

## Chapter 13: Time of Supply

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### 13.0 Time of supply

It means the date on which the charging event has occurred. As a result, the rate of CGST/SGST or IGST or UTGST will be decided in accordance with the time of supply. Based on time of supply we will also determine the due date of payment of GST.

### 13.1 Due date of payment of GST:

In terms of section 39 of the CGST Act, 2017 every registered person who is required to furnish a return shall pay tax to the Government the tax due as per return not later than the last date on which he is required to furnish such return.

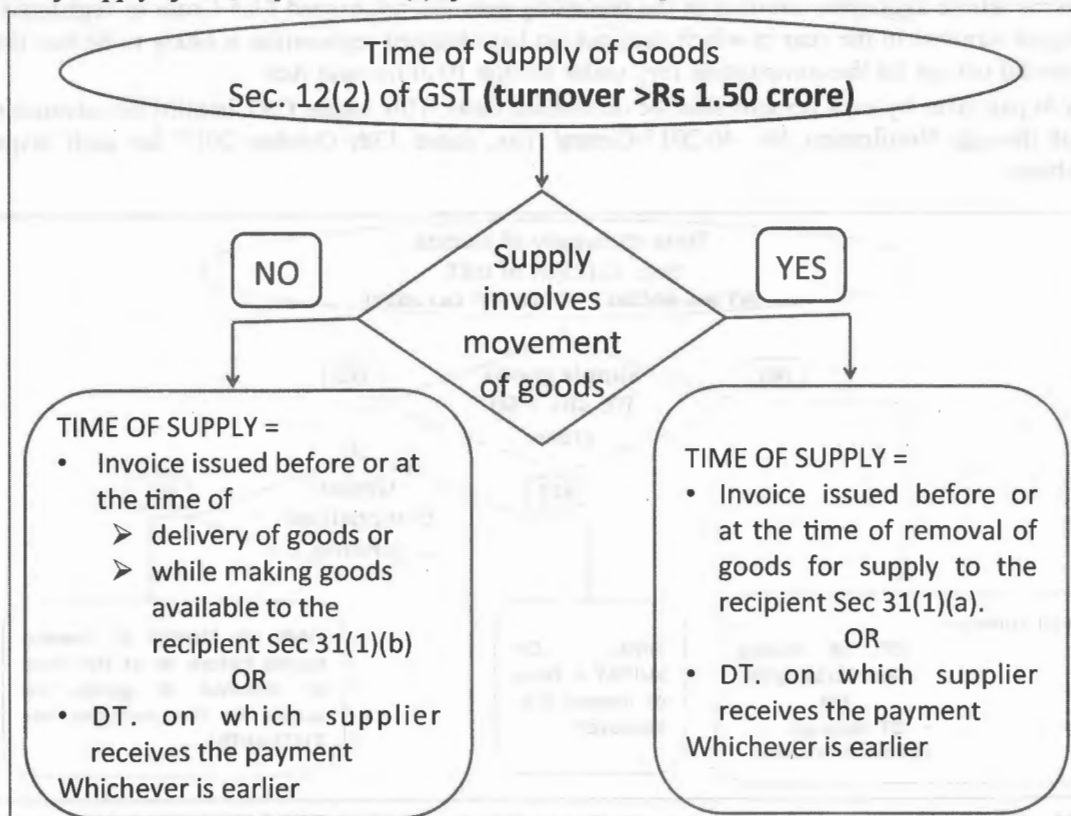
S. No.	Nature of assessee	Due Date	Relevant provision
1	Composition scheme	18th of the month following the quarter	Sec. 39(2)
2	Tax Deducted at Source (TDS)	10th of the following month in month in which such deduction have been made.	Sec. 39(3)
3	Non-resident taxable person	20th of the month following the end of the calendar month or 7 days after last date of validity period of registration whichever is earlier	Sec. 39(5)
4	Tax Collected at Source (TCS)	10th of the month following the month in which such collection is made	Sec. 52(3)
5	Other than above	20th of the following month	Sec. 39(1)

### 13.2 Section 12 and 13 of CGST Act, 2017

Time of Supply of Goods		Time of Supply of Services	
Section 12(1)	The liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section.	Section 13(1):	The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.
Section 12(2)	Time of Supply of Goods under Forward Charge.	Section 13(2)	Time of Supply of Services under Forward Charge.
Section 12(3)	Time of Supply of Goods under Reverse Charge.	Section 13(3)	Time of Supply of Services under Reverse Charge.

Time of Supply of Goods		Time of Supply of Services	
Section 12(4)	Time of Supply in case of Supply of Vouchers.	Section 13(4)	Time of Supply in case of Supply of Vouchers.
Section 12(5)	Residuary Clause. [where the time of supply cannot be determined under sub-section (2) to sub-section (4) of Section 12]	Section 13(5)	Residuary Clause. [where the time of supply cannot be determined under sub-section (2) to sub-section (4) of section 13]
Section 12(6)	The 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.	Section 13(6)	The 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.

### 13.2.1 Time of Supply of Goods [Section 12(2) of CGST Act, 2017]



**Example:** C of Chennai supplies goods to B of Bengaluru. C has to send the goods for delivery from Chennai to Bengaluru. A sends the goods to B on 30th October 2017. Turnover of C in the P.Y. was ₹2 crore. Find the time of supply in the following different scenarios:

Removal of Goods	Date of Issue of Invoice	Last Date for Issue of Tax Invoice	Date on which payment is entered in the books of account	Date on which payment is credited in the Bank Account	Time of Supply	Criteria for determining Time of Supply
30th Oct	30th Oct	30th Oct	31st Oct	1st Nov	30th Oct	Date of issue of Invoice
30th Oct	2nd Nov	30th Oct	31st Oct	1st Nov	30th Oct	Last Date for issue of Invoice
30th Oct	28th Oct	30th Oct	27th Oct	26th Oct	26th Oct	Date on which payment is credited in the bank Account

**Example 2:** Mr. Ram sold goods to Mr. Ravi worth ₹5,00,000. The invoice was issued on 15th November. The payment was received on 30th November. The goods were supplied on 20th November.

