

NAVALT SOLAR & ELECTRIC BOATS PRIVATE LIMITED

Authority for Advance Ruling — Keralam

ADVANCE RULING No. KER/ 36/2025

Dated **10.10.2025**

Q Questions Before the Authority

- Whether the applicant can issue Tax invoices at the time of receiving advance or part payment from the customers in the case of Domestic and Exports Sales of goods and declare the same as turnover in the corresponding GST return period and pay the taxes accordingly, even though the process involved is not a service?
- If applicant can issue multiple tax invoices for supply of same goods upon receipt of advances as queries in (1) above, at the time of delivery of the boat, whether applicant can issue the Tax invoice for balance amount receivable from the customer and show the full value of the boat in the E-way bill for transportation of the consignment supported by all tax invoices already issued to the customer against the advances?
- Whether instead of issuing the tax invoice for the balance amount received as stated in (2) above, whether Tax Invoice for total value of boat can be issued at the time of delivery of boat and issue Tax credit notes against advances or part payments received for which Tax invoices are issued earlier to offset the tax liability?

F Facts

The applicant manufactures and supplies custom-built solar and electric boats, receiving payments in stages including an initial advance, part payments during manufacturing, and a final payment upon delivery. The applicant sought to issue tax invoices upon receipt of these advances to align with their revenue recognition and to avoid mismatches between invoice values and E-way bills. They currently treat these advances as unbilled revenue and do not issue tax invoices or pay GST until final delivery.

H Ruling

Issuance of tax invoices on receipt of advances	No	Advances must be documented via a receipt voucher under Rule 50.
Issuance of multiple tax invoices for a single supply	Not applicable	The question became infructuous as the answer to the first question was in the negative.
Issuance of final invoice with credit notes for advances	No	Credit notes are only permissible against valid tax invoices issued for actual supplies.

The Authority ruled that the applicant cannot issue tax invoices upon receipt of advances for the supply of goods. It held that advances must be documented via a receipt voucher under Rule 50, and tax invoices must only be issued at or before the time of removal or delivery of goods. Consequently, the requests to issue multiple invoices or use credit notes to offset tax on advances were rejected.

R Reasoning

The Authority relied on Notification No. 66/2017-Central Tax, which mandates that the time of supply for goods is the date of issue of the invoice or the last date on which the invoice is required to be issued under Section 31. It concluded that this notification is a **mandatory procedural rule** that excludes the date of payment as a trigger for tax liability. Furthermore, it determined that Section 31(3)(d) requires the issuance of a receipt voucher for advances, which is distinct from a tax invoice. Therefore, the applicant cannot voluntarily choose to pay tax on advances by issuing tax invoices prematurely.

P Provisions Relied On

Section 12(2)(a) of the CGST Act	Section 31(1) of the CGST Act
Section 31(3)(d) of the CGST Act	Section 34 of the CGST Act
Notification No. 66/2017-Central Tax	Rule 46 of the CGST Rules
Rule 50 of the CGST Rules	

! For the Practitioner

This ruling clarifies that suppliers of goods cannot opt to pay GST on advances by issuing tax invoices, as the **time of supply is statutorily fixed** to the invoice date or removal of goods. Practitioners should advise clients that receipt vouchers are the only compliant method for documenting advances for goods. It settles that the exemption from paying tax on advances is a mandatory procedure, not a discretionary benefit.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 7-navalt.pdf

Prepared 15-10-2026.

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