



TIME OF SUPPLY

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1	Study Mat	06	Q. 01.01/02.03/02.04/02.05/03.06/04.11/04.13/04.14/06.16/06.17/10.26	11
2	Examination	06	Q. 04.10/06.18/07.19/07.20	04
3	RTP & MTP	06	Q. 04.12/07.21/08.23/ 10.27	04
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	Total No. of Illust.			27

01. General Questions on Time of Supply (TOS)

CCP 06.01.01.00

Explain the significance of time of supply under GST law. [Study Mat]

Answer :-

- ⇒ GST is **payable** on supply of goods &/or services.
- ⇒ Time of supply indicates the **point in time when the liability to pay tax arises**.
- ⇒ Though, the liability to pay the tax arises at the time of supply, the payment of the same can be paid to Government by the due date prescribed with reference to the said 'time of supply'.
- ⇒ There are **separate provisions** for time of supply for goods and services under section 12 and 13 of the CGST Act respectively.

CCP 06.01.02.00

The time of liability to pay GST is independent of the time of supply of goods/services. Discuss the correctness of the statement?

Answer :-

- ⇒ The said statement is **not correct**.
- ⇒ **Liability to pay GST 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.
- ⇒ The time of supply is generally the **earliest** of one of the three events, namely receiving payment, issuance of invoice or completion of supply.
- ⇒ Different situations are envisaged and different tax points have been explained in the aforesaid sections.

02. Sec 12(2): TOS of goods under Forward Charge with N/n. 66/2017

CCP 06.02.03.00

Mansh & Vansh Trading Company, a registered supplier, is liable to pay GST under forward charge. It has furnished the following information:

- 1) Goods were supplied on 3rd October
- 2) Invoice was issued on 5th October
- 3) Payment received on 9th October



Determine the time of supply of goods for the purpose of payment of tax. [Study Mat]

Answer :-

Legal Provision:

- ⇒ As per **section 12(2)** of the CGST Act, 2017 read with notification 66/2017, the time of supply of goods shall be **earlier** of the following dates.
 - a) Date of issue of invoice or
 - b) last date to issue the invoice u/s 31. (i.e. Date of removal or Date of delivery or Date of making goods available).
- ⇒ As per **notification 66/2017**, the time of supply of goods is **not on advance received** & this is applicable to all registered persons **except** composition supplier & Supplier of Specified actionable claim.
- ⇒ Further, u/s 31(1), if supply **involves movement of goods**, a registered person is required to issue a tax invoice before or at the time of removal of goods for supply to the recipient.

Discussion & Conclusion:

- ⇒ In the given case, the invoice for supply of goods should have been issued on or before the removal of goods i.e., on 3rd October.

- ⊕ However, since the invoice **has not been issued within the prescribed time**, the time of supply for the purpose of payment of tax will be the last date on which the invoice is required to be issued i.e., **3rd October**.

CCP 06.02.04.00

An order is placed on Ram & Co. on 18th August for supply of a consignment of customized shoes. Ram & Co. gets the consignment ready and informs the customer and issues the invoice on 2nd December. The customer collects the consignment from the premises of Ram & Co. on 7th December and electronically transfers the payment on the same date, which is entered in the accounts on the next day, 8th December.

What is the time of supply of the shoes for the purpose of payment of tax? [Study Mat]

Answer :-



Legal Provision:-

- ⊕ As per **section 12(2)** of the CGST Act, 2017 read with notification 66/2017, the time of supply of goods shall be **earlier** of the following dates:-
 - a) Date of issue of invoice or
 - b) last date to issue the invoice u/s 31.
- ⊕ As per **notification 66/2017**, the time of supply of goods is **not on advance received** & this is applicable to **all registered persons except composition supplier & Supplier of Specified actionable claim**.
- ⊕ Further, u/s 31(1), if supply **involves movement of goods**, a registered person is required to issue a tax invoice before or at the time of removal of goods for supply to the recipient.

Discussion & Conclusion:-

- ⊕ In this case, invoice is issued before the removal of the goods (i.e. collection of goods by customer) & is thus, within the time limit prescribed u/s 31(1).
- ⊕ Therefore, **the time of supply** for payment of tax is date of issue of invoice, which is **2nd December**.

CCP 06.02.05.00

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

What is the time of supply of 150 cartons for the purpose of payment of tax? [Study Mat]

Answer :-

Legal Provision:-

- ⊕ As per **section 12(2)** of the CGST Act, 2017 read with notification 66/2017, the time of supply of goods shall be **earlier** of the following dates:-
 - a) Date of issue of invoice or
 - b) last date to issue the invoice u/s 31.

Discussion & Conclusion:-

- ⊕ In this case, since the invoice has not been issued, the time of supply for the purpose of payment of tax will be the last date on which the invoice is required to be issued.
- ⊕ The invoice for supply of goods must be issued on or before dispatch of goods, i.e. on 2nd August.
- ⊕ Therefore, **the time of supply of goods will be 2nd August**.

