



# CHAPTER - 5

## Time of Supply

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## CN. 01. Basics

CCP. 05. 01.01.00

**How are the provisions relating to 'time of supply' relevant under GST Law?**

**Answer:-** In order to calculate & discharge tax liability, It is important to know the date or point of time when the tax liability to pay tax arises and the same can be paid to the Govt by the due date prescribed with reference to 'TOS'

The provisions relating to time of supply of goods / services are relevant in ascertaining the time to pay the taxes on a particular transaction involving supply of goods / services under the GST Law.

The **CGST Act, 2017** provides separate provisions for time of supply of goods and services viz., **Section 12** for time of supply of goods and **Section 13** for time of supply of services

CCP. 05. 01.02.00

**State whether, Composite supply will attract the provisions pertaining to time of supply of goods or services?**

**Answer:-** **Section 8(a)** provides that the composite supply whether involves supply of goods or services shall be decided based on the principal supply forming part of 'composite supply'.

In other words, if the **composite supply involves supply of services** as principal supply, such composite supply would qualify as supply of services and accordingly the provisions relating to time of supply of services would be applicable.

Alternatively, if **composite supply involves supply of goods** as principal supply, such composite supply would qualify as supply of goods and accordingly, the provisions relating to time of supply of goods would be applicable.

CCP. 05. 01.03.00

**The time of liability to pay GST is independent of the time of supply of goods/ services. Discuss the correctness of the statement? (CA Final Mock test-May 2018)****Answer:**

The said statement is not correct. Liability to pay arises at the time of supply of goods as explained in **Section 12** and at the time of supply of services as explained in **Section 13** of CGST Act. This liability can be discharged upto the due date of filing of return.

The time is generally the earliest of one of the three events, namely receiving payment, issuance of invoice or completion of supply. Different situations envisaged and different tax points have been explained in the aforesaid sections.

## CN.02. Sec 12(2): TOS FOR FORWARD CHARGE on SOG

**General provision student should refer for solving following question**

**Note 1:-** As per **Section 12** of the CGST Act, 2017, the time of supply of goods shall be the earliest of the following:

- (a) Date of issue of invoice; or
- (b) Last date of issue of invoice; or
- (c) Date on which payment is entered in books of accounts of the supplier; or
- (d) Date on which payment is credited to the bank account.

**Note:** As per N/N 66/2017 - CT Dated 15/11/2017, time of supply of goods shall be as per **section 12(2)(a)** i.e., invoice or last date of invoice. Thus in case of supply of goods TOS is not on advance received & the above provision is applicable to all registered persons. (except for composition dealer)

CCP. 05. 02.04.00

**Kanchenjunga Pvt. Ltd. supplies taxable goods to Sutlej Pvt. Ltd. for ₹ 2,50,000 on 23rd June and issues the invoice on 25th June. Payment for the goods is made by Sutlej Pvt. Ltd. on 15th July.**

**Determine the time of supply of goods for the purpose of payment of tax. [ICAI]**

**Answer:** In terms of **section 12(2)**, the time of supply of goods is the earlier of,

- the date of issue of invoice or
- last date on which the invoice is required to be issued or
- date of receipt of payment.

However, Notification No. 66/2017 specifies that a registered person (excluding composition supplier) has to pay GST on the outward supply of goods at the time of supply as specified in section 12(2)(a), i.e. date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31.

As per section 31(1), invoice for supply of goods should be issued before or at the time of removal of goods for supply to the recipient, where supply involves movement of goods.

Date of issue of invoice :- 25th June

Last date of issue of invoice :- 23rd June

Therefore, Time Of Supply :- 23rd June

#### CCP. 05.02.05.00

Investigation shows that 150 cartons of ceramic capacitors were dispatched on 2nd August but no invoice was made and the cartons were not entered in the accounts. There was no evidence of receipt of payment.

What is the time of supply of the 150 cartons?

Answer

1. Legal Provision:- First write general provision here as given in Note I refer above

Conclusion:-

a) Date of issue of invoice= No invoice issued ; or

(b) Last date of issue of invoice= 2nd August ; or

Therefore, Time of Supply :- 2nd August

#### CCP. 05. 02.06.00

Supply involves movement of goods Section 12(2) r/w section 31(1)(a)	Invoice/documents Date	Removal of goods	Delivery of goods	Receipt of payment
Delayed issue of invoice	26/10/XX	20/10/XX	26/10/XX	26/10/XX



Students, let's try to write provision

Inter-State stock transfer	10/10/XX	20/10/XX	26/10/XX	-
Advance received, invoice for full amount issued on same Day (40% advance, 60% post supply payment)	30/10/XX	10/10/XX	14/11/XX	30/10/XX 20/10/XX

