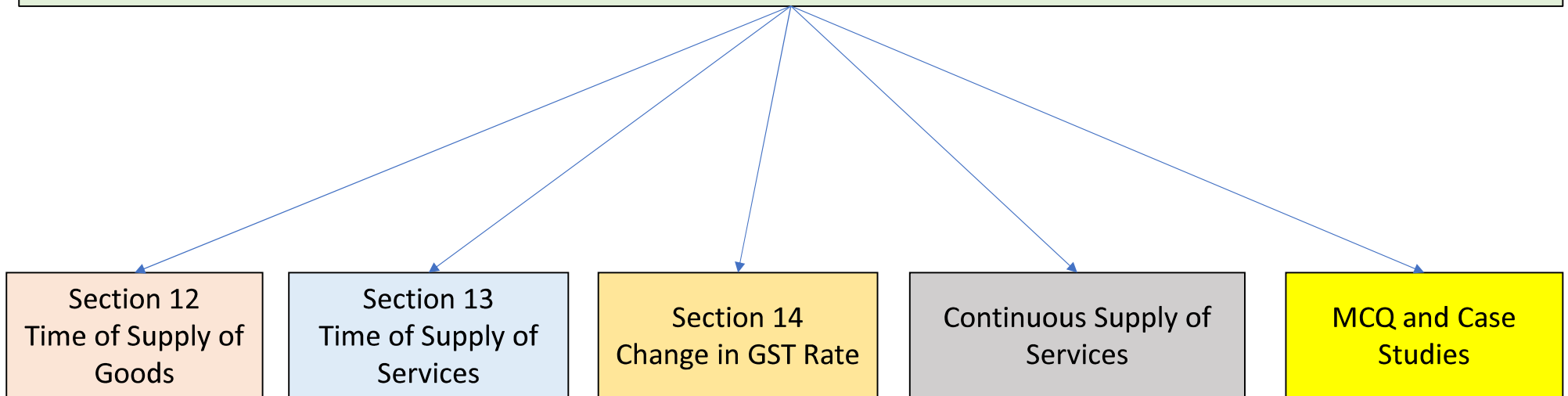


GST FUN LEARNING COURSE

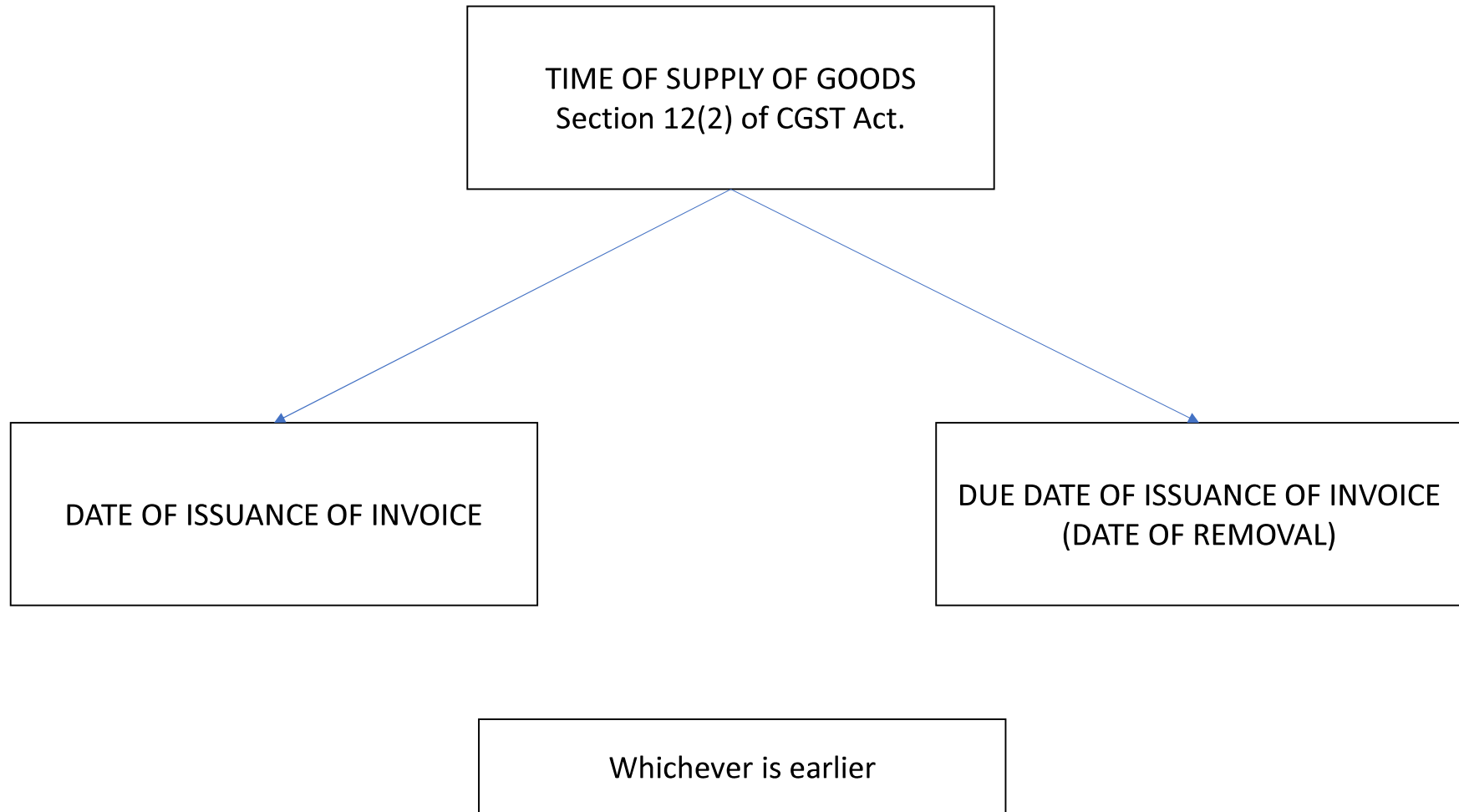
Time of Supply under GST Law (Section 12 & 13 of CGST Act 2017)



