



Chapter 5

Time of Supply

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1. Sec 12(2) read with N/No. 66/2017: TOS of goods under Forward charge

Q1. Ecotech Solutions Pvt. Ltd. is engaged in manufacturing and supply of energy products. It received ₹1 crore as an advance payment for a bulk order of goods in March, but delivery was completed in May. At what point of time, tax will be payable in relation to the advance received by the Company of ₹1 crore? [ICAI Case 35 Sub-Q1]

- (a) The tax is payable at the time of receipt of advance.
- (b) The tax is payable at the time of supply of goods.
- (c) 50% of tax is payable at the time of receipt of advance.
- (d) Tax is payable at the time of issuance of receipt voucher.

[Reason: As per N/No. 66/2017, GST on advance received for supply of goods by regular taxpayers under forward charge is payable only at the time of issuance of invoice/last date to issue invoice. Hence, GST on the ₹1 crore

advance is not payable on receipt but it is payable at time of supply.]

Q2. Mr. Rajeev Sharma is a regular GST registered supplier in Jaipur, Rajasthan. He received an order from Velocity Ltd. of Jodhpur, Rajasthan, for a taxable supply of goods ₹ 2,50,000 on 15th November and received payment on 18th November. The goods were supplied on 22nd November, and the invoice was issued on 23rd November. GST rate is CGST 2.5%, SGST 2.5%, & IGST 5%. The time of supply of goods supplied to Velocity Ltd. is:- [ICAI Case 28 Sub-Q5 - Similar] [ICAI Case 49 Sub-Q1]

- (a) 23rd November
- (b) 22nd November
- (c) 18th November
- (d) 15th November

[Reason: Refer Sec 12(2), TOS is 22nd Nov i.e. earlier of - last date to issue invoice u/s 31(1) i.e. goods removal date (22nd Nov) or Invoice Date (23rd Nov). Payment date

including for advance is irrelevant as per N/No. 66/2017]

Q3. Sarabhai & Sarabhai Associates is a partnership firm registered under GST. It enters into a contract for supply of 100 office chairs @ ₹ 15,000 with Ashoka Mart on 21st August. Chairs are removed from its warehouse on 5th September along with the invoice of said date. Ashoka Mart has paid 30% of the total contract value on 21st August; 70% is paid after delivery of chairs on 10th September.

The time of supply of advance money of ₹ 4,50,000 received for supply of office chairs to Ashoka Mart is _____. For balance payment of ₹ 10,50,000 received, the time of supply is _____. [ICAI Case 30 Sub-Q2]

- (a) 21st August; 5th September
- (b) 5th September; 10th September
- (c) 21st August; 10th September
- (d) 5th September; 5th September

[Reason: Refer Sec 12(2), TOS is 5th Sept i.e. earlier of - last date to issue invoice u/s



31(1) i.e. goods removal date (5th Sept) or Invoice Date (5th Sept). Payment date including for advance is irrelevant as per N/No. 66/2017]

Q4. Ms. Neha, a composition dealer u/s 10(2A) of CGST Act, is engaged in the supply of services. She crossed the aggregate turnover limit of ₹50 lakh in July and opted out of the composition scheme. She also started trading of goods in July. She supplied an order worth ₹58,000 to Breathe Well LLP on ex-factory basis. She received half of the amount in advance on 22nd July. The goods were dispatched from her factory on 25th July and delivered on 28th July. She raised the invoice on 30th July and the balance payment was also received on the same date. Determine the time of supply made to Breathe Wall LLP? [ICAI Case 45 Sub-Q3]

- (a) 22nd July
- (b) 25th July
- (c) 28th July

(d) 30th July

[Reason: Refer Sec 12(2), TOS is 25th Jul i.e. earlier of – last date to issue invoice u/s 31(1) i.e. goods removal date (25th Jul) or Invoice Date (30th Jul). Payment date including for advance is irrelevant as per N/No. 66/2017. Here, N/No. 66/2017 applies to this transaction as Neha is no more a composition dealer, otherwise TOS would be different.]