Answer:-

1. Legal Provision:- First write general provision here as given in Note I refer above

2. Conclusion:-

Supply involves movement of goods Section 12(2) r/w Section 31(1)(a)	Invoice/document Date	Removal of goods	Delivery of goods	Receipt of payment	Last date of issue of invoice	Time of Supply
Delayed issue of invoice	26/10/XX	20/10/XX	26/10/XX	26/10/XX	20/10/XX	20/10/XX
Inter-State stock transfer	10/10/XX	20/10/XX	26/10/XX	-	20/10/XX	10/10/XX
Advance received, invoice for full amount issued on same day						
40% advance,				30/10/XX		30/10/XX
60% post supply payment	30/10/XX	10/11/XX	14/11/XX	20/11/XX	10/11/XX	30/10/XX

#### CCP. 05. 02.07.00 (No movement of goods)

A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are:

17th September	Purchase order with advance of ₹ 50,000 is received for goods worth ₹ 12 lakh and entry duly made in the seller's books of account
20th October	The machine is assembled, tested at site, and accepted by buyer
23rd October	Invoice raised
4th November	Balance payment of ₹ 11,50,000 received

**Determine the time of supplies in the above scenario.**

**Answer:- 1. Legal Provision:-** First write **general provision here as given in Note 1 refer above**

**2. Conclusion:-** In this case, The time of supply of goods to the extent of ₹ 50,000 is 20th October, i.e., the last date of issue of invoice, even though the date of payment is earlier this will not be considered as per above notification. [Section 12(2)(a)].  
The time of supply of goods to the extent of the balance amount of ₹ 11,50,000 is 20th October which is the date on which the goods were made available to the recipient as per section 31(b), and the invoice should have been issued on this date [Section 12(2)(a)].

**CCP. 05. 02.08.00**

Chiku Traders is a registered supplier of plastic goods. On 10th April, 20XX, Chiku Traders received an order from Neelu Traders for supply of a consignment of plastic goods. Chiku Traders gets the consignment ready by 15th April, 20XX. The invoice for the consignment was issued the next day, 15th April, 20XX. Neelu Traders collects the consignment from the godown of Chiku Traders on 25th April, 20XX and hands over the cheque towards payment on the same date. The said payment is entered in the books of accounts of Chiku Traders on 26th April, 20XX and amount is credited in their bank account on 27th April, 20XX.  
**Determine the time of supply of the plastic goods supplied by Chiku Traders to Neelu Traders as per the provisions of CGST Act, 2017. [CA Final Suggested Nov 18]**

**Answer:- 1. Legal Provision:-** First write **general provision here as given in Note 1 refer above**

As per section 31, the invoice in case of supply of goods needs to be issued either before or at the time of removal/delivery of goods.

Date of issue of invoice :- 16th April 20XX

Last date of issue of invoice :- 25th April 20XX

Therefore, Time of Supply :- 16th April 20XX

**CN. 03. Proviso to Sec 12(2): Excess payment upto 1000**

**CCP. 05. 03.09.00**

**What is time of supply with respect to amount received in excess of the invoice amount for supply of goods (e.g.: Invoice is issued for ₹5,000 on August 22, 20XX by the supplier. Subsequently, the recipient pays-**

**scenario 1: ₹5,500/- and**

**scenario 2: ₹ 8,000/-**

**For scenario 2:-** Date on which payment entered in books of accounts of the supplier is Aug 30, 20XX & date on which payment is credited to bank account is Aug 28, 20XX. For excess amount invoice issued on September 22, 20XX in both the cases.

**Answer:-** As per proviso to section 12(2)(b), where the supplier of taxable goods

⇒ receives an amount upto ₹ 1000

⇒ 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**.

As per N/N -66/2017, in case of supply of goods TOS shall be determined only on the basis of date of issue of invoice or last date of issue of invoice.

Thus, this advance will not give rise to time of supply irrespective of the amount of such advance.

**scenario 1 -** TOS, to the extent of such excess amount shall be the date of issue of invoice in respect of such excess amount = 22 Sep 20XX.





**scenario 2** – Time of supply shall remain the date of issue of invoice or last date of issue of invoice. Therefore TOS in both the scenario will be 22 Sep 20XX i.e. date of issue of invoice

#### CN. 04. Sec 12(3): TOS FOR REVERSE CHARGE on SOG

General provision student should refer for solving following question

**Note 2:**—In case of tax liable to be paid on goods under reverse charge mechanism, the time of supply shall be the earliest of the following:

- (a) Date of receipt of goods by the recipient; or
- (b) Date on which the payment is entered in the books of accounts of the recipient; or
- (c) Date on which payment is debited in the bank account of the recipient; or
- (d) Date immediately following 30 days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier.

Where the time of supply cannot be ascertained from above, the date of entry in the books of accounts of the recipient shall be the time of supply of goods.

#### CCP. 05. 04.10.00 (1) Determine the time of supply from the given information

May 4	Supplier invoices goods taxable on reverse charge basis to Bridge & Co. (30 days from the date of issuance of invoice elapse on June 3)
May 12	Bridge & Co receives the goods
May 30	Bridge & Co makes the payment

(ii) What would be your answer in case goods received on June 12.