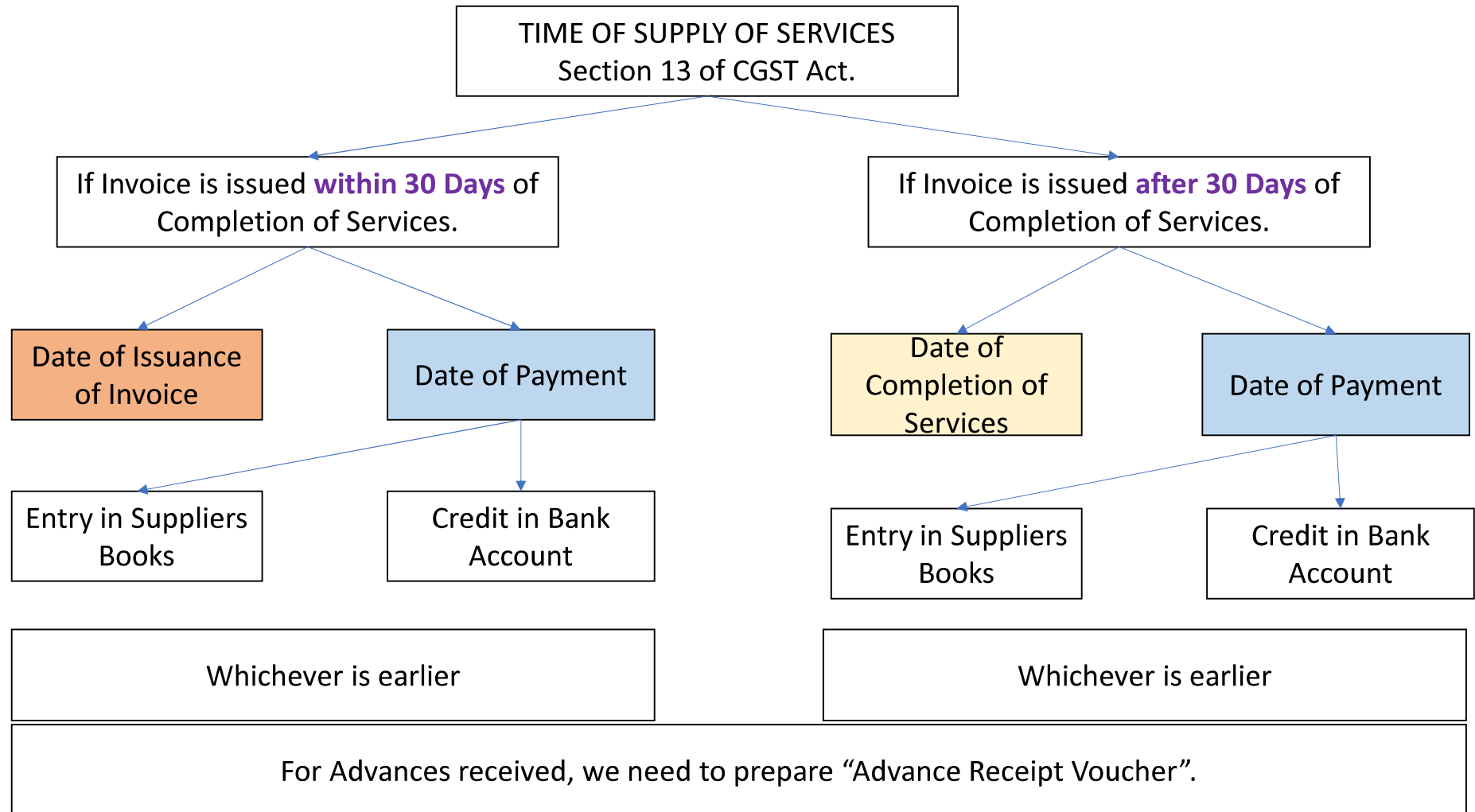
PRATIK SUDHIR SHAH
CHARTERED ACCOUNTANT
pratiksh2704@gmail.com