02. Sec 12(3): TOS of goods under Reverse Charge

Q5. Mr. Pasupathi, registered in Karnataka, is trader of various consumer goods. He received goods on 1st May taxable under reverse charge. Invoice was issued on 5th May and payment for the same was made on 6th June entered in the books of accounts on same day and debited in the bank account on 7th June. Time of Supply of goods received by Mr. Pasupathi is _____. [ICAI Case 48 Sub-Q1]

- (a) 1st May
- (b) 5th May
- (c) 5th June

(d) 6th June

[Reason: Refer Sec 12(3), TOS = 1st May, which is earlier of:-

- (i) 1st May - Goods receipt date or
- (ii) 6th June - earlier of - payment entered in accounts on 6th Jun & bank account debited on 7th Jun.
- (iii) 5th June - 31st day from supplier's invoice date on 5th May.]

Q6. Determine the time of supply of goods with the help of the information provided below:

May 11	Supplier – Dhriti Enterprises – issues invoice for the goods taxable on reverse charge basis to Parminder Constructions Ltd.
May 12	Parminder Constructions Ltd. receives the goods
May 30	Parminder Constructions Ltd. issues a cheque and records payment in its books of accounts



May 31	Payment is debited from the bank account of Parminder Constructions Ltd.
June 1	Payment is credited in bank account of Dhriti Enterprises
June 2	Payment is recorded in the books of Dhriti Enterprises

- (a) May 12 (b) May 30
(c) June 11 (d) June 1

[Reason: Refer Sec 12(3), TOS = Earlier of May 12 or June 1 or June 11]

03. Sec 13(2): TOS of Service under Forward Charge

Q7. Mr. Kumar (interior designer) is registered under GST w.e.f. 30th June. On 1st August, Mr. Kumar got contract for interior designing from Mr. Ram, which he accepted on 2nd August. The service was completed on 6th August and invoice was issued on 7th August for ₹ 5,00,000. Payment was received on 29th August. The time of supply of services provided by Mr. Kumar to Mr. Ram

is- [ICAI Case 3 Sub-Q4 - Similar] [ICAI Case 46 Sub-Q4]

- (a) 7th August
(b) 1st August
(c) 29th August
(d) 6th August

[Reason: Refer Sec 13(2) - if invoice is issued within 30 days of supply of service (6th Aug) u/s 31, TOS is 7th Aug i.e. earlier of invoice date (7th Aug) or payment receipt date (29th Aug).]

Q8. M/s. Ramchandra Associates has received some taxable services from Mohan Dalal (P) Ltd. on 12.01.20XX by making a cash payment of ₹ 5,00,000 on same day. The payment was entered in the books of account of M/s. Ramchandra Associates on 16.01.20XX and in the books of account of Mohan Dalal (P) Ltd. on 20.01.20XX. The invoice was issued by Mohan Dalal (P) Ltd. on 18.01.20XX. Determine the time of supply in the given case. (RTP May 19 New)

- (a) 12.01.20XX

- (b) 16.01.20XX
(c) 18.01.20XX
(d) 20.01.20XX

[Reason: Refer Sec 13(2) - if invoice is issued within 30 days of supply of service (12th Jan) u/s 31, TOS is 18th Jan i.e. earlier of invoice date (18th Jan) or payment receipt date (20th Jan - date of entry of payment in supplier's books). Cash payment received date is not relevant.]

Q9. KBC Insurance Ltd. provides life and non-life insurance products with IRDA approval. It received a proposal for Pandemic Insurance for IPL matches from the franchisees. Sum assured was ₹ 250 crore with a premium of ₹ 50 lakh. Policy was issued on 1st July & was invoiced on 5th August. Premium was received on 14th August. Determine the time of supply of service provided to IPL franchisees? [ICAI Case 39 Sub-Q5] [MTP 1 Jan 25]

- (a) 1st July
(b) 16th August



(c) 5th August

(d) 14th August

[Reason: Refer Sec 13(2) – if supplier is an Insurance Co. & invoice is issued within 45 days of supply of service (1st Jul) u/s 31, TOS is 5th Aug i.e. earlier of invoice date (5th Aug) or payment receipt date (14th Aug).]