Determine the time of supply of goods in the following independent cases assuming that GST is payable under reverse charge. [Study Mat]

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

Answer :-

Legal Provision:-

As per section 12(3) of CGST Act, 2017, if supply of goods is taxable under reverse charge, then the time of supply of goods shall be the earliest of the following dates:-

- Date of receipt of goods or
- Date when payment entered in books of accounts.
- Date on which payment is debited to Bank account.
- 31st day from the date of Suppliers invoice.

Determination of time of supply of goods under reverse charge:-

S.NO.	Date of receipt of goods	Date of payment by recipient of goods	Date of issue of invoice by supplier of goods	31st day from date of Invoice	Time of Supply of Goods u/s 12(3) [Earlier of (1), (2) & (3)]
	(1)	(2)		(3)	
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 & balance amount paid on Jul 20	June 29	July 30	June 30 for part payment & July 1 for balance amount
4	July 5	Payment entered in recipient's books of account on June 28 & debited in his bank account on June 30	June 1	July 2	June 28

5	July 1	Payment entered in recipient's books of account on June 30 & debited in his bank account on June 26	June 29	July 30	June 26
6	August 1	August 10	June 29	July 30	July 30

CCP 06.03.07.00

(i) Determine the time of supply from the given information

May 4	Supplier invoices goods taxable on reverse charge basis to Bridge & Co.
May 12	Bridge & Co receives the goods
May 30	Bridge & Co makes the payment

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

Answer:

Legal Provision:-

As per section 12(3) of CGST Act, 2017, if supply of goods is taxable under reverse charge, then the time of supply of goods shall be the earliest of the following dates:-

- Date of receipt of goods or
- Date when payment entered in books of accounts.
- Date on which payment is debited to Bank account.
- 31st day from the date of Suppliers invoice.

Discussion & Conclusion:-

i) In 1st case, **May 12 will be the time of supply** of goods taxable under reverse charge being earlier of:-

- Date of receipt of goods i.e. May 12 or
- Date of payment made i.e. May 30 or
- June 4 being 31st day from date of invoice which is May 4.

ii) In 2nd case, **May 30 will be the time of supply** being the earliest of dates as per section 12(3).

04. Sec 13(2):- TOS of Services under Forward Charge

CCP 06.04.08.00

How to ascertain the time of supply of services under forward charge & what will be the date of receipt of payment for the purpose of the same?

Answer:- As per section 13(2) of CGST Act, 2017, the time of supply of services shall be as follows:-

	Cases	Time of Supply
a)	If the invoice is issued within the period prescribed u/s 31:-	Time of supply shall be earlier of:- ➤ the date of issue of invoice by the supplier or ➤ the date of receipt of Payment.
b)	If the invoice is not issued within the period prescribed u/s 31:-	Time of supply shall be earlier of:- ➤ the date of provision of service or ➤ the date of receipt of payment.
c)	In case, where the provisions of clause (a) or (b) do not apply	The time of supply shall be :- ➤ the date on which the recipient shows the receipt of services in his books of account.

- As per **explanation to section 13(2)** of CGST Act, the **date of receipt of payment shall be earlier of:-**
- 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**.
- As per **section 31(2)** of CGST Act, normally, a registered person supplying taxable services shall issue a tax invoice **within 30 days** from the date of supply of service & in case of banking & FI, it should be within 45 days.

CCP 06.04.09.00

Determine the time of supply of services and the corresponding due date of e-payment of GST in each of following independent cases for person not paying tax under QRMP Scheme:-

Sr. No.	Date of completion	Date of Invoice	Date on which payment is received
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:

Legal Provision:-

- As per **section 13(2)** of CGST Act, 2017, the time of supply of services shall be as follows:-

Sr. No.	Cases	Time of supply
a.	If the invoice is issued within time	Time of supply shall be earlier of:- ➤ the date of issue of invoice by the supplier or ➤ the date of receipt of Payment.
b.	If the invoice is not issued within time:-	Time of supply shall be earlier of:- ➤ the date of provision of service or ➤ the date of receipt of payment.

- As per **section 31(2)**, generally, the tax invoice shall be issued within 30 days of supply of service & in case of banking & FI, it should be within 45 days.