Section 12(2) of CGST Act- Time of Supply for Goods.



Section 13(2) of CGST Act- Time of Supply for Services.



Section 13 (2) of CGST Act - Time of Supply for Services.

If invoice issued within prescribed time u/s 31(2) - 30 days (45 days in case of Banking, Insurance, Financial Institution or NBFC company)- Clause (a)



Date of issue of Invoice or receipt of payment (Earlier of entry in books or credit in bank account), whichever is earlier

If invoice not issued within 30 days (45 days in case of Banking, Insurance, Financial Institution or NBFC company)- Clause (b)



Date of provision (completion) of service or receipt of payment, whichever is earlier

**Where payment is received in advance, the Supplier shall issue a receipt voucher, and NOT a tax invoice*

**Where payment of Rs. 1000/- is received in excess, then time of supply for goods or services at the option of supplier is date of issue of invoice (Proviso to section 13(2)).*

Section 13 (2) of CGST Act - Time of Supply for Services.

Question 1:

- Mr. A gave services on 10th April 2020 for Rs 50,000 + 18% GST.
- He issued tax invoice on 10th April 2020 and received payment on 15th June 2020.
- Mr. A seeks to make GST payment by 20th July 2020.

Ans:

- As per section 13(2) of CGST Act 2017, Time of supply of services shall be “Date of Issue of Invoice” or “Date of Receipt of Payment” whichever is earlier.
- Date of issue of Invoice is 10th April 2020.
- Payment date is 15th June 2020.
- Hence Time of Supply of services shall be 10th April 2020.
- Mr. A shall be required to make GST payment by 20th May 2020.

Question 2:

- Mr. A gave services on 10th April 2020 for Rs 50,000 + 18% GST.
- He issued tax invoice on 5th May 2020 but received payment on 15th April 2020.
- Mr. A seeks to make GST payment by 20th June 2020.

Ans:

- As per section 13(2) of CGST Act 2017, Time of supply of services shall be “Date of Issue of Invoice” or “Date of Receipt of Payment” whichever is earlier.
- Date of issue of Invoice is 05th May 2020.
- Payment date is 15th April 2020.
- Hence Time of Supply of services shall be 15th April 2020.
- Mr. A shall be required to make GST payment by 20th May 2020.

Section 13 (2) of CGST Act - Time of Supply for Services.

Question 3:

- Mr. A gave services on 10th April 2020 for Rs 50,000 + 18% GST.
- He issued tax invoice on 10th June 2020 and received payment on 15th June 2020.
- Mr. A seeks to make GST payment by 20th July 2020.