Q10. M/s. Delight Brothers, a partnership firm, is engaged in the restaurant business & registered u/s 10(1) of CGST Act for composition levy. It provided catering services to a Coral Limited for their AGM on 3rd July. But invoice was not issued by the firm to the company till the end of August. Payment was received on 25th July for which bank account was credited on 28th July. Time of supply of catering services provided to a Coral limited company is _____. [ICAI Case 26 Sub-Q3]

(a) 3rd July

(b) 25th July

(c) 28th July

(d) 2nd August

[Reason: Refer Sec 13(2) – if invoice is not issued within 30 days of supply of service (3rd Jul) u/s 31, TOS is 3rd Jul i.e. earlier of date of provision of service (3rd Jul) or payment receipt date (28th Jul i.e. bank account credited date).]

Q11. Poorva Logistics, a GTA, is registered under GST. It exercises the option to itself pay GST on services supplied by it @ 18% from April, of the current financial year. It provided goods transport services to Bama Steels Pvt. Ltd. on 1st April and issued an invoice dated 5th May. Payment was received on 6th May. What will be the time of supply in respect of the services provided by Poorva Logistics to Bama Steels Pvt. Ltd.? [ICAI Case 31 Sub-Q3]

(a) 6th May

(b) 5th May

(c) 30th May

(d) 1st April.

[Reason: RCM applies only when Poorva Logistics has opted to charge GST @ 5%.

Here, rate of GST-18% hence RCM N.A. Refer Sec 13(2) – if invoice is not issued within 30 days of supply of service (1st Apr) u/s 31, TOS is 1st Apr i.e. earlier of date of provision of service (1st Apr) or payment receipt date (6th May).]

Q12. Ms. Pearl is a classical singer. She wants to organize a classical singing function, so she booked an auditorium on 10th August for a total amount of ₹20,000. She paid ₹ 5,000 as advance on that day. The classical singing function was organized on 10th October. The auditorium owner issued invoice to Ms. Pearl on 25th November amounting to ₹20,000. Pearl made balance payment of ₹15,000/- on 30th November. Determine the time of supply in this case. [RTP Nov 21] [MTP Mar 23]

(a) Time of supply is 25th November for ₹ 20,000.

(b) Time of supply is 25th November for ₹ 5,000 & 30th November for ₹ 15,000.



(c) Time of supply is 10th August for ₹ 5,000 & 10th October for ₹ 15,000.

(d) Time of supply is 10th October for ₹ 20,000.

[Reason: Refer Sec 13(2) – For advance ₹5,000 – TOS will be 10th Aug. For balance payment ₹15,000 – if invoice is not issued within 30 days of supply of service (10th Oct) u/s 31, TOS is 10th Oct i.e. earlier of date of provision of service (10th Oct) or payment receipt date (30th Nov.)]

04. Sec 13(3): TOS of Service under Reverse Charge

Q13. SS interior designers are registered in Indore, Madhya Pradesh. It availed some services from Mr. Raj (unregistered person) on 20-10-20XX, on which GST was payable under RCM, and the payment for this service was made on 10-01-20YY. SS interior designers also issued an invoice on 05-11-20XX. What will be the time of supply for services received from Mr. Raj? [ICAI Case 17 Sub-Q1]

(a) 20-12-20XX

(b) 05-11-20XX

(c) 10-01-20YY

(d) 05-01-20YY

[Reason: Refer Sec 13(3), TOS= 05-11-XX which is earlier of –

(i) Date of payment (10-01-YY) or

(ii) 61st day from date of invoice (not relevant as in this case, invoice is required to be issued by Recipient) or

(iii) Date of issue of invoice by recipient, where invoice is to be issued by him (05-11-XX).]

Q14. Mr. Anant an unregistered person rented his commercial building to M/s ABC and Co., a registered partnership firm under GST in the state of Tamil Nadu.

For the month of November, 20XX, the firm paid rent (by NEFT) on 29th November, 20XX The invoice was issued by M/s ABC and Co. on 25th November, 20XX. The time of supply for the purpose of payment of GST for the above transaction will be _____, if payment entered in the

books of firm on 29th November, 20XX. [Sep 25 Exam]

(a) 25th November, 20XX

(b) 25th January, 20YY

(c) 26th December, 20XX

(d) 29th November, 20XX

[Reason: 1) Here, renting of commercial immovable property by URP to RP other than composition dealer is taxable under RCM entry no. SAB.