**Answer:**—

As per section 12(3) the time of supply, being the earliest of the three stipulated dates namely,

- receipt of goods,
- date of payment and
- date immediately following 30 days of issuance of invoice by supplier.

(Here, date of invoice is relevant only for calculating thirty days from that date.)

1) TOS in 1<sup>st</sup> case 12 may and

2) TOS in 2<sup>nd</sup> case 30 May

#### CCP. 05. 04.11.00

Determine the time of supply in the following cases assuming that GST is payable under reverse charge: [ICAI Material]

S. NO.	Date of receipt of goods	Date of payment by recipient of goods	Date of issue of invoice by supplier of goods
	(1)	(2)	(3)
1	July 1	August 20	June 29
2	July 1	June 25	June 29
3	July 1	Part payment made on June 30 and balance amount paid on July 20	June 29
4	July 5	Payment is entered in the books of account on June 28 and debited in recipient's bank account on June 30	June 1
5	July 1	Payment is entered in the books of account on June 30 and debited in recipient's bank account on June 26	June 29
6	August 1	August 10	June 29

**Legal Provision:-** First write general provision here as given in Note 2 refer above

	Date of receipt of goods	Date of payment by recipient of goods	Date of issue of invoice by supplier of goods	Date immediately following 30 days from date of Invoice	Time of Supply of Goods [Earlier of (1), (2) & (4)]
	(1)	(2)	(3)	(4)	(5)
1	July 1	August 10	June 29	July 30	July 1
2	July 1	June 25	June 29	July 30	June 25
3	July 1	Part payment made on June 30 and balance amount paid on July 20	June 29	July 30	June 30 for part payment made and July 1 for balance amount
4	July 5	Payment is entered in the books of account on June 28 and debited in recipient's bank account on June 30	June 1	July 2	June 28 (i.e., when payment is entered in the books of account of the recipient)
5	July 1	Payment is entered in the books of account on June 30 and debited in recipient's bank account on June 26	June 29	July 30	June 26 (i.e., when payment is debited in the recipient's bank account)
6	August 1	August 10	June 29	July 30	July 30 (i.e. 31 <sup>st</sup> day from issuance of invoice)

### CN. 05. Sec 12(4): Voucher for SOG

**General provision student should refer for solving following question**

**Note 3:-** In terms of Section 12(4) of the CGST Act, 2017, time of supply of vouchers shall be the earliest of the following:

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

#### CCP. 05. 05.12.00

Acme sales Limited sells food coupons to a company, which gives these to its employees as part of the agreed perquisites. The coupons can be redeemed for purchase of any item of food / provisions in the outlets that are part of the program. What will be the time of supply? (ICAI Study Material)

**Answer:-**

**Legal Provision:-** First write general provision here as given in Note 3 refer above

**Conclusion:-** As the supply against which the coupon will be redeemed is not known on the date of the sale of the coupon, the time of supply of the coupon will be the date on which the employee redeems it against food / provision items of his choice.

#### CCP. 05. 05.13.00

XYZ Ltd has purchased for its employees 100 vouchers dated 14/11/20XX worth ₹ 2,000 each for specific footwear from ABC Ltd, a footwear manufacturing company. The vouchers were issued by ABC Ltd on 15/11/20XX. The vouchers can be encashed at retail outlets of ABC Ltd. The employees of XYZ Ltd encashed the same on 01/12/20XX. Determine the time of supply for the same

**Answer:-** **Legal Provision:-** First write general provision here as given in Note 3 refer above

**Discussion:-** As per the above stated Section time of supply shall be the date of issue of voucher if the supply is identifiable at that point. In the above case supply is identifiable as it specifically pertains to footwear.

**Conclusion:-** Hence, time of supply is 15/11/20XX



CCP. 05. 05.14.00

Ms Reema purchased a gift voucher from Shoppers Stop (a departmental store) worth ₹ 2,500 on 30/09/20XX and gifted it to her friend on occasion of her birthday on 04/11/20XX. Her friend encashed the same on 01/12/20XX for purchase of a handbag. Determine the time of supply

**Answer:-**

**Legal Provision:**

First write **general provision here as given in Note 3 refer above**

**Discussion:** As per the above stated Section time of supply shall be the date of redemption of the voucher in case the supply is not identifiable at that point. The voucher given is that of a departmental store offering a variety of products and the voucher can be used to purchase any product.

**Conclusion** Hence, time of supply is 1/12/20XX

**CN. 06. Sec 12(6): Interest etc on delay payment**

**General provision student should refer for solving following question**

**Note 4:-** In terms of Section 12(6) of the CGST Act, 2017, The time of supply, related to an addition in value of supply by way of interest, late fee, penalty, etc. for delayed payment of consideration, shall be the date on which the supplier receives such addition in value.