Determination of the time of supply of services and the corresponding due date of e-payment of GST:-

Sr. No.	Date of Completion of service	last Date of issue Invoice u/s 31	Date of Invoice	Date of receipt of payment	Time of Supply	Due date of monthly GST Payment
1	10.04.20XX	10.05.20XX	05.05.20XX	20.05.20XX	05.05.20XX	20.06.20XX
2	10.04.20XX	10.05.20XX	05.05.20XX	25.04.20XX	25.04.20XX	20.05.20XX
3	10.04.20XX	10.05.20XX	05.05.20XX	25.04.20XX(Part) & 20.05.20XX (remaining)	25.04.20XX(Part) & 05.05.20XX (remaining)	20.05.20XX(Part) & 20.06.20XX (remaining)
4	10.04.20XX	10.05.20XX	05.05.20XX	06.04.20XX(Part) & 09.04.20XX (remaining)	06.04.20XX (Part) & 09.04.20XX (remaining)	20.05.20XX(For part & remaining both)

5	10.04.20XX	10.05.20XX	16.05.20XX	05.04.20XX(Part) & 14.05.20XX (remaining)	05.04.20XX(Part) & 10.04.20XX (remaining)	20.05.20XX (For part & remaining both)
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CCP 06.04.10.00

Mr. XYZ & Co., a firm of Chartered Accountants, issued invoice for services rendered to Mr. A on 7th September, 20XX. Determine the time of supply in the following independent cases:-

- (1) The provision of service was completed on 1st August, 20XX and payment was received on 28th September, 20XX.
- (2) The provision of service was completed on 14th August, 20XX and payment was received on 28th September, 20XX.
- (3) Mr. A made the payment on 3rd August, 20XX where provision of service was remaining to be completed at that time.
- (4) Mr. A made the payment on 15th September, 20XX where provision of service was remaining to be completed at that time. [CA Inter Nov 18 Exam] [Study Mat]

Answer :-

Legal Provision:-

As per section 13(2) of CGST Act, 2017, the time of supply of services shall be as follows:-

Sr . No.	Cases	Time of supply
(a)	If the invoice is issued within time:-	Time of supply shall be earlier of:- ➤ the date of issue of invoice by the supplier or ➤ the date of receipt of Payment.
(b)	If the invoice is not issued within time:-	Time of supply shall be earlier of:- ➤ the date of provision of service or ➤ the date of receipt of payment.

As per section 31(2), generally, the tax invoice shall be issued within 30 days of supply of service & in case of banking & FI, it should be within 45 days.

Discussion & Conclusion:-

In accordance with aforesaid provisions, time of supply is:-

- 1) **01.08.20XX** since invoice is not issued within 30 days of supply of service i.e. till 31.08.20XX.
- 2) **07.09.20XX** since the invoice is issued within 30 days of supply of service i.e. till 13.09.20XX and the payment is received after the issuance of invoice.
- 3) **03.08.20XX** which is **earlier** of date of issuance of invoice (07.09.20XX) or date of receipt of payment (03.08.20XX).
- 4) **07.09.20XX** which is **earlier** of issuance of invoice (07.09.20XX) or date of receipt of payment (15.09.20XX).

CCP 06.04.11.00

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. When is the time of supply of service? [Study Mat]

Answer :-

Legal Provision:-

- As per **section 13(2)(b)** of CGST Act, 2017, if invoice is not issued within the time prescribed u/s 31 for supply of services, then the **time of supply** of such services shall be **earlier of:-**
 - the date of provision of service or
 - the date of receipt of payment.
- As per section 31(2), generally, the tax invoice shall be issued within 30 days of supply of service & in case of banking & FI, it should be within 45 days.

Discussion & Conclusion:-

- In the given case, the advance payment was received on 5th January and the service was provided on 23rd April.
- However, **no invoice was issued** even after the expiry of prescribed period for issue of invoice.
- Therefore, the **time of supply of service is 5th January** which is the **date of receipt of payment**.

CCP 06.04.12.00

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? **[Study Mat] [CA Inter MTP Oct 2020]**

Answer :-



Legal Provision:-

- As per **section 13(2)(b)** of CGST Act, 2017, if invoice is not issued within the time prescribed u/s 31 for supply of services, then the **time of supply** of such services shall be **earlier of:-**
 - the date of provision of service or
 - the date of receipt of payment.
- As per **section 31(2)**, generally, the tax invoice shall be issued within 30 days of supply of service & in case of banking & FI, it should be within 45 days.

Discussion & Conclusion:-

- In this case, the service is provided on 5th September but the invoice is not issued within the prescribed time limit of 30 days of supply of service.
- Therefore, **5th September** will be the **time of supply** which is the **date of provision of service**, being **earlier than the date of payment**.

CCP 06.04.13.00

Determine the time of supply from the following particulars: **[Study Mat - Example]**

6th May	Booking of convention hall, sum agreed ₹ 15,000, advance of ₹ 3,000 received
15th September	Function held in convention hall
27th October	Invoice issued for ₹ 15,000, indicating balance of ₹ 12,000 payable
3rd November	Balance payment of ₹ 12,000 received

Answer:

Legal Provision:-

- As per **section 13(2)(b)** of CGST Act, 2017, if invoice is not issued within the time prescribed u/s 31 for supply of services, then the **time of supply** of such services shall be **earlier of:-**
 - the date of provision of service or

➤ the date of receipt of payment.

- As per **section 31(2)**, generally, the tax invoice shall be issued within 30 days of supply of service & in case of banking & FI, it should be within 45 days.