Find the time of supply of goods?

P.Y. turnover of Mr. Ram 172 lakhs.

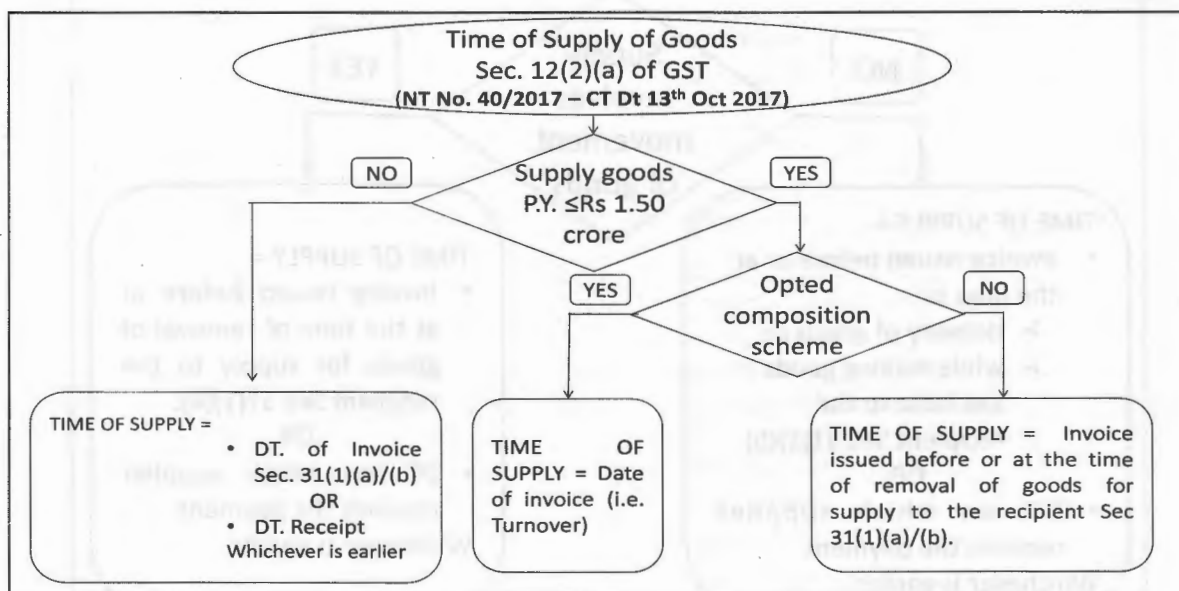
**Answer:**

Particulars	Whichever is earlier
Dt of issue of invoice	15th November
Last dt. on which invoice should have been issued	20th November
Dt. of receipt of payment	30th November
Therefore, time of supply of goods = 15th November.	
Dt of inv. or payment whichever is earlier.	

**13.2.1a No GST on Advance Payments received for Supply of Goods by Small Taxpayers having aggregate annual turnover of upto ₹1.5 crores:**

Taxable persons whose aggregate turnover in the preceding year did not exceed ₹1.5 Crore or registered persons whose aggregate turnover in the year in which such person has obtained registration is likely to be less than ₹1.50 crore and who did not opt for the composition levy under section 10 of the said Act.

The liability to pay taxes by such persons shall be on invoice basis. This means GST liability on advance received is waived of through Notification No. 40/2017-Central Tax, dated 13th October 2017 for such taxpayers as mentioned above.



**Example:** Mr. Ram sold goods to Mr. Ravi worth ₹5,00,000. The invoice was issued on 15th November. The payment was received on 31st October. The goods were supplied on 20th November.

Find the time of supply of goods?

P.Y. turnover of Mr. Ram 72 lakhs.

**Answer:**

Particulars		
Dt of issue of invoice	15th November	Dt. of invoice is the criteria
Last dt. on which invoice should have been issued	20th November	
Dt. of receipt of payment	31st October	Advance is not a time of supply
Therefore, time of supply of goods = 15th November.		

**No GST on advance received against supply of GOODS for ALL ASSESSEES (w.e.f. 15th November 2017):**

The CBIC *vide* Notification No. 66/2017-Central Tax dated 15th November, 2017 notified that the registered person who did not opt for the composition levy under section 10 of the CGST Act as the class of persons who shall pay the central tax on the outward supply of goods at the time of supply as specified in clause (a) of sub-section (2) of section 12 of the said Act including in the situations attracting the provisions of section 14 of the said Act, and shall accordingly furnish the details and returns as mentioned in Chapter IX of the said Act and the rules made thereunder and the period prescribed for the payment of tax by such class of registered persons shall be such as specified in the said Act.

*Vide* Notification No. 66/2017-Central Tax, dated 15 November 2017, this relaxation has been extended to all persons, except persons opting to pay GST under composition scheme. It should be noted that this relaxation is applicable only on the advances received post 15 November 2017 for supply of goods. Post this notification, the time of supply for goods would be the date of issue of invoice by the supplier (or the due date, by when the invoice needs to be issued). This would apply even in case of a change in rate of tax (i.e. section 14 of the CGST Act, 2017).

However, the **supplier of services** are required to pay GST at the time of receipt of advances.

#### Summary:

Period	Supplier of goods Turnover	Time of supply
w.e.f. 1st July 2017 to 12th October 2017	Irrespective of the turnover	Date of Invoice or Date of payment whichever is earlier.
From 13th October 2017 to 14th November 2017	≤ ₹1.50 crore	Date of invoice
From 15th November till the date	Irrespective of the turnover	Date of invoice
Note: Invoice should have been issued as per Section 31(1)(a) or (b) of the CGST Act, 2017.		

#### Tim of supply for Composition Levy (Section 10 of the CGST Act, 2017):

A composition dealer will not have to pay any tax on advances received, if such advances pertain to his outward supplies. The advances received and goods returned do not form part of taxable supplies and do not form part of the turnover in a State at the end of the quarter (i.e. tax period) for the purpose of computing turnover (Section 2(112) of the CGST Act, 2017).