CCP. 05.06.15.00

Mr. X a registered supplier supplied certain goods to Mr. Y on 6 months credit with a penalty clause in the agreement levying a penalty of 12% p.a. of the invoice value in case of delayed payment. The invoice was dated 01/01/20XX and Invoice value was ₹ 20,000. Mr. Y could not make the payment on the due date due to unavoidable reasons. He however made the payment of the invoice value on 01/06/20XX. Mr. X raised a debit note for the penalty amount. There being dispute on this, the matter was in arbitration which was finally resolved with Mr. Y agreeing to pay half of the penalty amount. The amount was paid by Mr. Y on 12/12/20XX. Determine the time of supply.

**Answer:-**

**Legal Provision:-** First write general provision here as given in Note 4 refer above

**Discussion:-** As per the above stated Section 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

**Conclusion:-** Therefore the amount received as penalty the **time of supply shall be** 12/12/20XX

## Time of Supply of Services

**CN. 07. 13(2) :- Time of Supply of service under forward charge**

**Note - 5 :-** General provision student should refer for solving following question

Case	Time of Supply
a) If the invoice is issued within period prescribed under sec 31	The date of issue of invoice by the the supplier, or The date of receipt of payment, Whichever is earlier
b) If the invoice is not issued within the period prescribed under sec 31	The date of provision of service, or The date of receipt of payment, Whichever is earlier
c) In a case where the provisions of clause (a) or (b) do not apply	The date on which the recipient shows the receipt of services in his books of account

**Explanation:-**

- 1) 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.

**Special Provision:-****Note 6 :- Date of issue of invoice**

As per sec 31 of CGST Act,	Date of issuance of invoice
1) In normal Case (Taxable supply of service)	shall be issued within a period of 30 days from the date of the supply of service
2) In case of insurer or a banking company or a financial institution, including a non-banking financial company	shall be issued within a period of 45 days from the date of the supply of service

**CCP. 05.07.16.00**

Sunidhi Ltd. provided business support services to Banshi on 10th August, 20XX for ₹50,000. The invoice for the same was issued on 20th August, 20XX. Sunidhi Ltd. received the payment against the said invoice on 15th August, 20XX vide cheque dated 12th August, 20XX. The entry for the receipt of payment was made in the books of accounts on 15th August, 20XX itself. However, the amount was credited in the bank A/c on 25th August, 20XX. Determine the time of supply in the given case

**Answer:-** Legal Provision:-First write general provision here as given in Note 5 refer above

**Discussion :-** Thus as per the above provision, in the given case

a.	Date of entry in books of A/c	15/08/20XX
b.	Date of credit to bank account	25/08/20XX
c.	Date of receipt of payment (earlier of a and b)	15/08/20XX
d.	Date of issue of invoice	20/08/20XX

As the invoice issued within 30 days, the time of supply is 15th August, 20XX i.e. the date of receipt of payment, which is the earliest of the above aforesaid dates.

**CCP. 05.07.17.00**

Determine the point of taxation in the following cases:

(I)Mugdha Private Limited is engaged in providing taxable services. It receives

advances of ₹ 1,00,000 from clients on 23rd June, 20XX for the service to be rendered in the month of July, 20XX.

(II)Rohan Ltd. provided management consultancy services to M/s Bhatia & Sons on 5th June, 20XX and billed it for ₹ 1,20,000 on 10th July, 20XX. It received the payment for the same on 14th July, 20XX.

**Answer:-**

i) Legal Provision:- First write general provision Sec 13(2)(a) here as given in Note 5 refer above

**Conclusion:-** Hence, in the above case the time of supply will be on 23rd June, 20XX. Also as per sec 31(3)(d) a receipt voucher will be issued on the receipt of advance payment.

ii) Legal Provision :- First write general provision Sec 13(2)(b) here as given in Note 5 refer above

**Conclusion :-**

Provision of Services: 5th June, 20XX

Invoice: 10th July, 20XX

Receipt of Payment: 14th July, 20XX

Hence, time of Supply is 5th June, 20XX

**CCP. 05.07.18.00**

Raju Pvt Ltd. receives the order and advance payment on 5th January for carrying out an architectural design job. It delivers the designs on 23rd April. By oversight, no invoice is issued at that time, and it is issued much later, after the expiry of prescribed period for issue of invoice.

What is the time of supply of service?

**Answer**

Legal Provision:- First write general provision Sec 13(2)(b) here as given in Note 5 refer above

**Conclusion:-** The payment was received on 5th January and the service was provided on 23rd April. Therefore, the date of payment, i.e., 5th January is the time of supply of the service in this case.



**CCP. 05.07.19.00**

Modern Security Co. provides service of testing of electronic devices. In one case, it tested a batch of devices on 4th and 5th September but could not raise invoice till 19th November because of some dispute about the condition of the devices on return. The payment was made in December.

What is the method to fix the time of supply of the service?

**Answer**

**Legal Provision:-** First write **general provision Sec 13(2)(b)** here as given in Note 5 refer above

**Conclusion:-** In this case, the service is provided on 5th September but not invoiced within the prescribed time limit. Therefore, the date of provision of service, i.e., 5th September, will be the time of supply.