2) Thus, TOS u/s 13(3) shall be the earlier of:

(a) date of payment 29-11-20XX, or

(b) 61st day from date of invoice issued by supplier (not relevant here as supplier is URP & invoice is to be issued by recipient), or (c) date of invoice issued by recipient: 25-11-20XX.]

Q15. Sham Ltd., located in Mumbai, is receiving legal services from a lawyer Mr. Gyan, registered under GST. The aggregate turnover of Sham Ltd. in the preceding financial year is ₹ 42 lakh. The information



regarding date of payment, invoice etc. is as follows-

Invoice issued by Mr. Gyan on 15th April.
Payment debited in the bank account of Sham Ltd. on 5th May.

Date of payment entered in books of accounts of Sham Ltd.: 1st May.

What is time of supply of services?

- (a) 1st May (b) 5th May
(c) 15th June (d) 15th April

[Reason: Refer Sec 13(3), TOS= 1st May which is earlier of:-

- (i) 15th June i.e. 61st day from date of invoice (15th April) as invoice is issued by supplier who is registered or
(ii) 1st May i.e. earlier of - payment debited on 5th May or payment entered in books of accounts 1st May or
(iii) Date of invoice by recipient - not required in this question as supplier is RP]

Q16. M/s. Neelkanth & Co. is registered in Karnataka dealing in taxable goods. It received accounting services from Raghu &

Co., an associated enterprise, located in Sri Lanka. Raghu & Co. issued invoice on 1st September, which was entered by Neelkanth & Co. in its book on 10th October. But payment was made on 30th September. Time of supply in respect of service imported by Neelkanth & Co. from its Associated Enterprise is _____. [ICAI Case 33 Sub-Q5]

- (a) 1st September
(b) 30th September
(c) 1st October
(d) 10th October

[Reason: Refer 2nd proviso to sec 13(3), in case of supply by associated enterprises, if supplier is outside India, TOS = 30th Sep which is earlier of - date of entry in books of recipient (10th oct) or date of payment (30th Sep).]

05. Proviso to sec 12(2)/13(2): TOS of Goods/ Services for excess amount received upto ₹1000

Q17. Mr. A, who has opted for composition levy, supplies goods worth ₹ 24,300 to Mr. B and issues an invoice dated 25.09.20XX for ₹ 24,300 and Mr. B pays ₹ 25,000 on 1.10.20XX against such supply of goods. The excess ₹ 700 (being less than ₹ 1,000) is adjusted in the next invoice for supply of goods issued on 5.10.20XX. Identify the time of supply and value of supply:

- (a) ₹ 25,000 - 1.10.20XX
(b) For ₹ 24,300 - 25.09.20XX and for ₹ 700 - 1.10.20XX
(c) For ₹ 24,300 - 25.09.20XX and for ₹ 700 - 5.10.20XX.
(d) (b) or (c) at the option of supplier

[Reason: N/No. 66/2017 is N.A. to composition dealer - Refer sec 12(2) for Rs 24300 (TOS = invoice date) & proviso to sec 12(2) for Rs. 700 (TOS= payment date or invoice date at option of supplier)]



06. Sec 12(6)/13(6): Enhancement in value due to interest/late fee/penalty etc. on delayed payment of consideration

Q18. Mr. A entered into a contract with Mr. C & agreed to make the payment by 30th September, 20XX. if the payment is not made in time, then he shall pay late fees @ ₹ 100/day. No payment of late fees has been made so far. What shall be the time of supply in respect of the late fees due on Mr. A?

- (a) September, 20XX
- (b) October, 20XX
- (c) Time of supply has not arisen
- (d) None of the above

[Reason: Refer sec 12(6) / 13(6), no late fees received then no TOS as TOS for such late fees arises on receipt basis.]

Answers:

01	b
02	b
03	d

04	b
05	a
06	a
07	a
08	c
09	c
10	a
11	d
12	c
13	b
14	a
15	a
16	b
17	a
18	c

