

Continuous Supply of Goods and Services under GST (2026): Invoice Timing under Section 31

Description

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Quick summary

- Continuous supply is a supply made on a recurring basis under a contract, with periodic invoicing and payment - brick supply billed with each delivery, or a telecom connection billed every month, are typical examples.
- For continuous supply of goods, the invoice must be issued before or at the time each statement of account is issued, or each payment is received, under section 31(4) of the CGST Act.
- For continuous supply of services, the exact invoicing trigger depends on whether the contract fixes a due date for payment, with a separate rule for when the supply stops partway through, under section 31(5) and (6).
- The general invoice deadline for services is 30 days from the date of supply, but insurers, banks and NBFCs get 45 days - set by Rule 47 of the CGST Rules, not the CGST Act itself.
- Getting continuous-supply invoicing timing wrong does not just delay billing - it misstates the time of supply itself, which decides which tax period the transaction and the GST liability fall into.

Most supplies are a single event - a sale, a job done, an invoice raised. A continuous supply is different: goods or services flow on a recurring basis under one contract, with invoicing and payment happening periodically rather than once. Getting the invoice timing right for a continuous supply matters because it directly feeds into time of supply - the date GST liability actually arises.

New to terms such as “statement of account” or “tax period”? See the technical terms explained in simple words further down.

Continuous supply of goods

A supply of goods provided, or to be provided, **continuously or on a recurrent basis** under a contract - often through a wire, cable, pipeline or similar conduit - where the supplier invoices the recipient periodically. A classic example is a brick supplier delivering batches to a builder over a long construction project, invoicingwith each batch.

Invoice timing for continuous supply of goods

Under **section 31(4)** of the CGST Act, where successive statements of account or successive payments are involved, the invoice must be issued **before or at the time each such statement is issued, or each such payment is received**.

Continuous supply of services

A supply of services provided, or to be provided, continuously or on a recurrent basis under a contract, with periodic payment obligations. Telecom and internet services, billed monthly under a standing contract, are the standard example.

Invoice timing for continuous supply of services

Under **section 31(5)**, the rule depends on how the contract fixes payment:

- **Where the due date for payment can be identified from the contract**: the invoice must be issued **on or before that due date** - regardless of whether payment has actually been received by then. *Example: a telecom provider's contract fixes monthly billing, so the invoice goes out on schedule whether or not the customer has paid yet.*
- **Where the due date cannot be identified from the contract**: the invoice must be issued **before or at the time the supplier actually receives payment**.
- **Where payment is linked to completing a specific event** (a milestone, for instance): the invoice must be issued **on or before the date that event is completed**.

When a continuous service contract stops early

Under **section 31(6)**, if a continuous service supply **ceases under the contract before completion**, the invoice must be issued **at the time the supply stops**, covering only the service actually delivered up to that point.

Example: A works contract begins on 1 August and is due to finish in March the following year, but the contractor stops work on 11 November because the contract is terminated. The contractor must issue an invoice on 11 November, for the value of work completed up to that date only - not the full contract value.

The general invoice deadline, and who gets longer

Separately from the continuous-supply-specific rules above, **Rule 47 of the CGST Rules, 2017** fixes the general deadline for issuing a tax invoice for services:

- **30 days** from the date of supply of service, for most suppliers.
- **45 days** from the date of supply, where the supplier is an **insurer, a bank, or a non-banking financial company (NBFC)**.
- A further relaxation lets an insurer, bank, NBFC, telecom operator, or any other Government-notified class of supplier making supplies **between its own distinct persons** (branches under the same PAN)

issue the invoice either when it is recorded in their books, or before the end of the quarter in which the supply was made - whichever comes first.

Why the timing matters beyond paperwork

Continuous supply invoicing is not just an administrative deadline - the invoice date (or the date it should have been issued) is itself one of the inputs that fixes **time of supply**, which decides which tax period a transaction is reported in and taxed under. Getting the trigger wrong - issuing late, or on the wrong basis for the type of contract - can shift GST liability into the wrong period entirely.

How CSM & Co LLP can help

Continuous-supply contracts - SaaS subscriptions, rental agreements, long-term service contracts, construction and works contracts - are exactly where invoice timing most often gets mishandled, because the trigger depends on contract terms rather than a single, obvious event. Please reach out to our team and we will be happy to assist with invoicing compliance for continuous and recurring supplies.

Technical terms explained in simple words

Term	What it means
Statement of account	A periodic billing statement issued under a continuous-supply contract, summarising charges for that period.
Tax period	The period (usually a month or quarter) for which GST liability is reported in a return - time of supply decides which tax period a transaction falls into.
Distinct persons	The same legal entity’s separate GST registrations (for example, branches in different States), treated as separate “persons” for GST purposes.
Non-banking financial company (NBFC)	A financial institution that provides banking-like services (loans, credit) without holding a full banking licence.

Frequently asked questions

What makes a supply a “continuous supply”?

A supply of goods or services provided on a continuous or recurrent basis under a contract, with periodic invoicing and (for services) periodic payment obligations - such as bricks delivered to a builder in batches, or a telecom connection billed every month.

When must an invoice be issued for continuous supply of goods?

Before or at the time each statement of account is issued, or each payment is received - whichever applies under the contract - under section 31(4) of the CGST Act.

When must an invoice be issued for continuous supply of services?

It depends on the contract: if a due date for payment can be identified, on or before that due date; if it cannot, before or at the time payment is actually received; if payment is linked to completing an event, on or before that event's completion date - all under section 31(5).

What happens if a continuous service contract stops before the work is finished?

The invoice must be issued at the point the supply stops, covering only the service actually provided up to that point - under section 31(6).

What is the deadline for issuing a tax invoice for an ordinary (non-continuous) service?

30 days from the date of supply, under Rule 47 of the CGST Rules - extended to 45 days where the supplier is an insurer, a bank, or a non-banking financial company (NBFC).

Why does getting continuous-supply invoice timing right matter?

Because the invoice date, or the date it should have been issued, is itself part of how "time of supply" is calculated - getting the invoicing timing wrong can shift a transaction into the wrong tax period and misstate GST liability for that period.

Official sources

- CBIC Tax Information Portal - Section 31, CGST Act, 2017 (Tax invoice)
- CBIC Tax Information Portal - Rule 47, CGST Rules, 2017 (Time limit for issuing tax invoice)
- GST Portal

Related reading

- Place of Supply for Specific Services under GST (2026): Immovable Property, Events, Transport, Telecom and More
- What is GST (2026): Meaning, Objectives, Constitutional Basis and the GST Council

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