverse charge basis

Option 1:
Earlier of:

Option 2:
If time of supply can not be determined as per Option 1

Date on which payment is entered in recipient books or payment is debited in his bank.

Date immediately following 60 days from date of issue of invoice.

Date of issue of invoice by the recipient, where invoice is to be issued by the recipient (**wef 01-11-2024**)

Date of entry in the books of account of recipient

Time of Supply of Services - RCM - Illustration

S. No.	Date of Issue of Invoice	Date of receipt of payment	Time of Supply of Service (RCM)
1	21 April 2025	20 April 2025	20 April 2025 (Dt of payment)
2	25 March 2025	1 June 2025	24 May 2025 (60 days from Date of Invoice)

The time of supply for goods under reverse charge is the earliest of the following dates

- the date of receipt of payment; or
- the date immediately following sixty days from the date of issue of invoice issued by the supplier; or
- the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient **(inserted wef 01-11-2024)**

Section 13: Time of Supply of Services:

In case of associate enterprises, where the supplier of services is located outside India: Time of supply shall be

- Earlier of:
- Date of entry in the books of accounts of the recipient of supply:
- Date of payment.

Residuary provision: **Section 13 (5)**

Where it's not possible to determine time of supply by (2)/ (3)/ (4) time of supply shall be:

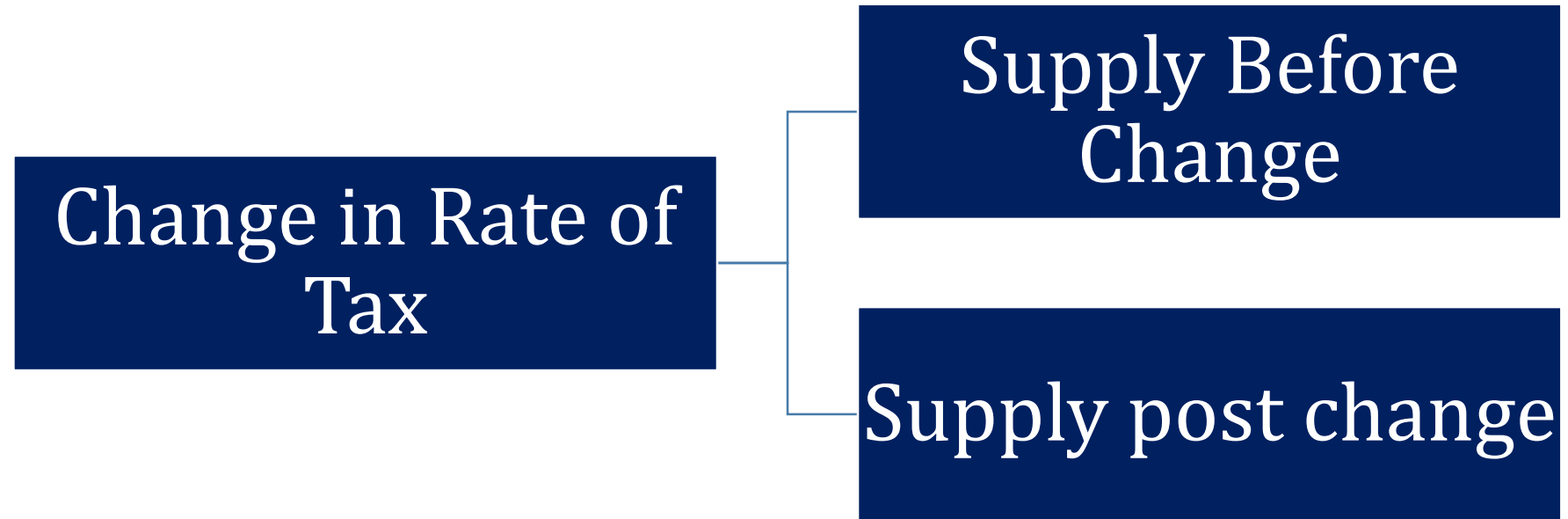
- Where periodical return has to be file – Date on which such return is filed
- In any other case – Date on which tax is paid

Section 13(6): Interest, late fee or penalty for delayed payment of any consideration: Time of supply

- Date on which the supplier receives such addition in value.