- (a) Manufacturer is liable to pay CGST 0.5% of the Turnover in State or
- (b) Supplier supplies restaurant services has to pay CGST @2.5% of the turnover in State or
- (c) Dealer is liable to pay CGST 0.5% of the turnover of taxable supplies of goods in State or

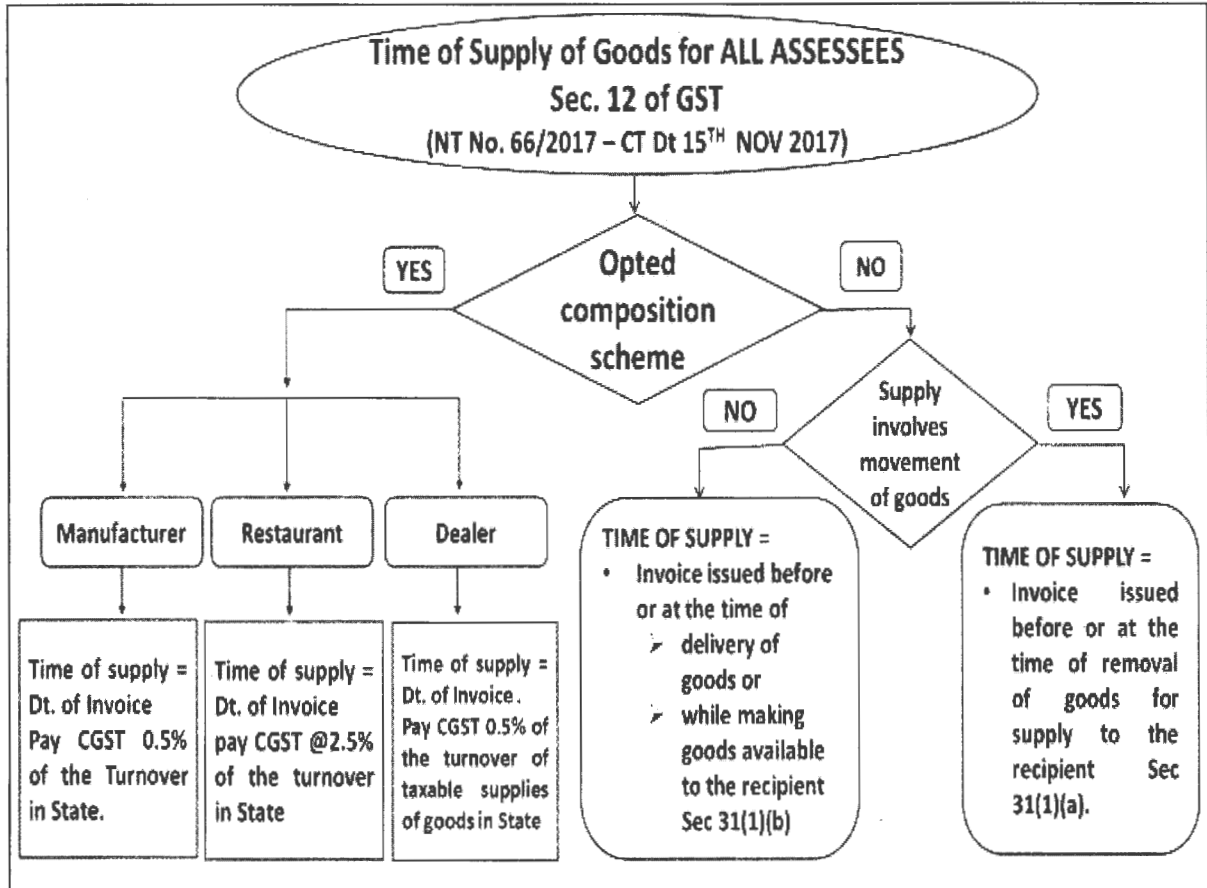
In the above three cases Advance payment for outward supplies not taken into account.

*Therefore, all persons (below or above ₹1.5 cr limit) shall not be required to pay tax on advance received against future supplies of goods.*

*This facility was allowed only to persons below the 1.5 cr limit which will continue to enjoy the relaxation from 13th October 2017 but all other taxable persons (other than composition) will now enjoy from 15th November 2017 onwards.*

However, GST on advance is payable if advance received during period 1/07/2017 to 12/10/2017.

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**Time of Supply of GOODS [Applicable to all subsections of Section 12 of CGST Act, 2017]**


**Example 1:** C of Chennai supplies goods to M of Madurai. C has to send the goods for delivery from Chennai to Madurai. C sends the goods to M on 30th May 2018. Turnover of C in the P.Y. was ₹2.50 crore. Find the time of supply in the following different scenarios:

Removal of Goods	Date of Issue of Invoice	Last Date for Issue of Tax Invoice	Date on which payment is entered in the books of account	Date on which payment is credited in the Bank Account	Time of Supply	Criteria for determining Time of Supply
30th May	30th May	30th May	31st March	1st April	30th May	Date of Issue of Invoice
30th May	2nd June	30th May	31st May	1st April	30th May	Last Date for Issue of Tax Invoice
30th May	28th May	30th May	27th April	26th March	28th May	Date of Issue of Invoice

**Example 2:** X & Co., being a trader receives an advance of ₹2,500/- on 29.11.17 for goods worth ₹10,000/- to be supplied in the month of January 2018.

Find the following:

- Time of supply
- Due date of tax liability.
- CGST and SGST liability.

**Note:** P.Y. turnover ₹0.80 crore. X & Co., opted to pay GST under Composition scheme.

**Answer:**

- Time of supply the date of invoice (i.e. Turnover basis) = January 2018
- Due date of tax liability 18th April 2018 (i.e. quarterly)
- CGST = ₹50/- (i.e. ₹10,000 × 0.5%) and SGST = ₹50/- (i.e. ₹10,000 × 0.5%)

13.2.1b The phrase “the date on which supplier receives the payment” or “the date of receipt of payment” means:

- the date on which payment is entered in his books of accounts
- or
- the date on which the payment is credited to his bank account,

whichever is earlier.

13.2.1c The supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment:

**Example:**

X & Co., receives an advance of ₹2,500/- on 29.07.17 for goods worth ₹10,000/- to be supplied in the month of September 2017.