**CCP. 05.07.20.00**

Determine the time of supply from the following particulars: (CA Final May 2018)

8th September	Community hall booked for a marriage, sum agreed ₹1,20,000, advance ₹ 20,000 recorded in the books of account.
10th September	Advance amount credited in bank account
2nd November	Marriage held in the Community hall.
18th December	Invoice issued for ₹1,20,000 indicating the balance of ₹1,00,000 payable
22th December	Balance ₹1,00,000 recorded in the books of account.
24th December	Payment ₹1,00,000 credited to the bank account

**Answer:**

**Legal Provision:-** First write **general provision 13(2)(a) & 13(2)(b)** here as given in Note 5 refer above

**Conclusion:-** Therefore, As per sec 13(2), the time of supply of service to the extent of advance of ₹ 20,000 is 8th September (date of recording the payment in the books of account) as it is earlier than the date of crediting of payment in the bank

account and the date of provision of service.


The time of supply of service to the extent of the balance ₹ 1,00,000 is 2nd November, which is the date of provision of service as it is earlier than the other two events in this case.

**CCP. 05.07.21.00**

Determine the time of supply and due date of e-payment of goods & service tax in each of following independent cases:

S. No	Date of Completion	Date of Invoice	Date on which payment is received of service
1	10/04/20XX	05/05/20XX	20/05/20XX
2	10/04/20XX	05/05/20XX	25/04/20XX
3	10/04/20XX	05/05/20XX	25/04/20XX(Part)and 20/05/20XX (remaining)
4	10/04/20XX	05/05/20XX	06/04/20XX(Part)and 09/04/20XX (remaining)
5	10/04/20XX	16/05/20XX	05/04/20XX(Part)and 14/05/20XX (remaining)

**Answer**

Sr. No.	Date of completion of service	Date of Invoice	Date on which payment is received	 Students, let's try to write provision	Time of Supply
1	10/04/20XX	05/05/20XX	20/05/20XX	Sec 13(2)(a)	05/05/20XX
2	10/04/20XX	05/05/20XX	25/04/20XX	Sec 13(2)(a)	25/04/20XX
3	10/04/20XX	05/05/20XX	25/04/20XX (Part)and 20/05/20XX (remaining)	Sec 13(2)(a)	25/04/20XX (Part) and 05.05.20XX (remaining)

4	10/04/20XX	05/05/20XX	06/04/20XX (Part) and 09/04/20XX (remaining)	Sec 13(2)(a)	06/04/20XX (Part) and 09/04/20XX (remaining)
5	10/04/20XX	16/05/20XX	05/04/20XX (Part) and 14/04/20XX (remaining)	Sec 13(2)(a) Sec 13(2)(b)	05/04/20XX (Part) and 10/04/20XX (remaining)

**CCP. 05.07.22.00**

Investigation shows that ABC & Co carried out service of cleaning and repairs of tanks in an apartment complex, for which the Apartment Owners' Association showed a payment in cash on 4th April to them against work of this description. The dates of the work are not clear from the records of ABC & Co. ABC & Co have not issued invoice or entered the payment in their books of account. (ICAI Material)

**Answer:-**

**Legal Provision:-** First write **general provision here as given in Note 5 refer above**

**Conclusion:-** Thus, **time of supply will be 4th April**, the date on which the Apartment Owners' Association records the receipt of service in its books of account.

**CN. 08. Proviso to Sec 13(2): Excess payment upto 1000 for SOS****CCP. 05.08.23.00**

Mr. X took telecommunication service from BSNL. For the month of January, 20XX the bill amount was ₹ 5,000. He made a payment of ₹ 5,500 with an instruction to adjust the excess payment against next month's bill, and hence the same was adjusted by BSNL in case of his next month bill payable on 5/3/20XX (invoice issued on same date). Determine the time of supply with regard to such excess payment in light of the GST law. What would be your answer if Mr. X make payment of ₹ 6,500 ?

**Answer:-**

As per the proviso to Section 13(2) where the supplier of taxable service receives an amount up to ₹1000 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.

Excess amount in the above case is ₹ 500. Hence, **time of supply is 5/3/20XX** (date of issue of next invoice)

If Mr. X make the payment of ₹ 6,500 then excess amount is ₹ 1500, in such case above proviso is not applicable and time of supply shall be the date of receipt of such excess advance amount.

**CN. 09. Sec 13(3): TOS FOR REVERSE CHARGE on SOS**

**General provision student should refer for solving following question**

**Note 7:-** In terms of Section 13(3) of the CGST Act, 2017, the time of supply of services for remittance of tax under reverse charge mechanism shall be the earliest of the following:

- (a) Date of payment recorded in the books of accounts of the recipient; or
- (b) Date of debit in bank account of the recipient;
- (c) 60 days from the date of issue of invoice or any other document in lieu thereof by the supplier;

If it is not possible to determine the time of supply under the aforesaid clauses, the time of supply shall be the date of entry in the books of account of the recipient of supply.

