Determination of Time of Supply of Goods

The liability to pay tax arises at the time of supply, time of supply is determined as per the below provisions:

Time of Supply of Goods shall be earlier of the following dates:

- Date of Invoice – Invoice should be issued either before or at the time of removal of goods
- Date of receipt of payment for the respective supply

Note 1: When the supplier receives an amount of up to Rs.1000 in excess of an invoice value, the time of supply shall be, for the excess amount, at the option of supplier, can be the date of invoice for such excess amount.

Note 2: For the purpose of the above provision, '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.

Note 3: The date of receipt of payment shall be, the date, when the payment is entered in the supplier's books of accounts or the date, when the payment is credited in his bank account, whichever is earlier.

Time of Supply of Goods under Reverse Charge basis

Time of supply is, for the supplies for which tax is to be paid by the recipient under reverse charge basis, the earliest of the following dates:

- Date of receipt of goods
- Date of payment as entered in the books of account of the recipient or the date on which payment is debited in his bank account – whichever is earlier
- The Date immediately following thirty days from the date of invoice or any other document issued by the supplier
- When it is not possible to determine the time of supply from the above, the time of supply will be the date of entry in the books of accounts of the recipient of supply

Time of Supply of Vouchers for Goods

Time of supply for vouchers for goods, will be either of the following:

- If the supply is identifiable at that point, data of issue of voucher is the time of supply
- In all other cases, date of redemption of the voucher

Note: If the time of supply is not possible to be determined based on the above provisions, the time of supply shall be the date on when the periodical return has to be filed, in all other cases, the date on which the tax is paid for such supply.

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Time of Supply for Interest, Late fee or Penalty

The time of supply for any interest, late fee or penalty for delayed payment as an addition consideration for the supplies made, is the date on which the supplier receives such addition in value.

Time of Supply in case Change in rate of tax

When there is a change in rate of tax, the time of supply shall be determined in the following manner:

1. Supply is made before the change in rate of tax

    - Invoice is issued and payment is also received after the change in rate of tax – the time of supply will be the date of invoice or the date of payment – whichever is earlier
    - Invoice is issued before the change in rate of tax and payment is received after the change in rate of tax – the time of supply will be the date of invoice
    - Payment is received before the change in rate of tax and the invoice is issued after the change in rate of tax – the time of supply will be the date of receipt of payment

2. Supply is made after the change in rate of tax

    - Payment is received after the change in rate of tax but the invoice is issued before the change in rate of tax – the time of supply will be date of receipt of payment
    - Invoice is issued and payment is also received before the change in rate of tax – the time of supply shall be the date of receipt of payment or data of invoice – whichever is earlier
    - Invoice is 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 date 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

Note: The date of receipt of payment shall be the date on which the payment is entered in the books of accounts of the supplier or the date on which the payment is credited in his bank account – whichever is earlier.

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