Find the following:

- (b) Value of supply of goods in the month of July 2017
- (c) Due date of tax liability for the month of July 2017.

Note: P.Y. turnover ₹1.80 crore.

**Answer:**

- (a) Advance ₹2,500/- is treated as deemed supply.  
Therefore, X & Co., has made a supply of ₹2500/- on 29.07.17.
- (b) Tax liability on ₹2500/- is to be discharged by 20.08.17.

13.2.1d An amount upto ₹1000/- in excess of the amount indicated on the tax invoice.

Time of supply =

- The date of issue of invoice.
- Or
- Date of receipt of payment.

At the option of the supplier.

**Example 1:** If a supplier of goods has received an amount of ₹1500/- against an invoice of ₹1100/- on 25.7.2017 and the date of invoice of next supply to the said recipient is 14.8.2017.

Find the following in respect of excess amount over and above invoice value:

- (a) Time of Supply of goods
- (b) Due date of payment of tax.

Answer:

- (a) Since, excess amount received over and above invoice value does not exceed ₹1,000, supplier has an option to treat the time of supply w.r.t. ₹400/- either as 25.07.17 or 14.8.2017.
- (b) Due date of payment of tax
  - If Time of Supply = 25.7.2017, then due date is 20.8.2017
  - If Time of Supply = 14.8.2017, then due date is 20.9.2017

**Example 2:**

M/s X Ltd., being a manufacturer, sold goods to M/s Y Ltd., wholesaler, and issued invoice for the sale on 01-08-20XX.

Find the time of supply of goods in each of the following independent cases:

- (i) M/s X Ltd., removes the goods for delivery to M/s Y Ltd., on 16th August 20XX.
- (ii) M/s. Y Ltd., collects the goods from premises of M/s X Ltd., on 10th August 20XX.
- (iii) M/s Y Ltd., made full payment on 26th July 20XX.
- (iv) M/s Y Ltd., credited the payment in bank account of M/s X Ltd., on 28th July 20XX for 3/4th of goods, M/s X Ltd., recorded the same as receipts in his books on 3rd August 20XX. The goods were dispatched on 5th August 20XX from the warehouse.

Answer:

- (i) 1st August 20XX is the time of supply of goods.  
i.e. Earlier of the following:
  - Date of Invoice - 1st August 20XX
  - or
  - Date on which invoice is required to be issued - 16th August 20XX.

(ii) *1st August 20XX is the time of supply of goods.*

*i.e. Earlier of the following:*

- *Date of Invoice - 1st August 20XX*  
*or*
- *Date on which goods is delivered - 10th August 20XX.*

(iii) *1st Aug 20XX is the time of supply of goods*

*i.e. date of invoice:-*

- *Date of Invoice - 1st August 20XX*

(iv) *Time of supply is 1st August 20XX.*

**Example 3:** Part Advance payment is made or invoice issued is for part payment, whether the time of supply will cover the full supply?

Answer: The supply of services shall be deemed to have been made to the extent it is covered by the invoice or the part payment. It means part advance payment is the time of supply.

However, for goods payment of tax will need to be made upon date of issue of invoice, irrespective of the fact whether or not advance or part payment is received.

**Example 4:** M/s X Ltd, being a manufacturer, sold goods to M/s Y Ltd., wholesaler, and issued invoice for the sale on 01-08-20XX.

Find the time of supply of goods in each of the following independent cases:

- (i) M/s X Ltd., removes the goods for delivery to M/s Y Ltd., on 16th August 20XX.
- (ii) M/s. Y Ltd., collects the goods from premises of M/s X Ltd., on 10th August 20XX.
- (iii) M/s Y Ltd. made full payment on 26th July 20XX.
- (iv) M/s Y Ltd., credited the payment in bank account of M/s X Ltd., on 28th July 20XX for 3/4th of goods, M/s X Ltd., recorded the same as receipts in his books on 3rd August 20XX. The goods were dispatched on 31st July 20XX from the warehouse.

**Answer: Time of supply on or after 15th November 2017 is as follows:**

- (i) Time of supply = Date of Invoice - 1st August 20XX.
- (ii) Time of supply = Date of Invoice - 1st August 20XX.
- (iii) Time of supply = Date of Invoice - 1st August 20XX.
- (iv) Time of supply = Date of dispatch of goods (i.e. last date on which invoice might have been issued) - 31st July 20XX.

*Note:* For goods payment of tax will need to be made upon date of issue of invoice, irrespective of the fact whether or not advance or part payment is received.

### 13.2.1e Continuous supply of goods

TIME OF SUPPLY=

- Time when each statement is issued.
- OR
- Time when each payment is received.

Whichever is earlier

*Note:* Section 31(4) of GST Act, 2017, the Invoice shall be issued before or at the time of such statement is issued or, as the case may be each such payment is received.

### 13.2.1f In case of continuous supply of services: -

the time of supply shall be -

- (i) **Where the due date of payment is ascertainable from the contract:** The date on which the payment is liable to be made by the service receiver, whether or not any invoice has been issued or any payment has been received by the supplier of service;
- (ii) **Where the due date of payment is not ascertainable from the contract:**  
When the supplier of service receives the payment, or issues an invoice, whichever is earlier;
- (iii) **Where the payment is linked to the completion of an event:**  
The time of completion of that event;

**Example:**

M/s Indian Oil Corporation entered into a contract with Mr. B to supply of oil throughout the year. M/s Indian Oil Corporation issues monthly statement for the oil supplied to Mr. B.



Determine the time of supply of goods in following independent cases:

- (i) Mr. B made payment for the month of July on 31st July, 20XX and M/s Indian Oil Corporation issued statement for the month of July on 8th August, 20XX.
- (ii) M/s Indian Oil Corporation issued statement for the month of August on 5th September, 20XX, the payment of which not received till 30th September, 20XX.

**Answer:**

- (i) 31st July 20XX will be the time of supply.