Discussion & Conclusion:-

- In given case, invoice is not issued within the prescribed time limit of 30 days of supply of services

- Therefore, as per **section 13(2)(b)**, the time of supply of service is:-

➤ **6th May** for **advance received ₹ 3,000** because this date of advance payment of ₹ 3,000 is **earlier** than the date of provision of service i.e. 15th September.

➤ **15th September** for the **balance ₹ 12,000** because this date of provision of service is **earlier** than the date of payment of balance amount i.e. 3rd November.

CCP 06.04.14.00

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. [Study Mat (Example)]

Answer:



Legal Provision -

- As per **section 13(2)(c)** of CGST Act, 2017 if time of supply of service cannot be determined u/s **13(2)(a) & 13(2)(b)**, then the time of supply shall be:-

➤ date on which the recipient shows the receipt of services in his books of account.

Discussion & Conclusion:-

- In the given case, time of supply **cannot be determined as per section 13(2)(a)/(b)** as neither the invoice has been issued nor the date of provision of service is available & the date of receipt of payment in the books of the supplier is also not available.

- Now, the time of supply as per **section 13(2)(c)** shall be the **date on which the recipient of service shows receipt of the service in his books of account.**

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

05. Proviso to Sec 13(2):- TOS of Services for excess amount received upto Rs 1000

CCP 06.05.15.00

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 05/03/20XX (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:-



Legal Provision:-

- As per proviso to **section 13(2)** of CGST Act, if supplier of taxable services receives upto Rs 1,000/- in **excess of the amount indicated in the tax invoice**, then the supplier has the option to take the date of issue of invoice for such excess amount as the time of supply for such excess.

Discussion & Conclusion:-

(i) If Mr. X makes the payment of ₹5,500:-

- In the given case, **excess amount paid is ₹500** (which is not exceeding ₹1,000) as the January, 20XX bill was for ₹5,000 & payment made ₹5,500.
- Therefore, **time of supply** of such excess amount is **05/03/20XX i.e. date of invoice for such excess as per proviso to section 13(2).**

(ii) If Mr. X makes the payment of ₹6,500:-

- Here, the excess payment is ₹1,500 which exceeds ₹1,000.
- In such case, above **proviso is not applicable.**
- Therefore, as per section 13(2), the **time of supply shall be the date of receipt (ie January 20XX) of such excess advance amount.**

06. Sec 13(3):- TOS of Services under Reverse Charge

CCP 06.06.16.00



Determine the time of supply in the following cases assuming that GST is payable under reverse charge:- [Study Mat][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:- As per section 13(3) of CGST Act, 2017, if **supply of services is taxable under reverse charge**, then the time of supply of services shall be the earliest of the following dates:-

a) **Date of payment** which shall be **earlier** of following:-

- date entered in the books of account of the recipient or
- date on which the payment is debited in recipient's bank account.

b) **Date immediately following 60 days** from date of issue of invoice by the supplier.

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

Determination of the time of supply of services taxable under reverse charge:-

Sr. No.	Date of payment by recipient of services	Date of issue of invoice by supplier of services	61st day from date of Invoice	Time of Supply of Services u/s 13(3)
	(1)		(2)	[Earlier of (1)&(2)]
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 & 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 recipient's books of account on June 28 & debited in recipient's bank account on June 30	June 1	August 1	June 28
v	Payment is entered in the recipient's books of account on June 30 and debited in recipient's bank account on June 26	June 29	August 29	June 26

CCP 06.06.17.00

Answer the following questions independently:

a) 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? [Study Mat]

b) A firm of advocates 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. [Study Mat]

c) M/s Pranav Associates, a partnership firm, provided recovery agent services to Newton Credits Ltd., a non-banking financial company and a registered supplier, on 15th January. Invoice for the same was issued on 7th February and the payment was made on 18th April by Newton Credits Ltd. Bank account of the company was debited on 20th April.

Determine the following:

1) Person liable to pay GST

2) Time of supply of service

[Study Mat]