**Note 7A :-** In case of 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.

**CCP. 05.09.24.00**

Determine the time of supply in the following cases assuming that GST is payable under reverse charge: (ICAI Material) (CMA Mock test JUNE 2018)

S. NO	Date of payment by recipient for supply of services	Date of issue of invoice by supplier of services
	(1)	(2)
(i)	August 10	June 29
(ii)	August 10	June 1
(iii)	Part payment made on June 30 and balance amount paid on September 1	June 29
(iv)	Payment is entered in the books of account on June 28 and debited in recipient's bank account on June 30	June 1
(v)	Payment is entered in the books of account on June 30 and debited in recipient's bank account on June 26	June 29

**Answer**

**Legal provision:-** First write **general provision here as given in Note 7 refer above**

S. No.	Date of payment by recipient for supply of services	Date of issue of invoice by supplier of services	Date immediately following 60 days from invoice	Time of Supply of Goods (earlier of (1) & 3)
	(1)	(2)	(3)	(4)
(i)	August 10	June 29	August 29	August 10
(ii)	August 10	June 1	August 1	August 1
(iii)	Part payment made on June 30 and balance amount paid on September 1	June 29	August 29	June 30 for Part payment and August 29 for balance amount

(iv)	Payment is entered in the books of account on June 28 and debited in recipient's bank account on June 30	June 1	August 1	June 28 (i.e. when payment is entered in the books of account of the recipient)
(v)	Payment is entered in the books of account on June 30 and debited in recipient's bank account on June 26	June 29	August 29	June 26 (i.e. when payment is debited in the recipient's bank account)

**CCP. 05.09.25.00**

Kabira Industries Ltd engaged the services of a transporter for road transport of a consignment on 17th June and made advance payment for the transport on the same date, i.e., 17th June. However, the consignment could not be sent immediately on account of a strike in the factory, and instead was sent on 20th July. Invoice was received from the transporter on 22nd July.

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

**Note:** Transporter's service is taxed on reverse charge basis (ICAI Material)

**Answer-**

**Legal Provision:-** First write **general provision here as given in Note 7 refer above**

**Conclusion:-** In this case, the date of payment precedes 61st day from the date of issue of invoice by the supplier of service. Hence, the date of payment, that is 17th June, will be treated as the time of supply of service [Section 13(3)(a)].

**CCP. 05.09.26.00**

A firm of lawyers issues invoice for services to ABC Ltd. on 17th Feb. The payment is contested by ABC Ltd. on the ground that on account of negligence of the firm, the company's case was dismissed by the Court for non-appearance, which necessitated further appearance for which the firm is billing the company. The dispute drags on and finally payment is made on 3rd November. Identify the time of supply of the legal services.

**Note: Legal services are taxable on reverse charge basis. (ICAI Material)**

**Answer**

**Legal Provision:-** First write **general provision here as given in Note 7 refer above**

**Conclusion:-** The date of payment comes subsequent to the 61st day from the issue of invoice by the supplier of service. Therefore, the 61st day from supplier's invoice has to be taken as the time of supply. **This fixes 19th April as the time of supply.**

**CCP. 05.09.27.00**

**Royal Sweet Co., Delhi a registered supplier, has furnished the details of the following few transaction which took place in November, 20XX:**

S.No.	Date	Particulars	Date of Invoice	Amount
1	11.11.20XX	Payment made to an advocate in Delhi	07/07/20XX	1,25,000
2	20.11.20XX	Paid sitting fee to Director from Haryana for meeting held in Delhi on 15.10.20XX (Inter-State Supply)	15/10/20XX	75,000

Assume the rates of taxes to be as under: -

Particulars	Rates
CGST	9%
SGST	9%
IGST	18%

**You are required to compute GST [CGST & SGST/IGST, as the case payable for the month of November, 20XX along with time of supply of the aforementioned activities] (CA IPC RTP 2018)**

**Answer:- Computation of GST payable for the month of November, 20XX**

S.No.	Particulars	Time of supply	CGST (₹)	SGST (₹)	IGST (₹)	Interest (₹)
1	Services from an advocate in Delhi	06/09/202XX [Note- 1 & 3]	11,250	11,250	-	244 [Note-4]
2	Director's sitting fee	20/11/20XX [Note- 2 & 3]	-	-	13,500	-

**Notes:-**

- Services supplied by an individual advocate to any business entity located in the taxable territory is a notified service on which tax is payable on reverse charge basis by the recipient of services.
- Services supplied by a director of a company to the said company is a notified service on which tax is payable on reverse charge basis by the recipient of services. (Also refer Circular no. 140/10/2020-GST, DT- 10/6/2020)
- As per section 13 of the CGST Act, 2017, the time of supply of services in case of reverse charge is earliest of the following:-
  - Date of payment as entered in the books of account of the recipient or the date on which the payment is debited to his bank account, whichever is earlier, or
  - Date immediately following 60 days since the date of issue of invoice.