Ans:

- As per section 13(2) of CGST Act 2017, Time of supply of services shall be “Date of Issue of Invoice” or “Date of Receipt of Payment” whichever is earlier
- However as per Section 31(2), Tax Invoice is to be issued within 30 days of completion of services.
- If Invoice is not issued within 30 days of completion of services than Time of Supply shall be “Date of Completion of Services”.
- Date of issue of Invoice is 10th June 2020.
- Payment date is 15th June 2020.
- Invoice is not issued within 30 days of completion of services, hence time of supply shall be “Date of Completion of Services ie 10th April 2020”.
- Mr. A shall be required to make GST payment by 20th May 2020.

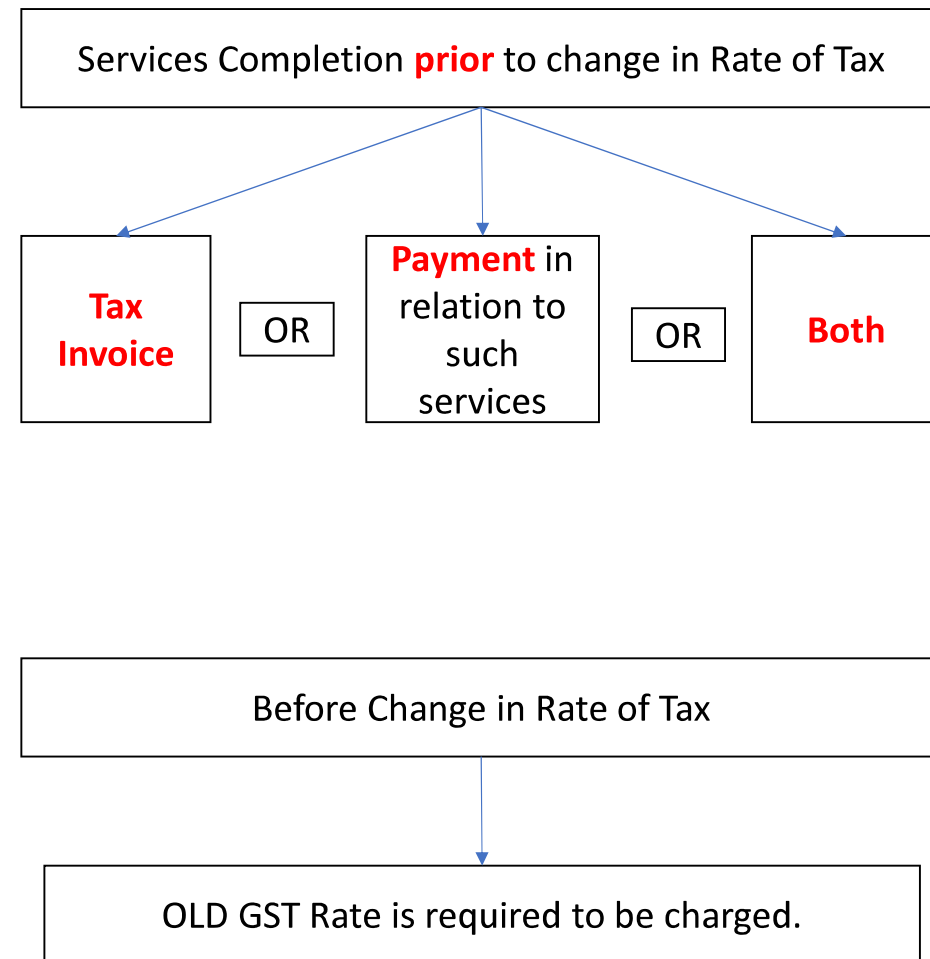
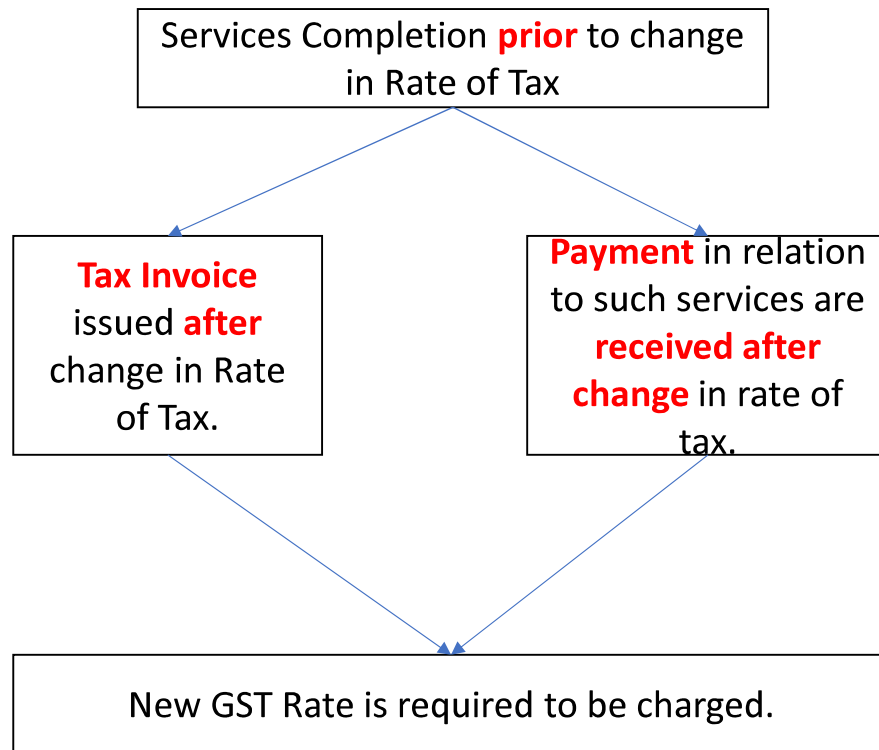
Question 4:

