

## CHAPTER 5 - TIME OF SUPPLY

Q 1	<b>Determine Time Of Supply Of Goods</b>					
		<b>Concept illustration section 12(2)</b>	<b>Invoice date</b>	<b>Invoice due date [date of removal]</b>	<b>Payments entry in suppliers book</b>	<b>Credit in bank account</b>
	1	Invoice raised before removal	10-OCT-17	20-OCT-17	26-OCT-17	30-OCT-17
	2	Advance received	30-OCT-17	20-OCT-17	10-OCT-17	12-OCT-17
SOLUTION	<b>Sec 12(2) (a)</b>					
		<b>Concept illustration section 12(2)</b>	<b>Invoice date</b>	<b>Invoice due date [date of removal]</b>	<b>Payments entry in suppliers book</b>	<b>Credit in bank account</b>
	1	Invoice raised before removal	10-OCT-17	20-OCT-17	26-OCT-17	30-OCT-17
	2	Advance received	30-OCT-17	20-OCT-17	10-OCT-17	12-OCT-17
Q 2		<b>Supply involves movement of goods section 12(2) r/w section 31(1)(a)</b>	<b>Invoice document date</b>	<b>Removal of goods</b>	<b>Delivery of goods</b>	<b>Receipt of payment</b>
	1	Delayed issue of invoice	26-10-17	20-10-17	26-10-17	26-10-17
	2	Inter- state stock transfer	10-10-17	20-10-17	26-10-17	-
	3	Advanced received, invoice for full amount issued on same day (40% advance, 60% post supply supply payment)	30-10-17	10-11-17	14-11-17	30-10-17 20-11-17

SOLUTION		Supply involves movement of goods section 12(2) r/w section 31(1)(a)	Invoice document date	Removal of goods	Delivery of goods	Receipt of payment	Time of Supply
	1	Delayed issue of invoice	26-10-17	20-10-17	26-10-17	26-10-17	20-10-17
	2	Inter- state stock transfer	10-10-17	20-10-17	26-10-17	-	10-10-17
	3	Advanced received, invoice for full amount issued on same day (40% advance, 60% post supply supply payment)	30-10-17	10-11-17	14-11-17	30-10-17 20-11-17	30-10-17 <hr/> 30-10-17
Q 3	Gas is supplied by a pipeline. Monthly payments are made by the recipient as per contract. Every quarter, invoice is issued by the supplier supported by a statement of the goods dispatched and payment made, and the recipient has to pay the differential amount, if any. The details of the various events are [ICAI material]						
	August 5, September 5, October 6	Payments of ₹ 2 lakh made in each month					
	October 3	Statements of accounts (SOA) issued by supplier with invoice for the quarter July - September					
	October 17	Differential payments of 56000 received by supplier for the quarter July - September as per statement of account					
SOLUTION	Legal provision:- first write general provisions here as given an note 2 refer pg. no 54						
	Conclusion :- Time of supply for the above case,						
	S.N	Date of payment	Date of issue of statement of account	Date of invoice successive payment [sec 31(4) ]	Time of supply (N/N - 66/2017		
	1	August 5	October 3	August 5	August 5		
	2	September 5	October 3	September 5	September 5		
	3	October 6	October 3	October 3	October 3		
	4	October 17	October 3	October 3	October 3		

Q 4		Reverse charge section 12(3)	Date of invoice issued by supplier	Removal of goods	Receipt of goods	Payments by recipients
	1	General	31-oct-17	31-oct-17	20-nov-17	30-nov-17
	2	Advance paid	31-oct-17	31-oct-17	20-nov-17	5-oct-17
	3	No payment made for the supply	31-oct-17	30-oct-17	05-jan - 18	-

SOLUTION		Reverse charge section 12(3)	Date of invoice issued by supplier	Removal of goods	Receipt of goods	Payments by recipients	Time of supply
	1	General	31-oct-17	31-oct-17	20-nov-17	30-nov-17	20-nov-17
	2	Advance paid	31-oct-17	31-oct-17	20-nov-17	5-oct-17	05-oct-17
	3	No payment made for the supply	31-oct-17	30-oct-17	05-jan - 18	-	01-dec-17

Q 5		Case 1	Case 2
	Date of invoice	August 31, 2017	August 31, 2017
	Date of supply of service	August 7, 2017	August 7, 2017
	Payments received by way of check and the entry for receipt of payment is recorded in books of accounts	August 10, 2017	August 10, 2017
	Amount credited to bank account of supplier	August 12, 2017	August 12, 2017

SOLUTION	<b>CASE I :-</b>		
	<b>Conclusion:-</b>		
		Case 1	Case 2
	Date of invoice	August 31, 2017	Time of supply of services shall be August 10, 2017
	Date of supply of service	August 7, 2017	
	Payments received by way of check and the entry for receipt of payment is recorded in books of accounts	August 10, 2017	