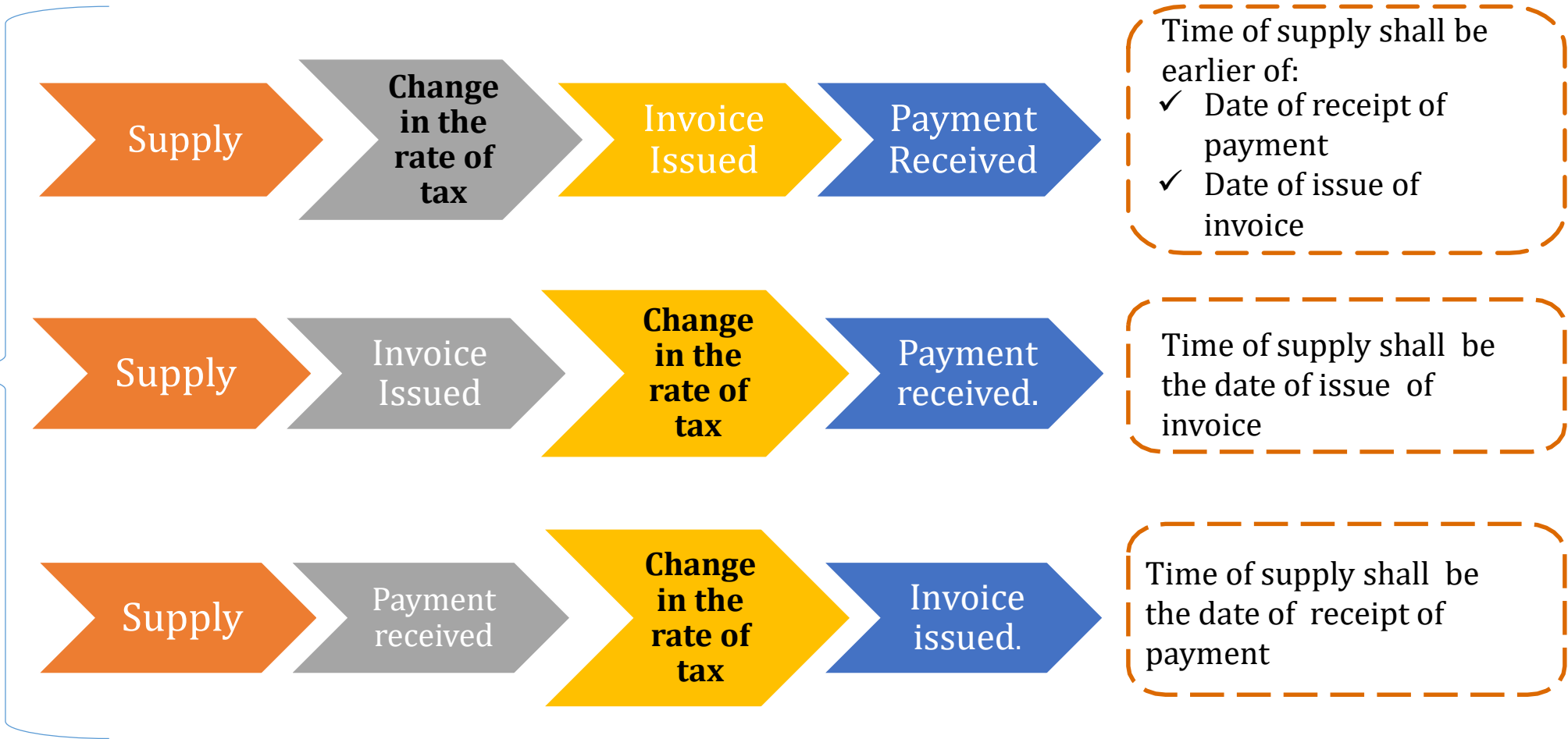
Time of Supply:

□ Section 14: **Change in rate of tax** in respect of supply of goods or services.