- State Bank of India (SBI) gave services on 10th April 2020 for Rs 50,000 + 18% GST.
- SBI issued tax invoice on 15th May 2020 and received payment on 15th June 2020.
- SBI seeks to make GST payment by 20th June 2020.

Ans:

- As per section 13(2) of CGST Act 2017, Time of supply of services shall be “Date of Issue of Invoice” or “Date of Receipt of Payment” whichever is earlier
- However as per Section 31(2), Tax Invoice is to be issued within 30 days of completion of services.
- For Banks, NBFC, Financial Institution, Tax Invoice is to be issued within 45 days of completion of services.
- Date of issue of Invoice is 15th May 2020.
- Payment date is 15th June 2020.
- Invoice is issued within 45 days of completion of services.
- Mr. A shall be required to make GST payment by 20th June 2020.

Section 14 of CGST Act- Change in Rate of Tax.



Section 14 of CGST Act – Change in Rate of Tax.

Question 1:

- Mr. A gave consultancy services on 31st May 2020 to Co. XYZ. Consideration agreed was Rs 50,000 + GST.
- GST Rate till 31st May 2020 was 18%.
- On 1st June 2020, government reduced GST Rate for such consultancy services to 12%.
- As per Section 31(2), Mr. A could issue Tax Invoice within 30 days. He issued Tax Invoice on 5th June 2020.
- Co. XYZ made payment of Rs 50,000 + GST on 20th June 2020.
- Will Mr. A charge GST @ 18% or 12% to Co. PQR?

Ans:

- Mr. A completed services on 31st May 2020. GST Rate was changed on 01st June 2020.
- Hence Services got completed in Old GST Rate.
- Mr. A have issued Tax Invoice after change in rate of tax.
- Also payment in relation to such services are received after change in rate of tax.
- Since Tax Invoice and payment both are after change in rate of tax, hence Mr. A shall charge, collect and pay GST @ 12% (New Rate).

Question 2:

- Mr. A gave consultancy services on 31st May 2020 to Co. XYZ. Consideration agreed was Rs 50,000 + GST.
- GST Rate till 31st May 2020 was 18%.
- On 1st June 2020, government reduced GST Rate for such consultancy services to 12%.
- Mr. A issued Tax Invoice on 31st May 2020.
- Co. XYZ made payment of Rs 50,000 + GST on 20th June 2020.
- Will Mr. A charge GST @ 18% or 12% to Co. PQR?

Ans

- Mr. A completed services on 31st May 2020. GST Rate was changed on 01st June 2020.
- Hence Services got completed in Old GST Rate.
- Mr. A have issued Tax Invoice on 31st May 2020 ie before change in rate of tax.
- Payment in relation to such services are received after change in rate of tax.
- Services got completed in Old GST Rate and Tax Invoice is also issued in Old GST Rate. hence Mr. A shall charge, collect and pay GST @

Section 14 of CGST Act – Change in Rate of Tax.