Answer :-

a)	<p>Legal Provision:-</p> <p>➤ As per section 9(3) of CGST Act, if services are provided by Goods Transport Agency (GTA) for transportation of goods by road to any Body Corporate (which includes company) established by or under any law, then GST is payable on reverse charge basis by such Body Corporate.</p> <p>➤ As per section 13(3) of CGST Act, 2017, the time of supply of service taxable under reverse charge is earlier of the following:-</p> <p>a) Date of payment made by the recipient.</p> <p>b) Date immediately following 60 days from date of issue of invoice by the supplier. (Here, date of invoice is relevant only for calculating sixty days from that date)</p> <p>Discussion & Conclusion:-</p> <p>➤ In the given case, the date of payment (i.e. 17th June) precedes 61st day (i.e. 21st September) from the date of issue of invoice by the supplier of service.</p> <p>➤ Hence, the time of supply of service as per section 13(3) shall be 17th June which is the date of</p>
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	<p>payment in this case.</p> <p>Assumption:- It is assumed that GTA has not paid GST @12% i.e. GST is payable @ 5%.</p>
b)	<p>Legal Provision:</p> <ul style="list-style-type: none"> As per section 9(3) of the CGST act 2017, if legal services are provided by firm of advocates to any business entity located in the taxable territory, then the GST is payable on reverse charge basis by recipient. As per section 13(3) of CGST Act 2017, the time of supply of service taxable under reverse charge is earlier of the following:- <ul style="list-style-type: none"> a) Date of payment made by the recipient. b) Date immediately following 60 days from date of issue of invoice by the supplier. <p>Discussion & Conclusion:</p> <ul style="list-style-type: none"> In the given case, the date of payment (i.e. 3rd November) comes subsequent to 61st day (i.e. 19th April) from the date of issue of invoice by the supplier of service. Hence, the time of supply of service as per section 13(3) shall be 19th April.
c)	<p>Legal Provision:</p> <ul style="list-style-type: none"> As per section 9(3) of CGST Act, if services are supplied by a recovery agent to a Non-banking Financial company (NBFC), then GST is payable on reverse charge basis by recipient. As per section 13(3) of CGST Act, 2017, if supply of services is taxable under reverse charge, then the time of supply of services shall be the earliest of the following dates:- <ul style="list-style-type: none"> a) Date of payment which shall be earlier of following:- <ul style="list-style-type: none"> ➤ date entered in the books of account of the recipient or ➤ date on which the payment is debited in recipient's bank account. b) Date immediately following 60 days from date of issue of invoice by the supplier. <p>Discussion & Conclusion:</p> <ul style="list-style-type: none"> In the given case, person liable to pay GST is the NBFC - Newton Credits Ltd. Time of supply of service on which GST is payable under reverse charge is earlier of the following:- <ul style="list-style-type: none"> ➤ Date of payment as entered in the books of account of the recipient (18th April) or the date on which the payment is debited in his bank account (20th April), whichever is earlier ➤ Date immediately following 60 days since issue of invoice by the supplier, i.e. 9th April. Thus, time of supply of service is 9th April.

CCP 06.06.18.00

Know & Grow Publishers, a registered dealer in India, paid an advance of ₹ 50,000 to Mr. Ganatra, an author, for the copyright covered under Section 13(1)(a) of the Copyright Act, 1957, of his original literary work on 5-9-20XX. It made the balance payment of ₹ 1,50,000 on 12-12-20XX. You are required to determine the time of supply, if Mr. Ganatra raised the invoice on :

(i) 6-10-20XX, or

(ii) 17-12-20XX [CA Inter GST Nov 19 Exam New]



Answer :-

Legal Provision:-

- As per **section 9(3)** of CGST Act, 2017, In case of original literary work, where service is supplied by author to publisher, then, publisher is liable to pay GST under Reverse charge..
- As per **section 13(3)** of CGST Act, 2017, the **time of supply of service taxable under reverse charge is**

earlier of the following:-

a) Date of payment made by the recipient.

b) Date immediately following 60 days from date of issue of invoice by the supplier.

Discussion & Conclusion:-

In given case, GST is payable by publisher Know & Grow Publishers (i.e. the recipient) under reverse charge as per section 9(3) & thus, the time of supply shall be determined as per section 13(3).

(i) If the invoice is issued on 06.10.20XX, time of supply is as under:-

➤ 05.09.20XX is the time of supply for payment of ₹ 50,000 as this is earlier than the 61st day (i.e. 06.12.20XX) from date of issue of invoice.

➤ 06.12.20XX is the time of supply for payment of ₹ 1,50,000 as this is earlier than the date of payment 12-12-20XX.

(ii) If the invoice is issued on 17.12.20XX, time of supply is as under:-

➤ 05.09.20XX is the time of supply for payment of ₹ 50,000 as this is earlier than the 61st day (i.e. 16.02.20XX) from date of issue of invoice.

➤ 12.12.20XX is the time of supply for payment of ₹ 1,50,000 as this is earlier the 61st day (i.e. 16.02.20XX) from date of issue of invoice.

Assumption:- It is assumed that Author has not taken responsibility to pay tax under Forward Charge by filing declaration to commissioner.

07. Common Questions on Sec 12 & Sec 13

CCP 06.07.19.00

A Ltd., registered under GST, is engaged in job work of engineering goods as well as supplying of engineering goods. A Ltd. provides following details regarding orders received for Job work and supply of goods:-

A. Job work of engineering goods:-

Date of confirmation of order	01.03.20XX
Date of receipt of advance of 1,50,000	03.03.20XX
Date of completion of job work	06.03.20XX
Date of issue of invoice for total amount	11.03.20XX
Date of receipt of balance payment of 1,00,000	16.03.20XX



B. Supply of engineering goods:-

Date of confirmation of order	08.01.20XX
Date of receipt of advance of 1,50,000	12.01.20XX
Date of removal of goods	17.01.20XX
Date of issue of invoice for total amount	22.01.20XX
Date of receipt of balance payment of 1,00,000	01.02.20XX

You are required to examine and determine the time and value of supply under forward charge w.r.t. job work and supply of goods under the provisions of CGST Act, 2017. [CA IPC Dec 21 Exam]

Answer :-

a) Time and value of supply in case of job work:-

➤ Job work is treated as supply of services.