Supply before change of rate of Tax:

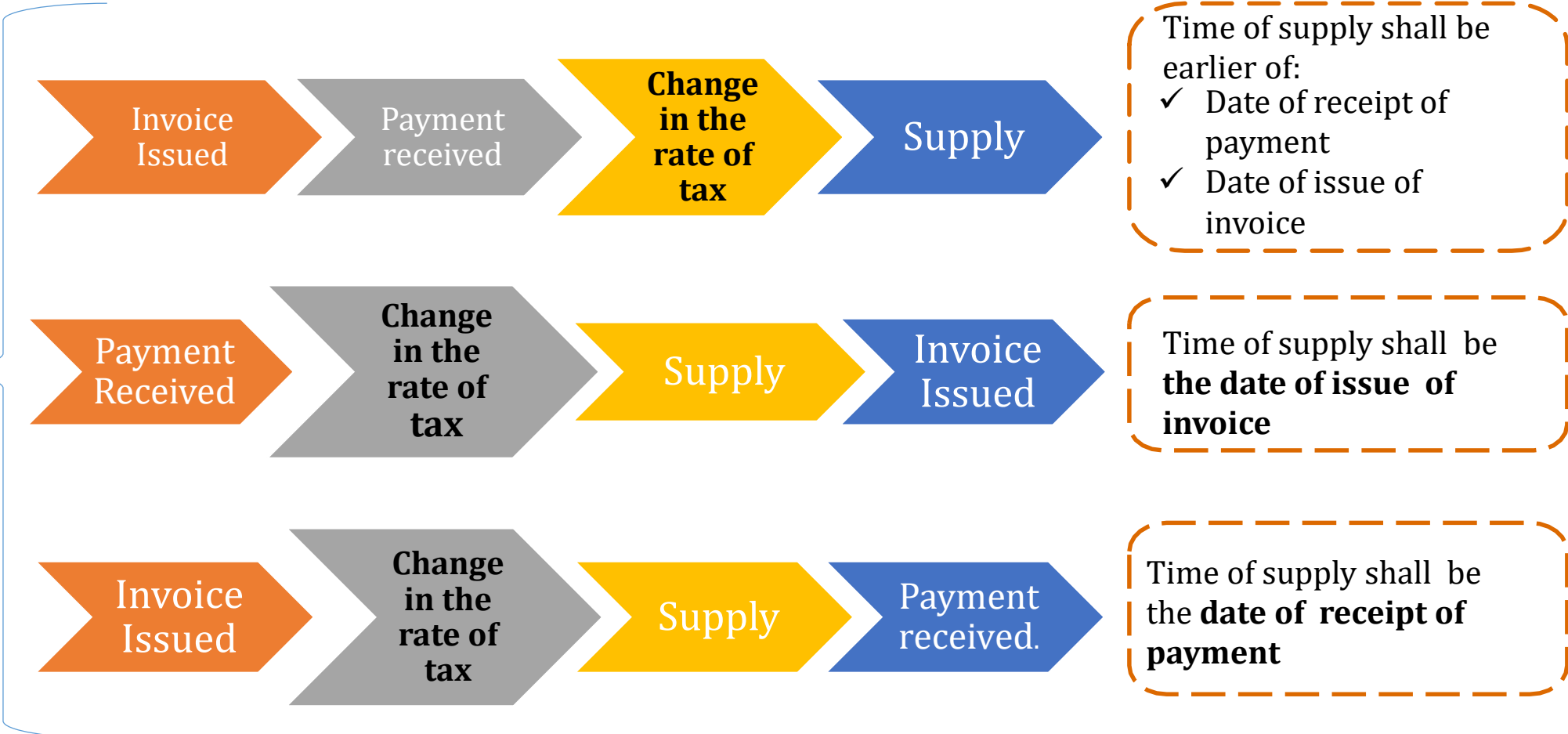
Supply of goods or services taking place **before** change in rate of tax



Note: Date of receipt/making of payment refers to the date on which the payment is entered into books of account or date on which payment is credited/ debited to bank account, whichever is earlier

Supply after change of rate of Tax:

Supply of goods or services taking place **after** change in rate of tax



Note: Date of receipt/making of payment refers to the date on which the payment is entered into books of account or date on which payment is credited/ debited to bank account, whichever is earlier
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.

Case Study -1:

- ❖ Swami Industries Ltd engaged the services of a transporter for road transport of a consignment on 25th of October and made advance payment for the transport on the same date i.e. 25th October. However, the consignment could not be sent immediately on account of strike in the factory and instead was sent on 27th October. Invoice was received from the transporter on 28nd October.