Earliest of the following:

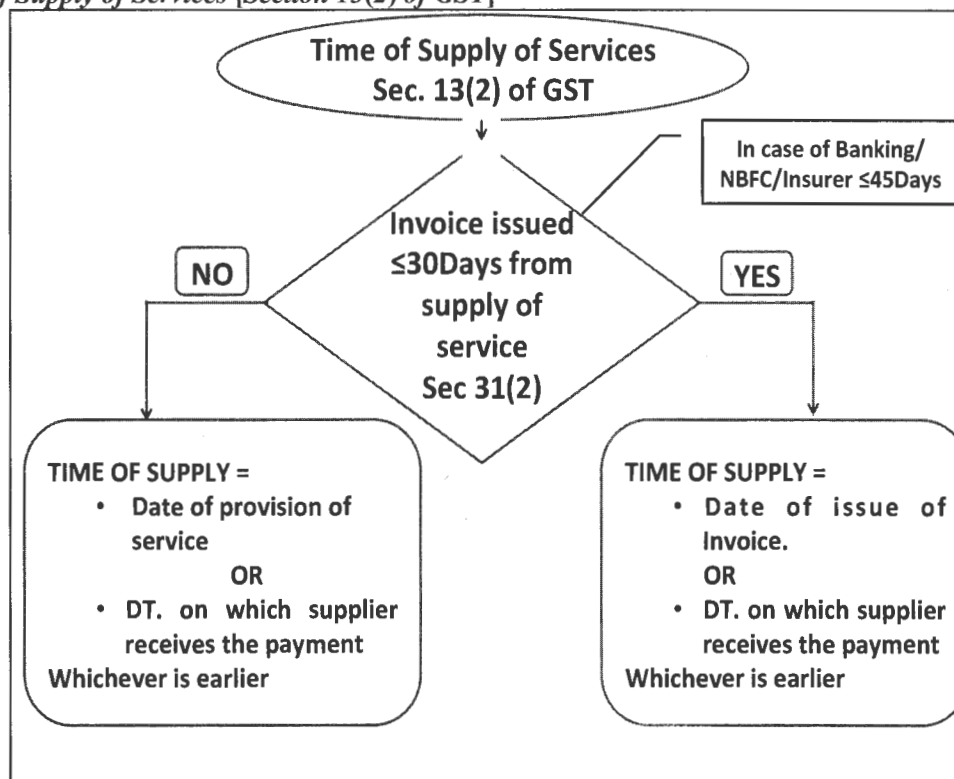
- Date of Invoice: 8th August 20XX
- Last date on which invoice has to be issued:  
Date of payment (31.07.20XX) or  
statement (08.08.20XX), whichever is earlier i.e. 31st July, 20XX.

- (ii) 5th September 20XX will be the time of supply.

Earliest of the following:

- Date of Invoice: 5th September 20XX.
- Last date on which invoice has to be issued:  
Date of payment (not known) or  
statement (05.09.20XX), whichever is earlier i.e. 5th September, 20XX.

### 13.2.2 Time of Supply of Services [Section 13(2) of GST]



#### Excess payment upto ₹1000: Option of taking invoice date as time of supply:

In terms of the proviso to sub-section (2) of section 13, if payment received is upto ₹1,000 in excess of the invoice value, the supplier can choose to take the related invoice date as the time of supply in relation to this excess value.

**Example 1:** A telephone company receives ₹5000 against an invoice of ₹4800. The excess amount of ₹200 can be adjusted against the next invoice. The company has the option to take the date of the next invoice as the time of supply of service in relation to the amount of ₹200 received in excess against the earlier invoice.

#### Example 2:

BSNL regularly issues invoices to the customers on 10th of the following month from the end of relevant month. A invoice has been issued for ₹1,00,000 (exclusive of GST) on 10th October 20XX for the taxable services provided to a customer from 1st September 20XX to 30th September 20XX. However, payment received from the same customer for ₹1,00,950 on 31ST Oct 20XX.



Find the time of supply and due date of payment of GST only for the excess payment which is received over and above invoice value.

Any invoice is required to issue for excess payment of ₹950 by BSNL?

**Answer:** Time of supply for ₹950 = 10th November 20XX.

Due Date of payment is 20th December 20XX

**Note:** No need to issue any separate invoice in respect of such excess payment. Since, it is adjusted against next invoice.

**Example 3:** On the basis of following information, determine the 'Time of supply' from the following: -

(1)	Commencement of providing of service on	05-06-20XX
(2)	Completion of service on	10-10-20XX
(3)	Invoice issued on	20-10-20XX
(4)	Payment received by cheque and entered in the books on	15-10-20XX
(5)	Amount credited in Bank A/c on	25-10-20XX
(6)	Service became taxable for the first time on	01-07-20XX

**Answer: Time of supply = 15-10-20XX**

Date of payment = book entry or bank entry whichever is earlier (i.e. 15-10-20XX)

Date of invoice = 20-10-20XX (i.e. invoice issued within 30 days from the date of completion of service)

Hence, date payment or date of invoice whichever is earlier is the time of supply.

**Example 4:** ABC & Co., a Chartered Accountants firm issued invoice for services rendered to Mr. Ram on 5th August 2017. Determine the time of supply in following independent cases:

- The provisions of services were completed on 1st July 2017.
- The provisions of services were completed on 15th July 2017.
- Mr. Ram made the payment on 3rd July 2017, where provisions of services were remaining to be completed.
- Mr. Ram made the payment on 15th August 2017, where provisions of services were remaining to be completed.

**Answer:**

- 1st July 2017 will be the time of supply of services as invoice is not issued within the time frame of 30 days.
- 5th August 2017 will be the time of supply of services as invoice is issued within the time frame.
- 3rd July 2017 will be the time of supply of services as payment received before invoice date.
- 5th August 2017 will be the time of supply of services as invoice is issued before the completion of provisions of services.

