

# GOODS AND SERVICES TAX

## Time of Supply



**CA PRATEEK MARLECHA**

**MSSV & Co**

**Chartered Accountants**

# Section 12 to 14 of CGST

- Point of time where the liability to pay tax crystallizes
- Time of Supply of Goods
- Time of Supply of Services
- Time of Supply of Vouchers
- Time of Supply where tax is liable to be paid under Reverse Charge
- Residual provisions
- Change in Rate of Tax

# Section 12(2) – Time of Supply of Goods

Time of supply of goods shall be earlier of invoice/payment, i.e., –

Actual **date of issue of invoice** by the supplier

Due date for issue of invoice by the supplier [Section 31(1)\*]:

- **Supply involves movement:** Time of removal of goods for supply
- **Sale on approval basis:** Earlier of time at which it becomes known that the supply has taken place OR 6 months from date of removal
- **Other cases:** Delivery of goods/ making available to the recipient or
- **Notified categories of supplies:** Time to be specified by Rules

Date on which **payment is received by the supplier**

## Section 12(2) – Illustration

- Advance received – 15.07.2017
  - Rs 1000 + Rs 180 (GST)
- Date of issue of Invoice – 25.08.2017
  - Invoice value – 5000
  - Tax @ 18%
- On Receipt of advance, RECEIPT VOUCHER to be raised and issued to the client on 15.07.2017
- Invoice should contain the details of Receipt Voucher and Amount of advance along with tax
- Invoice should be raised for full value and not after deducting the advance received

## Section 12(2) – Illustration

Disclosure in Invoice			
Particulars		Amount	
Basic Price			5000
CGST @ 9%	450		
SGST @ 9%	450	900	
Total Invoice Value			5900
Remarks: Advance of Rs. 1000/- along with GST Rs. 180/- received wide Receipt No. _____ dated _____			

## Section 12(2) – Illustration

### Reporting in GSTR 1: Details of outward supplies

Suppose advance is received in July 2017

Advance received to be reported in Table 11A of GSTR 1 of July 2017

Invoice raised in August 2017

Amount

Tax

To be reported in Table 1 of GST- 1 of August 2017

5000

900

Less: Adjustment of advance to be reported in  
Table 11B of GSTR-1

1000

180

Net tax liability for August 2017

720

# Section 13(2) – Time of Supply of Services

Time of supply of services shall be **earlier of invoice/ payment, i.e.,**  
–

Actual **date of issue of invoice** by the supplier

**Due date for issue of invoice** by the supplier [Section 31(2)\*]:

- Before/ after the supply of service, but within the prescribed time limit

Date on which **provision of service is invoice not raised within 30 days**

Date of **receipt of payment**

# Continuous supply of Goods and Services – Invoice to be issued

## Goods

- Where successive Statement of Account (SOA) is issued
  - Before or at the time of issue of SOA
- Where successive Payment is received
  - Before or at the time of receipt of payment

## Services

- Due date for payment ascertainable from contract
  - On or before the due date of payment
- Due date for payment not ascertainable from contract
  - Before or at the time the supplier received payment
- Where payment is linked to completion of event
  - On or before the completion of event

# Section 12(3) & 13(3) - Time of Supply – Reverse Charge

## Goods

- Earlier of
  - Date of receipt of goods
  - Date of Payment as entered in the books of account or date on which payment is debited in bank account
  - 30 days from date of Invoice

## Services

- Earlier of
  - Date of Payment as entered in the books of account or date on which payment is debited in bank account
  - 60 days from date of Invoice
- Associated Enterprise – Where supplier is located outside India – Date of entry in books of accounts or date of payment; which ever is earlier

# Section 12(4) & 13(4) – Time of Supply of Vouchers – Goods and Services

Time of supply of vouchers shall be

Date of issue of voucher, if supply can be identified at the time of issue of voucher

Date of redemption of voucher

# Section 12(5) & 13(5) – Residual provision – Goods and Services

Where it is not possible to determine the time of supply under above provisions

If GSTR 3 filed – Date of filing of return

Other cases - Date of payment of tax

# Section 12(6) & 13(6) – Time of Supply of additional value – Goods and Services

- Any addition in the value of supply by way of interest, late fee or penalty for delayed payment of consideration shall be the date of which supplier receives such additional value.
- Example
  - Due date for payment of consideration – 15.08.2017
  - Date of payment of consideration along with interest – 30.09.2017
  - Time of supply of interest on delayed payment – 30.09.2017

## Section 14 – Change in Rate of Tax

Date of supply of goods or services	Date of invoice	Date of receipt of payment	Time of supply	Rate of tax
(1)	(2)	(3)	(4)	(5)
Before	After	After	(2) or (3)	New
Before	Before	After	(1) or (2)	Old
Before	After	Before	(1) or (3)	Old
After	Before	After	(1) or (3)	New
After	Before	Before	(2) or (3)	Old
After	After	Before	(1) or (2)	New

# Thank you for your patient and unconditional listening

**Prateek Marlecha**

**caprateekm@gmail.com**

**MSSV & Co**

Chartered Accountants

No. 63/2, 2<sup>nd</sup> Floor, Railway Parallel Road,

Kumara Park West, Bangalore 560 020

080 23565065/68/73