What is the time of supply of the transporter's service?

Answer:

Time of supply of service taxable under reverse charge is the earlier of the following two dates in terms of section 13(3):

- Date of payment
- 61st day from the date of issue of invoice

In this case, the date of payment **precedes** the date of issue of invoice by the supplier of service. Hence, the date of payment, that is 25th October will be treated as the time of supply of service (Section 13(3))

Case Study - 2:

- ❖ An order is placed on B ltd on 18th August for supply of shoes. B ltd gets the consignment ready & issue the invoice on 2nd December. The customer collects the consignment from the premises of B ltd on 7th December and hands over the payment on the same date, which is entered in the accounts on the next date, 8th December.

What is the time of supply of shoes?

Answer:

Time of supply of goods is the **earlier** of the following two dates in terms of section 12(2):

- Date of issue of invoice/ last date on which the invoice is required to be issued
- Date of receipt of payment
- ✓ The date of receipt of payment will be **earlier of two dates** namely, date of recording the payment in books of accounts and date of crediting of payment in bank accounts.
- ✓ Therefore date of receipt of payment will be 7th December. However, as the invoice date is prior to the date of payment, time of supply will be **2nd December**.

Case Study - 3:

- ❖ An online portal(www.lootlo.com), owned by K ltd, raises invoice for database access on L Ltd on 21st Feb. The payment is made by L ltd via Cheque on 25th Feb, which is received & entered in the accounts of K ltd on 28th February. K ltd encashes the Cheque & thereafter grants access to the database to L ltd from 3rd March. Meanwhile, the rate of tax changed from 1st March.
- What is the time of supply of service?

Answer:

As issuance of invoice and receipt of payment (entry of the payment in K Ltd's accounts) occurred before the change in rate of tax, the time of supply of service by the online portal is **earlier of the *date of issuance of invoice* (21st February) or **date of receipt of payment** (25th February)**. This would be so even though the service commences after the change in rate of tax (Section 14(b)(ii))

Questions Please!

Thank you

Thanks for your Patience and Time



Time of Supply for Goods

A

		Payment	Invoice and Goods supplied	TOS
		5,00,000	5,00,000	
I	Date	01-01-2025	03-01-2025	01-01-2025
II	Date	05-01-2025	03-01-2025	03-01-2025

B

		Payment	Invoice and Goods supplied	TOS	Advance	<1000
		5,00,900	5,00,000	5,00,000	900	
I	Date	01-01-2025	03-01-2025	01-01-2025	Date of invoice for Rs 900 (at the option of supplier)	
II	Date	05-01-2025	03-01-2025	03-01-2025	Date of invoice for Rs 900 (at the option of supplier)	

C

		Payment	Invoice and Goods supplied	TOS	Advance	>1000
		5,50,000	5,00,000	5,00,000	50,000	
I	Date	01-01-2025	03-01-2025	01-01-2025	01-01-2025	
II	Date	05-01-2025	03-01-2025	03-01-2025	05-01-2025	

Time of Supply for Interest or delayed payment

	Date of Inv	Amount	Reason
	01-01-2025	10,00,000	Interest on delayed payment
			TOS
Invoice	01-01-2025	10,00,000	NA
Receipt	01-04-2025	1,00,000	01-04-2025
Receipt	01-05-2025	1,00,000	01-05-2025
Receipt	31-05-2025	1,00,000	31-05-2025
Receipt	30-06-2025	1,00,000	30-06-2025
Receipt	30-07-2025	1,00,000	30-07-2025

Time of Supply of Services for RCM

RCM Service provider

Category	RD/URD	Date of Invoice/Provision of Service	Self Invoice	TOS
Advocate	registered	01-01-2025	NA	02-03-2025
Security service provider - individual	Unregistered	01-01-2025	31-01-2025	31-01-2025



Section - 12, Central Goods And Services Tax Act, 2017

CHAPTER IV

TIME AND VALUE OF SUPPLY

Time of supply of goods. [58](#)

[59](#) **12.** [60](#) (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) The time of supply of goods shall be the earlier of the following dates, namely:—

- (a) the date of issue of invoice by the supplier or the last date on which he is required, under [61](#)[***] [section 31](#), to issue the invoice with respect to the supply; or
- (b) the date on which the supplier receives the payment with respect to the supply:

Provided that where the supplier of taxable goods receives an amount upto 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.