**The following treatment shall apply to TDR/FSI and Long-term lease for projects commencing after 1-4-2019:**

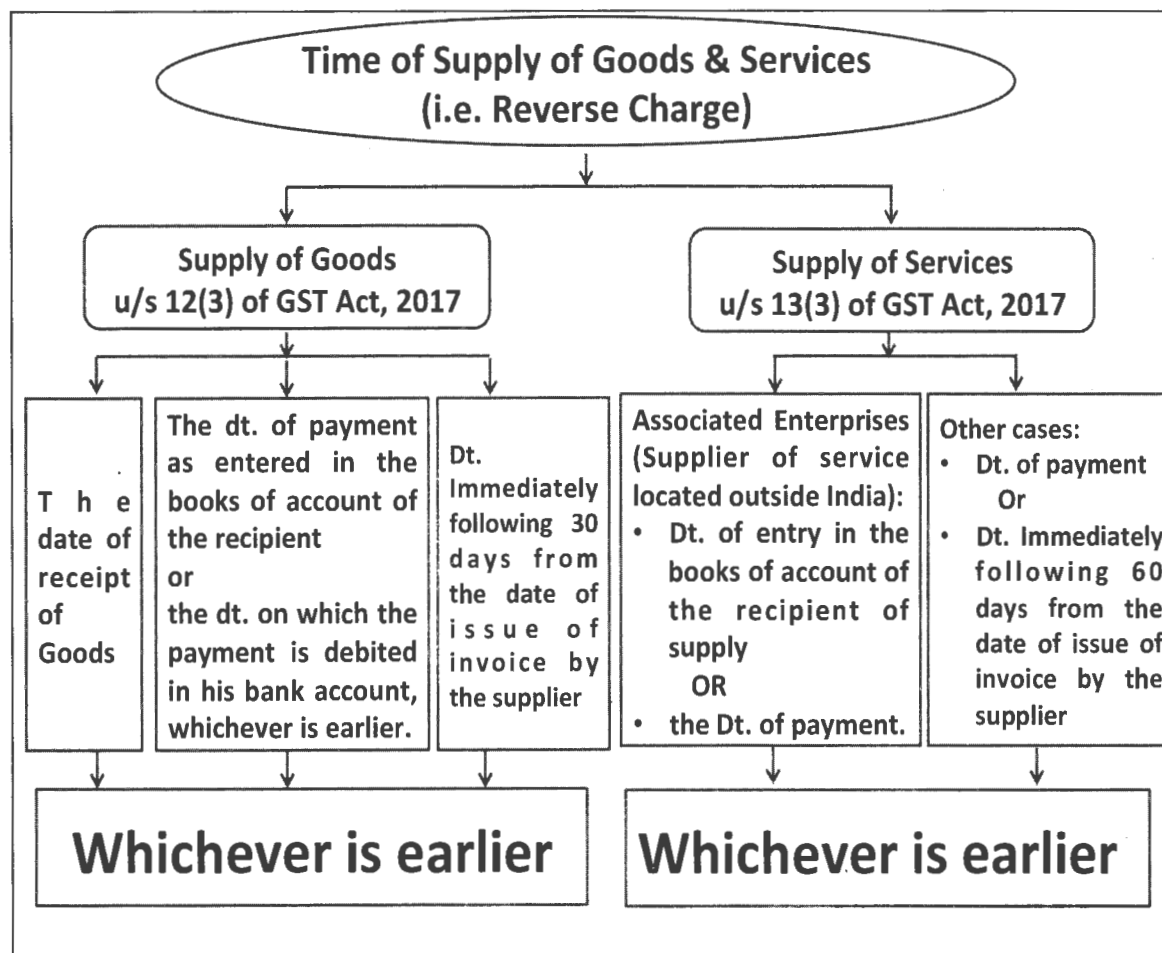
The supply of TDR, FSI, long term lease (premium) of land by a land owner to a developer shall be exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them. Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses.

The liability to pay tax on TDR, FSI, long term lease (premium) shall be shifted from landowner to builder under the Reverse Charge Mechanism (RCM).

The date on which builder shall be liable to pay tax on TDR, FSI, long term lease (premium) of land under RCM in respect of flats sold after completion certificate is being shifted to date of issue of completion certificate or first occupation of the project, whichever is earlier.

The liability of builder to pay tax on construction of houses given to land owner in a JDA is also being shifted to the date of completion or first occupation of the project, whichever is earlier.

**w.e.f. 1-10-2019:** The CBIC vide Notification No. 23/2019-(CT Rate), dated September 30, 2019 has put a retrospective sunset clause on applicability of Notification No. 04/2018- (CT Rate), dated January 25, 2018 w.r.t. development rights supplied on or after April 01, 2019. The later Notification provided special procedure to be followed while determining time of supply in case of construction services against transfer of development rights.

**Time of Supply of Goods & Services (i.e. Reverse Charge):**


If time of supply cannot be determined with the help of above provisions, then the time of supply shall be the date on which entry in the books of the recipient of goods & services is made.

**Example 1:** Mr. A, a registered person received goods (i.e. Bidi leaves) from Mr. B, an unregistered dealer. Mr. B issues invoice on 1st July 2017.

Find the time of supply of goods in following independent cases:

- Mr. A received goods on 15th July 2017, payment of which is not made yet.
- Mr. A received goods on 3rd August 2017 & made payment for the same on 4th August 2017.
- Mr. A made payment on 8th July and received goods on the same date.
- Mr. A received goods on 10th July 2017 & made payment for the same on 9th July 2017.

**Answer:**

- Time of supply of goods = 15-07-2017  
Earliest of the following:  
 Receipt of Goods = 15-07-2017  
 Date of Payment = not paid  
 Dt. immediately following 30 days from the date of invoice = 01-08-2017
- Time of supply of goods = 01-08-2017  
Earliest of the following:  
 Receipt of Goods = 03-08-2017  
 Date of Payment = 04-08-2017  
 Dt. immediately following 30 days from the date of invoice = 01-08-2017

- (iii) Time of supply of goods = 08-07-2017  
 Earliest of the following:  
 Receipt of Goods = 08-07-2017  
 Date of Payment = 08-07-2017  
 Dt. immediately following 30  
 days from the date of invoice = 01-08-2017
- (iv) Time of supply of goods = 09-07-2017  
 Earliest of the following:  
 Receipt of Goods = 10-07-2017  
 Date of Payment = 09-07-2017  
 Dt. immediately following 30  
 days from the date of invoice = 01-08-2017

**Example 2:** C Ltd., a registered firm received services from a Raman & Co., an Advocate firm, an unregistered person. The firm issued invoice to C Ltd. on 1st July 2017. Determine the time of supply of services in the following independent cases:

- (i) C Ltd. made the payments to the firm on 15th August 2017.  
 (ii) C Ltd. made the payments to the firm on 11th September 2017.