Provisions of time of supply as provided under section 13 of the CGST Act are also applicable for inter-State supply vide section 20 of the IGST Act.

In view of the aforesaid provisions, the time of supply and due date for payment of tax in the given cases would be determined as under:

- Time of supply of the services is the date immediately following 60 days since the date of issue of invoice, i.e. 06.09.20XX. The due date for payment of tax is 20.10.20XX with return of September, 20XX.
- Time of supply of service is 20.11.20XX and due date for payment of tax is 20.12.20XX with return of December, 20XX.



4. The due date for payment of tax in case (i) is 20.10.20XX with return of September, 20XX. However, the payment of tax is actually made on 11.11.20XX. Thus, payment of tax is delayed by 22 days.

In case of delayed payment of tax, interest @ 18% per annum is payable for the period for which the tax remains unpaid starting from the day succeeding the day on which such tax was due to be paid [Section 50 of the CGST Act, 2017 read with Notification No. 13/2017 CT dated 28.06.2017]. In view of the same, in the given case, interest payable would be as follows:

**Amount of interest payable = ₹ 22,500 × 18% × 22/365 = ₹ 244 (rounded off)**

#### CCP. 05.09.28.00

Mint Industries Ltd., a registered supplier, imports business support services from Green Inc. of USA on 13th August. The relevant invoice for \$ 1,20,000 is raised by Green Inc on 18th August. Mint Industries Ltd. makes the payment against the said invoice as follows:

Case I	22nd September
Case II	27th December

**Determine time of supply in each of the aforesaid cases. [ICAI Material]**

**Answer:**

**Legal Provision:** First write **general provision here as given in Note 7 refer above**

In case of services supplied by any person located in a non-taxable territory to any person other than non-taxable online recipient, tax is payable under reverse charge by the person located in the taxable territory. Hence, in the given case, since the business support services are provided by Green Inc (located in non-taxable territory) to Mint Ltd. (person other than non-taxable online recipient and located in taxable territory), tax is payable under reverse charge by Mint Ltd.

If it is not possible to determine the time of supply as per sec 13(3)

(a)/(b)/(c) by using these parameters, then the time of supply will be the date of entry of the service in the books of account of the recipient of supply.

In view of the aforesaid provisions, the time of supply in each of the given cases will be as under:

CASE	Time of supply
Case I	Since Mint Ltd makes the payment within 60 days of the date of issue of invoice, the time of supply is the date of payment, i.e. <b>22nd September</b> .
Case II	As Mint Ltd. makes the payment after 60 days from the date of invoice, time of supply is the date immediately following the said period of 60 days, i.e. 61st day which is <b>18th October</b> .

#### CN. 10. TOS in case of associated enterprises located outside India

##### CCP. 05.10.29.00

With reference to Section 13 (3) determine the point of taxation in respect of following independent transactions:

PQR Ltd. paid consultancy fees of ₹ 50,000 to its associated enterprises located in Dubai. Dubai firm raised the invoice on 27.01.20XX and the same was received by PQR Ltd. on 06.02.20XX. Though the journal entry was passed on 07.02.20XX in the books of PQR Ltd., actual payment to Dubai firm was made on 25.02.20XX.

**Answer :**

**Legal Provision:** First write **general provision here as given in Note 7A refer above**

**Conclusion:-** As per sec 13(3) of CGST Act,

**Date of debit in recipient's book of accounts:** 7/2/20XX

**Date of Payment:** 25/2/20XX

Hence, in the given case time of supply is 7/2/20XX as it is the earliest of the above

##### CCP. 05.10.30.00

Apte & Apte Ltd. is located in India and holding 51% of shares of Wilson Ltd, a USA based company. Wilson Ltd. provides business auxiliary services to Apte & Apte Ltd. From the following details, determine the point of taxation for Apte & Apte Ltd. [ICAI Material]

Agreed consideration	US \$1,00,000
Date on which services are provided by Wilson Ltd	16-9-20XX
Date on which invoice is issued by Wilson Ltd.	19-9-20XX
Date of debit in the books of account of Apte & Apte Ltd.	30-9-20XX
Date on which payment is made by Apte & Apte Ltd.	23-12-20XX

**Answer:-**

**Legal Provision:** First write **general provision here as given in Note 7A refer above**

**Discussion:** Since, Apte & Apte Ltd. holds 51% shares of Wilson Ltd., Apte & Apte Ltd. and Wilson Ltd. will be 'associated enterprises' as per section 92A of the Income-tax Act, 1961.

**Conclusion:** Date of debit in the books of account of person receiving the service 30.09.2018 [which is Apte & Apte Ltd. in the present case]

OR

Date of making the payment [by Apte & Apte Ltd. in the present case] 23.12.20XX

Thus, point of taxation will be 30.09.20XX.