➤ As per section 13(2)(a) of CGST Act, 2017, if invoice is issued within the time prescribed u/s 31 (i.e. within 30 days) for supply of services, then the time of supply of such services shall be earlier of:-

a) the date of issue of invoice by the supplier or

- b) the date of receipt of payment
(to the extent the invoice/payment covers the supply of services).
- ⇒ Thus, the time of supply for advance of ₹ 1,50,000 received for the supply of job work services is **03.03.20XX** and for balance payment of ₹1,00,000 is **11.03.20XX**.
- ⇒ Value of supply is ₹2,50,000.

b) Time and value of supply in case of supply of goods:-

- ⇒ As per **section 12(2)** of CGST Act, 2017 read with **notification 66/2017**, the time of supply of goods taxable under forward charge shall be **earlier** of the following dates:-
- a) Date of issue of invoice or
- b) last date to issue the invoice u/s 31 (i.e. before or at the time of removal of goods for supply to the recipient, where supply involves movement of goods).
- ⇒ Thus, the time of supply for advance of ₹ 1,50,000 as well as for balance payment of ₹ 1,00,000 is **17.01.20XX** which is the date of removal of goods.
- ⇒ Value of supply is ₹2,50,000.

CCP 06.07.20.00

- (i) An order is placed to T & Co., Sholapur on 18th August, 20XX for supply of fabrics to make garments. Company delivered the fabrics on 4th September, 20XX and after completion of the order issued the invoice on 15th September, 20XX. The payment against the same was received on 30th September, 20XX. Determine the time of supply for the purpose of payment under CGST Act, 2017 with your explanations.
- (ii) HM Industries Ltd. engaged the services of a transporter for road transport of a consignment on 20th May, 20XX. However, the consignment could not be sent immediately on account of a strike in the factory, and instead was sent on 20th July, 20XX. Invoice was received from the transporter on 20th June, 20XX and payment was made on 25th August, 20XX.
- What is the time of supply of the transporter's service? [CA Inter Dec 21 Exam]

Answer :-

(i)	<p>Legal Provision:-</p> <p>⇒ As per section 12(2) of CGST Act, 2017 read with notification 66/2017, the time of supply of goods shall be earlier of the following dates:-</p> <p>a) Date of issue of invoice or</p> <p>b) last date to issue the invoice u/s 31.</p> <p>(As per notification 66/2017, the time of supply of goods is not on advanced received).</p> <p>⇒ As per section 31(1), the registered person is required to issue invoice before or at the time of delivery of goods or making goods available to the recipient.</p> <p>Discussion & Conclusion:-</p> <p>⇒ In given case, last date to issue invoice is the date of delivery of fabrics i.e. 4th September, 20XX which precedes the date of invoice i.e. 15th September, 20XX.</p> <p>⇒ Thus, the time of supply is 4th September, 20XX.</p>
(ii)	<p>Alternative 1:- Assuming that services of transportation of goods by road have been provided by a GTA which has not paid GST @ 12%; i.e. GST is payable @ 5%.</p> <p>Legal Provision:-</p> <p>⇒ As per section 9(3) of CGST Act, 2017, if service of transportation of goods by road is provided by</p>



GTA to a body corporate (which includes company), then GST is payable under reverse charge by body corporate.

⇒ As per **section 13(3)** of CGST Act, 2017, the time of supply of service taxable under reverse charge is **earlier** of the following:-

- a) **Date of payment** made by the recipient.
- b) Date immediately **following 60 days** from date of issue of invoice by the supplier.

Discussion & Conclusion:-

⇒ Thus, in the given case, time of supply is earlier of:-

⇒ 25th August, 20XX i.e. the date of payment or

⇒ 20th August, 20XX (61st day from 20th June which is the date of invoice)

⇒ Therefore, the time of supply is 20th August, 20XX.

Alternative 2:- Assuming that services of transportation of goods by road have been provided by a GTA which has paid GST @ 12%. Thus, GST is payable under forward charge.

Legal Provision:-

⇒ As per **section 9(3)** of CGST Act, 2017, if GTA pays GST @ 12%, then RCM is not applicable, then GTA is liable **forward charge** to pay tax.

⇒ As per **section 13(2)(a)** of CGST Act, 2017, if invoice is issued within the time prescribed u/s 31 (i.e. within 30 days) for supply of services, then the **time of supply** of such services shall be **earlier** of:

- a) the date of issue of invoice by the supplier or
- b) the date of receipt of payment.

Discussion & Conclusion:-

⇒ In the given case, the date of invoice is 20th June, 20XX which is before provision of services and the date of receipt of payment is 25th August, 20XX.