Note: C Ltd turnover in the preceding financial year was ₹2 crore

**Answer:**

- (i) Time of supply of service = 15-08-2017

Note: as payment made earlier than the date immediately following 60 days from date of issue of invoice.

- (ii) Time of supply of service = 31-08-2017

Note: as payment made after the date immediately following 60 days from date of issue of invoice.

**Example 3:** X Ltd. (India) & Y Ltd. (London) is associated enterprises. X Ltd., a registered firm received the services of Y Ltd., an unregistered firm. Determine the time of supply in following cases:

- (i) X Ltd. recorded the liability in the books on 15th July 2017 and payment will be made in the next month.  
 (ii) X Ltd. made advance payment to Y Ltd. on 10th July and recorded liability in the books on 15th Aug 2017.

**Answer:**

- (i) Time of supply = 15-07-2017

Note: as the date of entry in the books is prior to the date of payment.

- (ii) Time of supply = 10-07-2017

Note: as the payment is made earlier to the date of entry in the books.

### 13.2.3 Goods sent for approval:

TIME OF SUPPLY=

- Time when it becomes known that supply is taken place.
- OR
- Six months from the date of removal.

Whichever is earlier

**Example 1:** Mr. A sends goods to Mr. B on approval basis on 20th January 2018.

Find the time of supply in the following independent cases:

- (a) If Mr. B. accept the goods on 10th February 2018.  
 (b) If Mr. B accepts the goods on 1st September 2018.  
 (c) If Mr. B returns the goods on 10th February 2018.  
 (d) If Mr. B return the goods on 1st September 2018.

**Answer:**

S.No.	Particulars	Time of supply	Remarks
(a)	Mr. B. accept the goods on 10th February 2018.	10th February 2018	<ul style="list-style-type: none"> <li>• Time when it becomes known that supply is taken place (i.e. 10th Feb 2018)</li> <li>OR</li> <li>• Six months from the date of removal (i.e. 20th July 2018)</li> </ul> Whichever is earlier

S.No.	Particulars	Time of supply		Remarks
(b)	Mr. B accepts the goods on 1st September 2018.	21st July 2018		1st day after expiry of 6 months from the date of removal.
(c)	Mr. B returns the goods on 10th February 2018.	Not applicable		<b>No tax</b> will be payable. Since, goods returned <b>within six months</b> from the date of dispatch.
(d)	Mr. B return the goods on 1st September 2018.	Mr. A 21st July 2018	Mr. B 1st September 2018	GST will be payable as the return is after 6 months from date of dispatch. Both Mr.A and Mr. B are liable to pay GST.

### 13.2.4 Time of Supply of Vouchers for Goods & Services [Section 12(4) & 13(4) of CGST Act, 2017]

If the supplies is identifiable at that point:

- Time of supply = Date of issue of voucher.

If the supplies is not identifiable at that point:

- Time of supply = The date of redemption of voucher.

**Example 1:** Reliable Industries a readymade garment manufacturer issued the voucher on 10-07-2017 to their prospective customer for enabling them to buy readymade garments manufactured by them from their shop. Customer purchased readymade garments on 20th Aug 2017.

Find the time of supply of goods?

Answer:

Time of supply of goods = 10-07-2017

Note: time of supply will be the issuance of the voucher. Since, the voucher is identifiable with the goods.

**Example 2:** Shopper's Stop store a large retailer who sells various types of products like readymade garment, jewellery, cosmetics, fabrics, shoes etc., issued the voucher on 10-07-2017 to their prospective customer for enabling them to buy any product from their shop. Customer purchased readymade garments on 20th August, 2017.

Find the time of supply of goods?

Answer: Time of supply of goods = 20-08-2017

Note: time of supply will be the date of encashment of voucher (i.e. Redemption of voucher). Since, the voucher is not identifiable with any specific product.

### 13.2.5 Time of supply of goods or services (Residual provisions) [Section 12(5) and Section 13(5) of the CGST Act, 2017]:

In case it is not possible to determine the time of supply under aforesaid provisions, the time of supply is:

➤ Due date of filing of return, in case where periodical return has to be filed.
➤ Date of payment of tax in all other cases

### 13.2.6 Time of supply of goods or services related to an addition in the value of supply by way of interest, late fees or penalty [Section 12(6) and Section 13(6) of the CGST Act, 2017]:

**Example:** Mr. X being a supplier receives consideration in the month of September 2017, instead of due date of July 2017, and for such delay he is eligible to receive an interest amount of ₹1,000/- and the said amount is received on 15.12.2017.

Find the time of supply for the interest portion and due date of payment.

**Answer:** The time of supply = 15.12.17

i.e. the date on which it is received by the supplier and

Due date of tax liability = 20.01.18.

### 13.3 Change in Rate of Tax in respect of supply of goods or services [Section 14 of the CGST Act, 2017] (upto 14.11.2017): in case of supply of goods P.Y. turnover > ₹150 lakhs.

S. No.	Supply is completed before the change in rate of tax	Invoice issued before the date of change in tax	Payment received before the date of change in tax rate	Time of supply	Applicable rate of tax
1.	Yes	No	No	Earliest of the date of invoice or payment	New Rate of Tax
2.	Yes	Yes	No	Date of issue of invoice	Old Rate of tax

S. No.	Supply is completed before the change in rate of tax	Invoice issued before the date of change in tax	Payment received before the date of change in tax rate	Time of supply	Applicable rate of tax
3.	Yes	No	Yes	Date of receipt of payment	Old Rate of tax
4.	No	Yes	Yes	Earliest of the date of invoice or payment	Old Rate of Tax
5.	No	Yes	No	Date of receipt of payment	New Rate of tax
6.	No	No	Yes	Date of issue of Invoice	New Rate of tax

**No GST on advance received against supply of GOODS for ALL ASSESSES (w.e.f. 15th November 2017):**

The CBIC *vide* Notification No. 66/2017-Central Tax, dated 15th November 2017, pay the central tax on the outward supply of goods at the time of supply as specified in clause (a) of sub-section (2) of section 12 of the said Act including in the situations attracting the provisions of section 14 of the said Act.

