

# **GOODS AND SERVICE TAX (GST)**

## **Part - 7**

**SUBJECT: INCOME TAX AND GST**

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**ACADEMIC YEAR: 2020-21**

# TIME OF SUPPLY

The Liability to pay tax on goods or services arise at the time of supply, as determined in accordance with the provisions of this section. Even if the supply has taken place, GST would not become payable unless the time of supply is properly determined. The CGST and SGST Acts provide seperate provisions for time of supply of goods and time of supply of services.

# Time of Supply of Goods and Services (Section 31)

## Goods



- Normal cases
- Continuous supply of goods
- Goods sent on Approval

## Services



- Issue of invoice
- Continuous supply of services
- cessation of supply

# Tax Invoice [Section 31(1)]

## NORMAL CASE

### Movement of Goods

**Invoice shall be issued before or at the time of Removal of Goods for Supply to the recipient.**

### Non-movement of Goods

**Before or at the time of delivery of goods or making available.**

# Tax Invoice [Section 31(4)]

## CONTINUOUS SUPPLY OF GOODS

Where successive statement of accounts or payment are involved, Invoice shall be issued before or at the time issuance of each such statement or at the time of receipt of each such payment.

# **Tax Invoice [Section 31(7)]**

**In case of Goods sent on approval or sale or returned or similar terms.**

Invoice should be issued before or at the time of supply or 6 months from the date of removal, whichever is earlier.

# Tax Invoice [Section 31(2)]

Invoice needs to be issued either before the provision of service or within 30 days from date of supply of services.

The limit of 30 days is 45 days in case of insurance companies/ banking and other financial institutes.

# Tax Invoice [Section 31(6)]

**In case of cessation of supply**

Invoice should be issued at the time when supply ceases before its completion.



# Tax Invoice [Section 31(6)]

## Continuous supply of services

Invoice should be issued either:

- On/before due date of payment
- Before/at the time when suppliers receives the payment
- On/before the completion of the milestone event when payment is linked to completion of an event.

# Time of supply of goods (Section 12)

## Forward Charge (2)

- **Earliest of the following:**
- Date of issue of invoice by the supplier; or Last date on which he is required to issue the invoice with respect to supply or,
- Date of receipt of the payment with respect to supply if excess receive up to Rs.1,000/, Time of supply at the option of the supplier.

## Reverse Charge (3)

- **Earliest of the following:**
- Date of Receipt of Goods
- Date on which payment is made
- Date immediately following 30 days of invoice

Where not determinable as per above, Time of supply shall be date of entry in books of accounts of recipient

# Time of supply of goods (Section 12)

## Vouchers (4)

- If supply identifiable at that point - Date of issue
- In other cases - Date of redemption

## Residual cases (5)

- Where periodical return has to be filed - Date when such return is to be filed
- In any other case - Date on which CGST/SGST paid

## Addition to value of supply (6)

- Date on which the supplier receives such addition in value

# Time of supply of services (Section 13)

## Normal case (2)

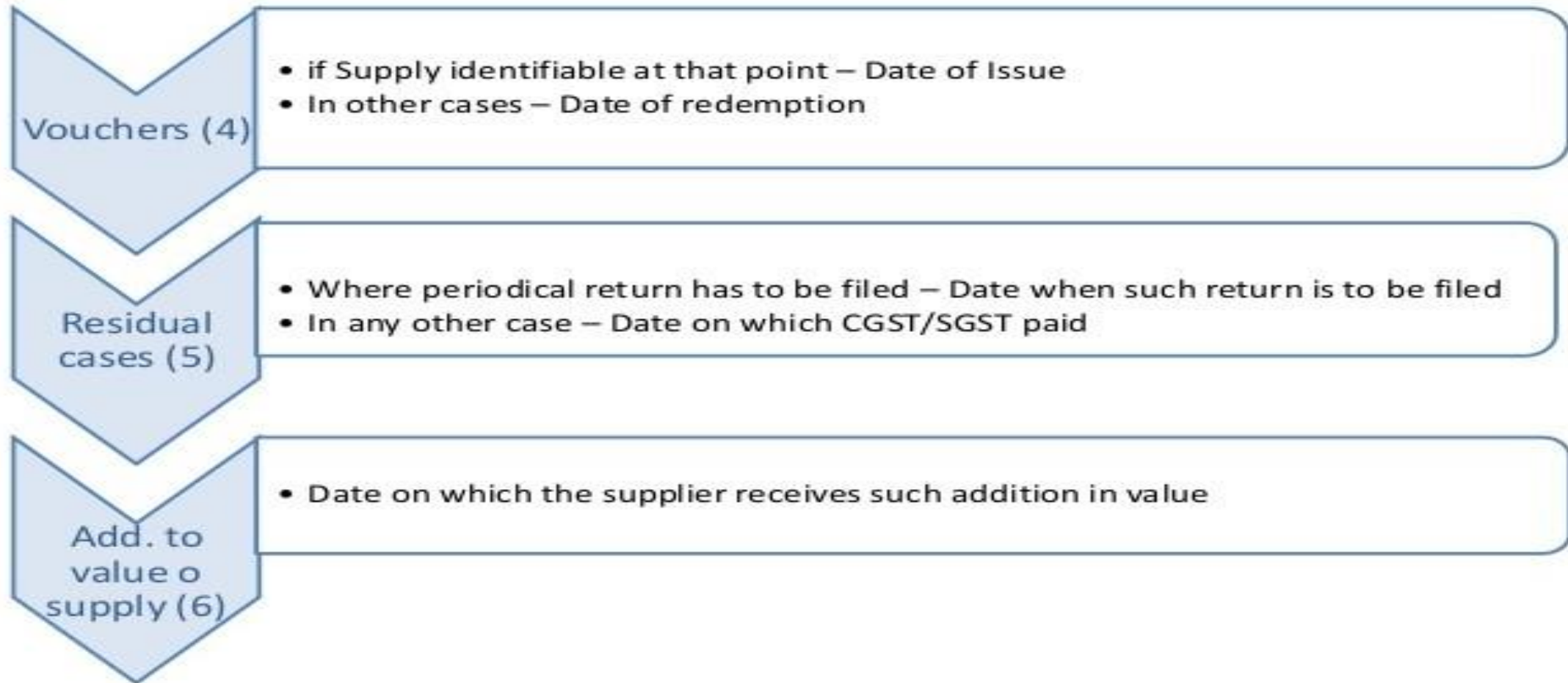
- Earliest of the Following :
- Date of issue of Invoice by the supplier if the invoice issue within the period prescribed under section (2) of section 31; or date of receipt of the payment, whichever is earlier.
- Date of provision of service, if the invoice is not issue within the period prescribed under section (2) of section 31; or date of receipt of the payment, whichever is earlier.
- Date on which the recipient shows the receipt of service in his books of accounts, in case where the provision of sec (a) and (b) do not apply. If excess receive up to Rs. 1,000/, Time of supply at the option of supplier.

## Reverse charge (3)

- Earliest of the following :
- Date on which Payment is made
- Date immediately following 60 days of invoice

"Associated firm"  
• Date of entry in books  
• Date of payment

# Time of supply of services (Section 13)



## Section 14 – change in rate of tax

Taxable supply has been provided	Issue of invoice (DOI)	Receipt of payment (DOR)	Time of supply	Rate
<b>Before</b> change in tax rate	after	after	Whichever is earlier	new
	before	after	DOI	old
	after	before	DOR	old
<b>After</b> change in tax rate	before	after	DOR	new
	before	before	Whichever is earlier	old
	after	before	DOI	new