⇒ Therefore, **the time of supply is 20th June, 20XX.**

CCP 06.07.21.00

GST is payable on advance received for supply of goods and services taxable under forward charge.

Do you agree with the statement? Support your answer with legal provisions. [Study Mat] [CA Inter MTP Sep 23]

Answer:

⇒ **The statement is not correct.**

⇒ While GST is payable on advance received for supply of services taxable under forward charge, the same is not payable in case of advance received for supply of goods taxable under forward charge.

⇒ As per **section 13(2)** of CGST Act, 2017, the **time of supply of services** under forward charge is:-

	Cases	Time of Supply
a	If the invoice is issued within the period prescribed u/s 31:-	Time of supply shall be earlier of:- ⇒ the date of issue of invoice by the supplier or ⇒ the date of receipt of Payment.
b	If the invoice is not issued within the period prescribed u/s 31:-	Time of supply shall be earlier of:- ⇒ the date of provision of service or ⇒ the date of receipt of payment.

- Thus, if supplier of services receives any payment before the provision of service or before the issue of invoice for the same, time of supply gets fixed at that point in time & liability to pay tax arises on such payment which can be paid by the due date prescribed with reference to such time of supply.
- As per **section 12(2)** of CGST Act, 2017 read with notification 66/2017, the time of supply of goods taxable under forward charge shall be **earlier** of following dates:-
 - a) Date of issue of invoice or
 - b) last date to issue the invoice u/s 31.
- Therefore, in case of goods, tax is not payable on receipt of advance payment.

CCP 06.09.22.00

Mr. A is registered under regular scheme under GST in Gujarat who trades in biscuits. On the other hand, he is also a partner in 2 partnership firms (registered under GST) in Gujarat, named Mehmaan Nawaazi Hotel and Lakhpati Casino. The hotel is running restaurant and serving food which had aggregate turnover of ₹ 120 lakhs in preceding financial year. Lakhpati Casino is a dealer in specified actionable claim who did not opt for composition scheme. Mr. B has availed service from all three of them (i.e. Mr. A, Mehmaan Nawaazi Hotel and Lakhpati Casino) in the month of May, the details of which are as under:-

Particulars	Mr. A	Mehmaan Nawazi Hotel	Lakhpati Casino
Date of supply	2nd May	10th May	12th May
Date of issue of invoice for Rs. 10,000 in each case	4th May	11th June	10th May
Date of receipt of payment by supplier	1st May	6th May	₹ 5,000 on 9th May & ₹ 5,000 on 18th May

Would notification 66/2017 apply to Mehmaan Nawaazi Hotel, if it was providing goods under composition scheme instead of restaurant service? Also, Determine the time of supply in each case for Mr. A, Mehmaan Nawaazi Hotel and Lakhpati Casino.

Answer :-



Legal Provision:-

- As per **section 12(2)** of CGST Act, 2017, the time of supply of goods shall be the **earlier** of the following:-
 - Date of issue of invoice or
 - Last date to issue invoice or
 - Date of receipt of payment.
- As per N/no. 66/2017 under CGST Act, the registered person other than following person:-
 - A composition supplier and
 - **registered person making supply of specified actionable claims as defined in clause (102A) of section 2 of the said Act,**
 shall pay CGST on the outward supply of goods at the time of supply as specified section 12(2)(a).
- As per **section 13(2)(b)** of CGST Act, 2017, if **invoice is not issued within 30 days** of supply of services, then the **time of supply** of such services shall be **earlier** of:-
 - the date of provision of service or
 - the date of receipt of payment.

Discussion & Conclusion:-

1. In given case, notification 66/2017 applies to Mr. A and he shall be liable to pay tax on invoice basis only and

not on advance received. Accordingly, the time of supply shall be **2nd May** i.e. the last date to issue invoice as per section 12(2) read with notification 66/2017.

2. In case of Mehmaan Nawaazi Hotel, notification 66/2017 is not applicable as this notification applies only to supply of goods and not services. Even if this firm was dealing in goods, this notification would still not apply as it is covered under the exception to notification 66/2017 (being a composition supplier) & hence, it is liable to pay tax on advance receipt also. The time of supply in this is **6th May** because invoice is issued after 30 days of supply of service & also the consideration is received in advance.
3. Lakhpati Casino is also covered under the exception to notification 66/2017 as it is dealing in specified actionable claim i.e. casino. Hence, it is liable to pay tax on advance receipt also. The time of supply is **9th May for ₹ 5,000 & 10th May for balance ₹ 5,000** as per section 12(2) read with notification 66/2017.