Amount credited to bank account of supplier	August 12, 2017
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**CASE II:-****Conclusion :-**

	Case 1	Case 2
Date of invoice	August 31, 2017	Time of supply of services shall be July 7, 2017
Date of supply of service	August 7, 2017	
Payments received by way of check and the entry for receipt of payment is recorded in books of accounts	August 10, 2017	
Amount credited to bank account of supplier	August 12, 2017	

Q 6

**Determine the time of supply for the following case; [ICAI material]**

	Continuous supply of services section 13(2) r/w section 31(5)	Invoice date	Date as per contract	Receipt of payment
1	Section 31(5) (a) contract provides for payments monthly on the 10 <sup>th</sup> of succeeding month	2-nov-17 17-dec-17 10-jan-18	10-nov-17 10-dec-17 10-jan-18	15-nov-17 15-dec-17 06-jan-18
2	Section 31(5) (c) contract provides for payments on completion of event. Recipient to pay within 1 month from date of completion	12-nov-17 24-apr-18	10-nov-17 24-apr-18	25-nov-17 20-apr-18

	Continuous supply of services section 13(2) r/w section 31(5)	Invoice date	Date as per contract	Receipt of payment	Entry of provision of services in book	Time of supply
1	Section 31(5) (a) contract provides for payments monthly on the 10 <sup>th</sup> of	2-nov-17 17-dec-17 10-jan-18	10-nov-17 10-dec-17 10-jan-18	15-nov-17 15-dec-17 06-jan-18	31-oct-17 30-nov-17 31-dec-17	2-nov-17 10-dec-17 06-jan-18

<b>SOLUTION</b>		succeeding month					
	2	Section 31(5) (c) contract provides for payments on completion of event. Recipient to pay within 1 month from date of completion	12-nov-17 24-apr-18	10-nov-17 24-apr-18	25-nov-17 20-apr-18	12-nov-17 24-apr-18	10-nov-17 24-apr-18

Q 7

**Determine the time of supply for the following cases :**

	Reverse charge section 13(3)	Date of invoice issued by supplier	Date of completion of service	Payment by recipient	Entry of receipt
1	General advance paid	31-oct-17	31-oct-17	20-nov-17	30-nov-17
2	Advanced paid	31-oct-17	31-oct-17	05-oct-17	31-oct-17
3	Delay in payment (max. 60 days from date of invoice )	31-oct-17	31-oct-17	10-jan-18	31-oct-17
4	Service received from associated enterprise located outside India (no time extension allowed)	31-oct-17	30-nov-17	5-apr-18	31-mar-18
5	Service by un-registered person no payment made		30-nov-17		05-dec-17

**SOLUTION**

	Reverse charge section 13(3)	Date of invoice issued by supplier	Date of completion of service	Payment by recipient	Entry of receipt	Time of supply
1	General	31-oct-17	31-oct-17	20-nov-17	30-nov-17	20-nov-17
2	Advanced	31-oct-	31-oct-17	05-oct-17	31-oct-	05-oct-17

		paid	17			17	
	3	Delay in payment (max. 60 days from date of invoice )	31-oct-17	31-oct-17	10-jan-18	31-oct-17	31-dec-17
	4	Service received from associated enterprise located outside India (no time extension allowed)	31-oct-17	30-nov-17	5-apr-18	31-mar-18	31-mar-18
	5	Service by un-registered person no payment made		30-nov-17		05-dec-17	05-dec-17

Q 8

State whether the following can be categorized as a voucher ?

- 1) Shopping gift card purchased for 5000/
- 2) Coupons or token given to customer by pizza outlet on making purchase of ₹1000/- which allows 10% discounts on next purchase
- 3) Money deposited into digital wallet
- 4) Points credited into digital wallet
- 5) Transfer of liability towards accumulated loyalty points credited to customers
- 6) Pre-paid instruments;  
Telephone calling card/ recharge card  
Multi- currency travellers card  
DTH recharge card

SOLUTION

**Conclusion: -**

Activities	Voucher or Not?	Nature Of Instrument
Shopping gift card purchased for 5,000/-	Not voucher	Its money, by way of stored value even if not encashable
Coupons or token given to customer by pizza outlet on making purchase of 1,000/-	Not voucher	It is future discount by way of value to use not encashable

	which allows 10% discount on next purchases		
	Money deposited into digital wallet	Not voucher	Its money, by way of stored value though encashable
	Points credited into digital wallet	Not voucher	It is future discount by way of value to use not encashable
	Transfer of liability towards accumulated loyalty points credited to customers	Voucher	Now its become on instrument with obligation
	Pre-paid instruments :- <ul style="list-style-type: none"> <li>• Telephone calling card / recharge card</li> <li>• Multi- currency travellers card</li> <li>• DTH recharge card</li> </ul>	Not voucher	It is money received in advance to be settled by making supplies in future