### CN. 11. Sec 13(4): Voucher for SOS

**General provision student should refer for solving following question**

**Note 8 :-** As per Section 13 (4) of CGST Act, In case of supply of vouchers by a supplier, the time of supply shall be

(a) if the supply is identifiable at that point - the date of issue of voucher, or

(b) in all other cases- the date of redemption of voucher.

### CCP. 05.11.31.00

From the following information determine the time of supply of services where supply is by issue of voucher valid for one year and are issued after supply of first service

**Date of First Service: 01.01.20XX**

**Date of Issue of Voucher: 01.01.20XX**

**Date of Redemption of Voucher: 31.8.20XX**

**Last date for acceptance of voucher: 31.12.20XX (ICAI Material)**

**Answer:-**

**Legal Provision-First write general provision here as given in Note 8 refer above**

**Discussion:-** As per the above mentioned Section the time of supply is the date of issue of voucher, if the supply is identifiable at that point.

**Conclusion-** Hence, the time of supply is the issue of voucher i.e. 01.01.20XX

**Assumed -** It is assumed that supply is identifiable at that point


### CCP. 05.11.32.00

S. No	Issue of vouchers Section 13(4) [or Section 12(4)]	First service/delivery of good	Issue of voucher	Redemption of voucher	Last date for acceptance of voucher
1	Voucher issued to a recipient after supply of a service for the same service - valid for 1 year	01-Nov-22	01-Nov-22	14-Dec-22	30-Oct-23
2	Voucher issued to a recipient of machinery along at the time of delivery, for availing repair services worth ₹ 5,000 - valid for 1 year	01-Nov-22	01-Nov-22	14-Dec-22	30-Oct-23
3	Voucher issued to a recipient after supply of a service, for any other services or goods across India, - valid for 1 year	01-Nov-22	01-Nov-22	14-Dec-22	30-Oct-23
4	Gift voucher for ₹1,500 for any services valid for 6 months	-	01-Nov-22	25-Dec-22	31-Mar-23



**Answer**

**Legal Provision**—First write **general provision here as given in Note 10 refer above**

S. No	Issue of vouchers Section 13(4)	First service/ delivery of goods	Issue of voucher	Redemption of voucher	Last date for acceptance of voucher	Time of Supply
1	 Students, let's try to write provision	01-Nov-22	01-Nov-22	14-Dec-22	30-Oct-23	01-Nov-22
2		01-Nov-22	01-Nov-22	14-Dec-22	30-Oct-23	01-Nov-22
3		01-Nov-22	01-Nov-22	14-Dec-22	30-Oct-23	14-Dec-22
4		-	01-Nov-22	25-Dec-22	31-Mar-23	25-Dec-22

**CN. 12. Sec 13(5): Residual case****CCP. 05.12.33.00**

An income-tax and money laundering case against Mr. XYZ, working in a multi-national company, reveals a large volume of undisclosed assets, which he claims as service income. On this basis, the GST authorities investigate the GST liability. Dates of provision of service, whether in the first half or the second half of the financial year being scrutinised by income-tax authorities, are not known. Mr. XYZ voluntarily pays GST during the investigation. What is the time of supply of the services?

**Answer:**—Where it is not possible to determine the time of supply in terms of date of invoice or date of provision of service or date of receipt of payment or date of receipt of services in the books of account of the recipient, and where periodical return is not to be filed (Mr. XYZ, being an employee in a multi-national company, is not a registered person), the date of payment of tax is taken as the time of supply [Section 13(5)(b)].

**Therefore, the date when Mr. XYZ pays the GST will be the time of supply.**

**CN. 13. Sec 13(6): Interest etc on delay payment for SOS**

**General provision student should refer for solving following question**

**Note 9:**—In terms of Section 13(6) of the CGST Act, 2017,

The time of supply, related to an addition in value of supply by way of interest, late fee, penalty, etc. for delayed payment of consideration, shall be the date on which the supplier receives such addition in value.

**CCP. 05.13.34.00**

Mr. X a registered person supplied certain services to Mr. Y. The terms were to make the payment within 3 months or else a penalty of 12% p.a. of the invoice value will be charged in case of delayed payment. The invoice was dated 01/01/20XX and Invoice value was ₹25,000. Mr. Y could not make the payment on the due date due to unavoidable reasons. He however made the payment of the invoice value on 01/06/20XX. Mr. X raised a debit note for the penalty amount. There being dispute on this, the matter was in arbitration which was finally resolved with Mr. Y agreeing to pay half of the penalty amount. The amount was paid by Mr. Y on 1/12/20XX. Determine the time of supply

**Answer:**—

**Legal Provision:**—First write **general provision here as given in Note 9 refer above**

**Discussion:** As per the above stated Section time of supply to the extent it relates to an addition in the value shall be the date on which the supplier receives such addition in value.

**Conclusion:** For penalty the time of supply is 1/12/20XX as the payment made on this date