08. Sec 12(4)/13(4) : TOS in case of vouchers

CCP 06.08.23.00

Meal coupons are sold to a company on 9th August for being distributed to the employees of the said company. The coupons are valid for six months and can be used against purchase of food items. The employees use them in various stores for purchases of various edible items on different dates throughout the six months. What is the date of time of supply of the coupons? [CA IPC MTP Aug 2018] [Study Mat]

Answer :-



Legal Provision:-

As per section 12(4) of CGST Act, 2017, time of supply of vouchers issued by supplier of goods shall be:-

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

Discussion & Conclusion:-

- ⇒ In the given case, supply is not identifiable at the time of issue of coupon.
- ⇒ This is because coupons can be used for a variety of food items, which are taxed at different rates & thus, supply cannot be identified at the time of purchase of the coupons.
- ⇒ Therefore, the time of supply of coupons shall be date of redemption of coupons by employees.

CCP 06.08.24.00

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

Answer :-

Legal Provision:-

As per section 13(4) of CGST Act, 2017, time of supply of vouchers issued by supplier of services shall be:-

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

Discussion & Conclusion:-

- ⇒ In the given case, voucher is issued after supply of first service & therefore, it is assumed that supply is

identifiable at that point.

⇒ Thus, as the supply is identifiable at the time of issue of voucher, the **time of supply is the date of issue of voucher i.e. 01.01.20XX.**

09. Sec 12(5)/13(5): TOS in Residual Cases

CCP 06.09.25.00

An income-tax and money laundering case against Mr. XYZ, working in a multinational 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 :-

Legal Provision:-

⇒ As per section 13(5) of CGST Act, 2017, where it is **not possible** to determine the time of supply under section 13(2), 13(3) and 13(4), then:-

- In a case where a periodical return has to be filed:-** Time of supply shall be the date on which such return is to be filed (i.e. Due date for filing of periodical return) or
- In any other case:-** The time of supply shall be the date on which the tax is paid.

Discussion & Conclusion:-

⇒ In the given case, it is **not possible to determine the time of supply using:-**

- date of invoice,
- date of provision of service,
- date of receipt of payment &
- date of receipt of services in the books of account of the recipient.

⇒ On the other hand, Mr. XYZ, being an employee in a multi-national company, is **not a registered person** and hence, the **periodical return is also not to be filed.**

⇒ Therefore, the **date of payment of GST** by Mr. XYZ will be the **time of supply u/s 13(5).**

10. Sec 12(6)/13(6): TOS for Enhancement in value on account of interest/ late fee/ penalty on delayed payment of consideration

CCP 06.10.26.00

Mr. X supplied goods for ₹ 50,000 to its customer Miss Diyana on 1st January on the condition that payment for the same will be made within a week. However, Miss Diyana made payment for the said goods on 2nd February and thus, paid interest amounting to ₹ 2,000. What is the time of supply with regard to addition in the value by way of interest in lieu of delayed payment of consideration?

[Study Mat]

Answer:



Legal Provision:-

⇒ As per section 12(6) of CGST Act, 2017, the time of supply for the **addition in value** of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date of receipt of such addition in value by supplier.

Discussion & Conclusion:-

⇒ Thus, in the given case, the **time of supply of interest** would be the date on which the supplier has received such additional consideration, i.e. **2nd February.**

From the following information provided by M/s Sasta Bazaar. Determine the time of supply for the purpose of payment of GST:

- (i) It issued coupon on 20.06.20XX, worth ₹ 2,000 redeemable against purchase of specific plastic items. This coupon was redeemed on 31.07.20XX.
- (ii) It issued coupon on 01.08.20XX worth ₹ 3,000 which is redeemable against purchase of any item. This coupon was redeemed on 18.08.20XX.
- (iii) It received interest of ₹ 10,000 for late payment from a customer on 11.11.20XX for supply of goods which was originally made on 24.06.20XX. [CA Inter RTP May 24]

Answer :-

(i)	<p>Legal Provision:-</p> <p>➤ As per section 12(4) of CGST Act, 2017, time of supply of vouchers issued by supplier of goods shall be:-</p> <ol style="list-style-type: none"> a) the date of issue of voucher, if the supply is identifiable at that point or b) the date of redemption of voucher, in all other cases. <p>Discussion & Conclusion:-</p> <p>➤ In the given case, supply can be identified at the time of purchase of the coupons.</p> <p>➤ Therefore, the time of supply of the coupons is the date of their issue i.e. 20.06.20XX.</p>
(ii)	<p>Legal Provision:-</p> <p>➤ As per section 12(4) of CGST Act, 2017, time of supply of vouchers issued by supplier of goods shall be:-</p> <ol style="list-style-type: none"> a) the date of issue of voucher, if the supply is identifiable at that point or b) the date of redemption of voucher, in all other cases. <p>Discussion & Conclusion:-</p> <p>➤ In the given case, supply cannot be identified at the time of purchase of the coupons.</p> <p>➤ Therefore, the time of supply of the coupons is the date of their redemption i.e. 18.08.20XX.</p>
(iii)	<p>Legal Provision:-</p> <p>➤ As per section 12(6) of CGST Act, 2017, the time of supply for the addition in value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date of receipt of such addition in value by supplier.</p> <p>Conclusion:-</p> <p>➤ Therefore, time of supply in the given case is 11.11.20XX.</p>