Question 3:

- Mr. A gave consultancy services on 31st May 2020 to Co. XYZ. Consideration agreed was Rs 50,000 + GST.
- GST Rate till 31st May 2020 was 18%.
- On 1st June 2020, government reduced GST Rate for such consultancy services to 12%.
- As per Section 31(2), Mr. A could issue Tax Invoice within 30 days. He issued Tax Invoice on 5th June 2020.
- Co. XYZ had made payment of Rs 50,000 + GST on 31st May 2020.
- Will Mr. A charge GST @ 18% or 12% to Co. PQR?

Ans:

- Mr. A completed services on 31st May 2020. GST Rate was changed on 01st June 2020.
- Hence Services got completed in Old GST Rate.
- Mr. A have issued Tax Invoice on 05th June 2020 ie after change in rate of tax.
- Payment in relation to such services are received on 31st May 2020 ie before change in rate of tax.
- Services got completed in Old GST Rate and Payment is also received in Old GST Rate, hence Mr. A shall charge, collect and pay GST @ 18% (Old GST Rate).

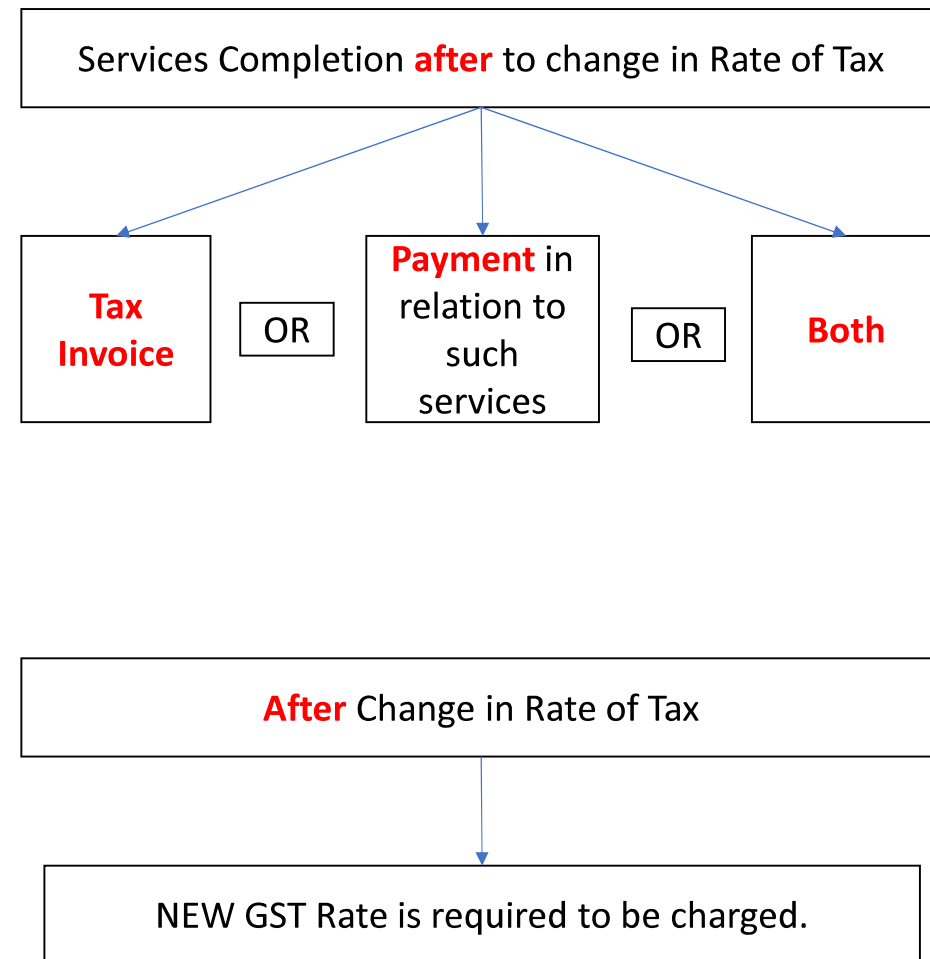
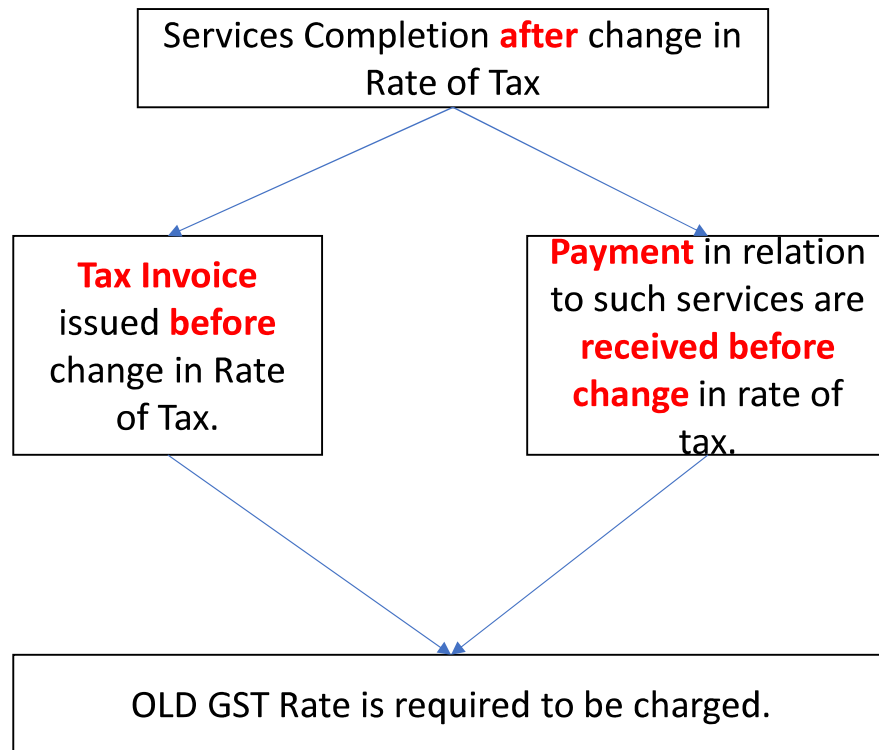
Question 4:

- Mr. A gave consultancy services on 31st May 2020 to Co. XYZ. Consideration agreed was Rs 50,000 + GST.
- GST Rate till 31st May 2020 was 18%.
- On 1st June 2020, government reduced GST Rate for such consultancy services to 12%.
- Mr. A issued Tax Invoice on 5th August 2020 (After 30 days of completion of services).
- Co. XYZ had made payment of Rs 50,000 + GST on 31st August 2020.
- Will Mr. A charge GST @ 18% or 12% to Co. PQR?

Ans

- Mr. A completed services on 31st May 2020. GST Rate was changed on 01st June 2020.
- Hence Services got completed in Old GST Rate.
- Mr. A have issued Tax Invoice on 05th August 2020 ie after change in rate of tax.
- Payment in relation to such services are also received after change in rate of tax.
- Since tax invoice is not issued within 30 days, Time of supply for such services shall be date of completion of services ie 31st May 2020.
- Even though Tax Invoice and Payments are after change in rate of tax, still Mr. A shall charge, collect and pay as per New GST Rate.

Section 14 of CGST Act- Change in Rate of Tax.



Section 14 of CGST Act – Change in Rate of Tax.

Question 1:

- Co. PQR wanted advisory services from Mr. A in May 2020.
- Co. PQR made advance payment of Rs 5,000 + GST in May 2020.
- Mr. A also issued Tax Invoice in May 2020.
- GST Rate for such services was 12% in May 2020.
- Services got completed in June 2020.
- Govt increased GST Rate for such services in June 2020 to 18%.

Ans:

- Mr. A completed services in June 2020 ie after change in rate of tax.
- However Payment was received in May 2020 ie in Old GST Rate.
- Also Tax Invoice was issued in Old GST Rate.
- Since Invoice and Payment are both in Old GST Rate, Mr. A is required to charge, collect and pay GST as per Old GST Rate.
- It is immaterial that services are completed after change in rate of tax.