**Change in Rate of Tax in respect of supply of goods Sec. 14 of the CGST Act, 2017, w.e.f. 15.11.2017:** Notwithstanding anything contained in section 12, the time of supply, where there is a change in the rate of tax in respect of goods, shall be determined in the following manner, namely:—

S. No.	Supply is completed before the change in rate of tax	Invoice issued before the date of change in tax	Payment received before the date of change in tax rate	Time of supply NT 66/2017-CT, dated 15.11.2017)	Applicable rate of tax
1.	Yes	No	No	Date of issue of Invoice	New Rate of Tax
2.	Yes	Yes	No	Date of issue of invoice	Old Rate of tax
3.	Yes	No	Yes	Date of issue of Invoice	Old Rate of tax
4.	No	Yes	Yes	Date of issue of Invoice	Old Rate of Tax
5.	No	Yes	No	Date of issue of Invoice	New Rate of tax
6.	No	No	Yes	Date of issue of Invoice	New Rate of tax

**Example 1:** Rate of GST reduced from 28% to 18% w.e.f. 15th November 2017.

**Before** – Event occurred before November 15, 2017

**After** – Event occurred on or after November 15, 2017

Find the rate of tax to be applied on the following supplies?

Supply Provided	Invoice issued	Payment received	Answer: GST Rate
Before	After	After	18%
Before	Before	After	28%
Before	After	Before	28%
After	Before	After	18%
After	Before	Before	28%
After	After	Before	18%

**Change in Rate of Tax in respect of supply of services Sec. 14 of the CGST Act, 2017 w.e.f. 15.11.2017:**

Notwithstanding anything contained in section 13, the time of supply, where there is a change in the rate of tax in respect of services, shall be determined in the following manner, namely:—

S. No.	Supply is completed before the change in rate of tax	Invoice issued before the date of change in tax	Payment received before the date of change in tax rate	Time of supply	Applicable rate of tax
1.	Yes	No	No	Earliest of the date of invoice or payment	New Rate of Tax



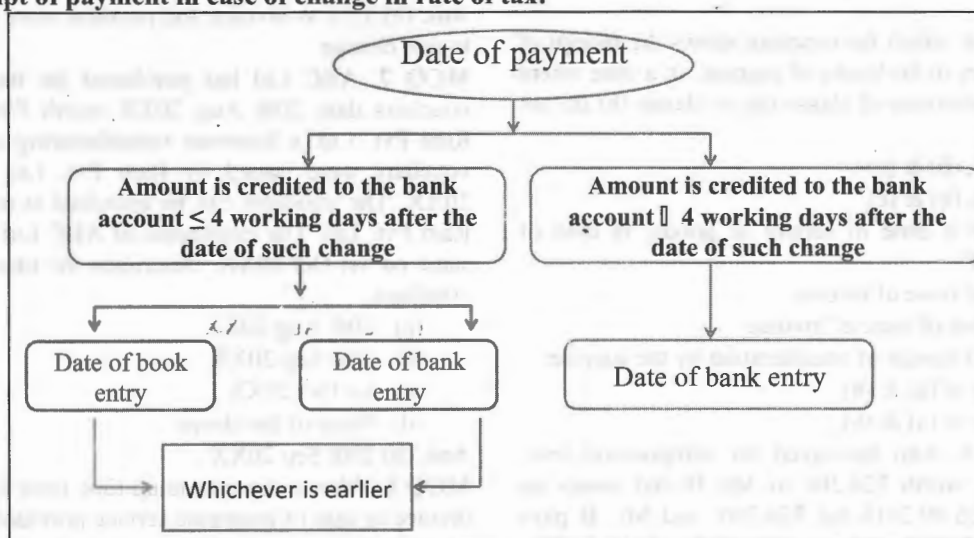
S. No.	Supply is completed before the change in rate of tax	Invoice issued before the date of change in tax	Payment received before the date of change in tax rate	Time of supply	Applicable rate of tax
2.	Yes	Yes	No	Date of issue of invoice	Old Rate of tax
3.	Yes	No	Yes	Date of receipt of payment	Old Rate of tax
4.	No	Yes	Yes	Earliest of the date of invoice or payment	Old Rate of Tax
5.	No	Yes	No	Date of receipt of payment	New Rate of tax
6.	No	No	Yes	Date of issue of Invoice	New Rate of tax

### 13.3.1 Date of receipt of payment in case of change in rate of tax

Normally the date of receipt of payment is the date of credit in the bank account of the recipient of payment or the date on which the payment is entered into his books of account, whichever is earlier.

*However, in cases of change in rate of tax, the date of receipt of payment is the date of credit in the bank account if such credit is after four working days from the date of change in rate of tax.*

**Date of receipt of payment in case of change in rate of tax:**



**Example:** X Pvt. Ltd. engaged in providing taxable services by way of training and coaching activities in relation of information Accounting and Auditing since, 1st July 2017 has the following details in respect of that activity for the month of September, 2017:

Date of issuance invoice	Date on which payment received	Amount in ₹
16.09.2017	03.10.2017	2,50,000
20.10.2017	06.10.2017	25,000
02.10.2017	30.09.2017	1,25,000

The date of change in effective rate of tax in this case is 01-10-2017 from 12% to 18%. These services are rendered in August 2017. Find the Time of Supply of service, effective rate of tax and due date of payment of tax.

**Answer:**

Services rendered	Date of issuance invoice	Date on which payment received	Amount in ₹	Time of supply of service	Effective Rate of tax	Due date of payment
Aug 2017	16.09.2017	03.10.2017	2,50,000	16.09.2017	12%	20.10.2017
Aug 2017	20.10.2017	06.10.2017	25,000	06.10.2017	18%	20.11.2017
Aug 2017	02.10.2017	30.09.2017	1,25,000	30.09.2017	12%	20.10.2017