(3) 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
- (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:

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.

(4) [61a](#)[***]

(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.

(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.

[59.](#) Enforced with effect from 1-7-2017.

[60.](#) For class of persons who shall pay Central tax on outward supply of goods at time of supply as specified in section 12(2)(a) - Registered person whose aggregate turnover in preceding financial year did not exceed one crore and fifty lakh rupees or registered person whose aggregate turnover in year in which such person has obtained registration is likely to be less than one crore and fifty lakh rupees and who did not opt for composition levy under [section 10](#), see [Notification No. 66/2017-Central Tax, dated 15-11-2017](#).

[61.](#) Words "sub-section (1) of" omitted by the Central Goods and Services Tax (Amendment) Act, 2018, w.e.f. 1-2-2019.

[61a.](#) Omitted by the Finance Act, 2025, with effect from a date yet to be notified. Prior to its omission, sub-section (4) read as under:

"(4) In case of supply of vouchers by a supplier, the time of supply shall be—

- (a) the date of issue of voucher, if the supply is identifiable at that point; or
- (b) the date of redemption of voucher, in all other cases."



Section - 13, Central Goods And Services Tax Act, 2017

Time of supply of services.

[62](#) [13](#). [63](#) [64](#) (1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.

(2) The time of supply of services shall be the earliest of the following dates, namely:—

- (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under [65](#) [***] [section 31](#) or the date of receipt of payment, whichever is earlier; or
- (b) the date of provision of service, if the invoice is not issued within the period prescribed under [65](#) [***] [section 31](#) or the date of receipt of payment, whichever is earlier; or
- (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply:

Provided that where the supplier of taxable service receives an amount upto 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.

(3) 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 [65a](#) [by the supplier, in cases where invoice is required to be issued by the supplier; or]

[65b](#) [(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:]

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) [65b](#) [or clause (c)], 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.

(4) [65c](#) [***]

(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.

(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.

[62.](#) Enforced with effect from 1-7-2017.

[63.](#) For builders, time of accrual of tax liability, in case of TDR, see [Notification No. 4/2018-Central Tax \(Rate\), dated 25-1-2018](#), [Notification No. 4/2018-Integrated Tax \(Rate\), dated 25-1-2018](#) and [Notification No. 4/2018-Union Territory Tax \(Rate\), dated 25-1-2018](#).

For notified classes of registered persons in whose case liability shall arise on specified date, see [Notification No. 6/2019-Central Tax \(Rate\), dated 29-3-2019](#), [Notification No. 6/2019-Integrated Tax \(Rate\), dated 29-3-2019](#) and [Notification No. 6/2019-Union Territory Tax \(Rate\), dated 29-3-2019](#).

For Clarification on export of services under GST, see [Circular No. 78/52/2018-GST, dated 31-12-2018](#).

For services where location of supplier or location of recipient is outside India, see [Circular No. 118/37/2019-GST, dated 11-10-2019](#).

[64.](#) See [rule 34](#) of the CGST Rules, 2017.

[65.](#) Words "sub-section (2) of" omitted by the Central Goods and Services Tax (Amendment) Act, 2018, w.e.f. 1-2-2019.

[65a.](#) Substituted for "by the Supplier:" by the Finance (No. 2) Act, 2024, w.e.f. **1-11-2024**.

[65b.](#) Inserted by the Finance (No. 2) Act, 2024, w.e.f. **1-11-2024**.

[65c.](#) Omitted by the Finance Act, 2025, with effect from a date yet to be notified. Prior to its omission, sub-section (4) read as under:

"(4) In case of supply of vouchers by a supplier, the time of supply shall be—

- (a) the date of issue of voucher, if the supply is identifiable at that point; or
- (b) the date of redemption of voucher, in all other cases."

Section - 14, Central Goods And Services Tax Act, 2017

Change in rate of tax in respect of supply of goods or services. ⁶⁶

⁶⁷ 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.

⁶⁶. See [rule 47](#) of CGST Rules, 2017.

⁶⁷. Enforced with effect from 1-7-2017.