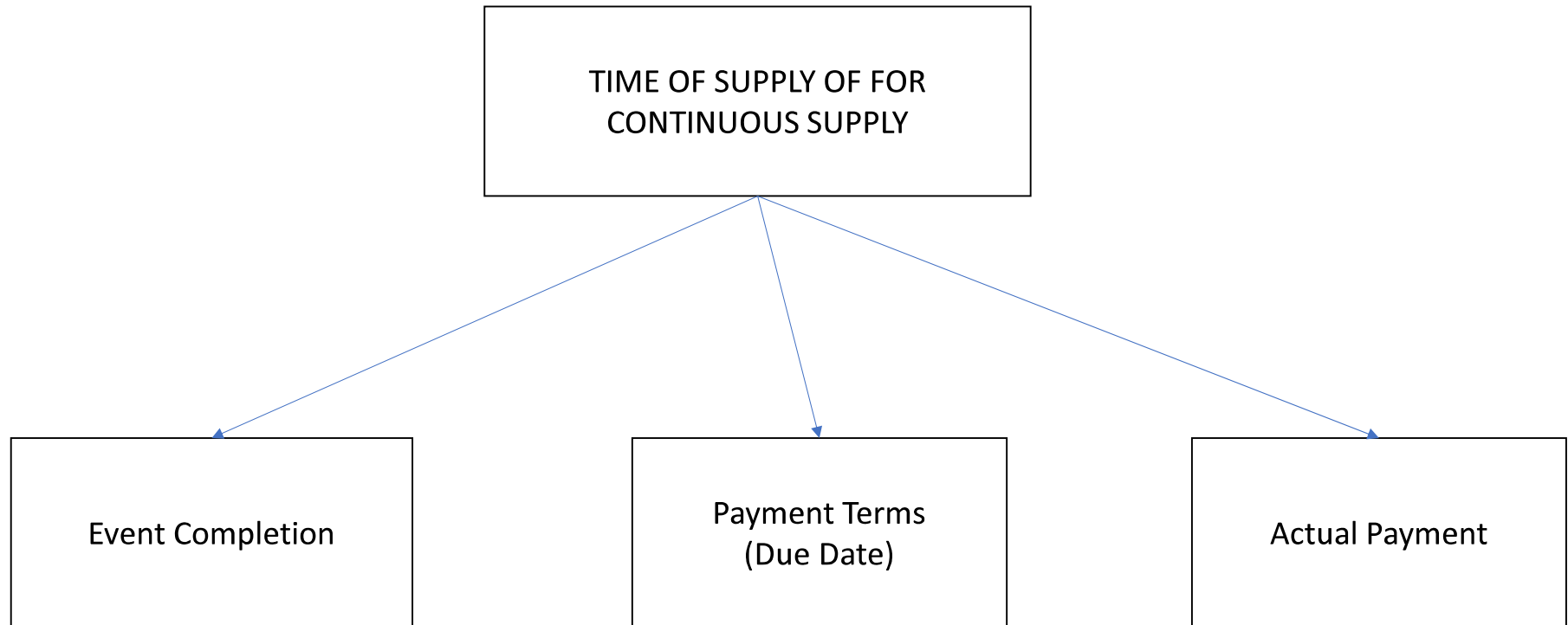
Question 2:

- Co. PQR wanted advisory services from Mr. A in May 2020.
- Co. PQR made advance payment of Rs 5,000 + GST in May 2020.
- GST Rate for such services was 12% in May 2020.
- Services got completed in June 2020.
- Mr. A issued Tax Invoice in June 2020.
- Govt increased GST Rate for such services in June 2020 to 18%.

Ans:

- Mr. A completed services in June 2020 ie after change in rate of tax.
- Also Tax Invoice was issued in New GST Rate.
- However Payment was received in May 2020 ie in Old GST Rate.
- Services are completed after change in rate of tax and tax invoice is also issued after change in rate of tax.
- Hence Mr. A is advised to charge, collect and pay GST as per New GST Rate.

Section 31(5) of CGST Act- Time of Supply for Continuous Supply of Services.



- If Contract ceases before supply then Time of Supply shall be “Date of Cessation of Contract”
- Value of Supply shall be amount of work done till date of cessation.

Section 13(2) of CGST Act – Continuous Supply of Services.

Question 1:

- Mr. A has given commercial property on Rent to Co. PQR for business purpose.
- Agreement / Contract specifies that rent shall be payable at end of each month.
- Hence Rent of May 2020 shall be payable along with GST by 31st May 2020.
- Similarly Rent of June 2020 shall be payable along with GST by 30th June 2020.
- Recipient (Co. PQR) makes payment of rent of may 2020 in June 2020.
- Similarly Recipient (Co. PQR) makes payment of rent of June 2020 in July 2020.
- Mr. A seeks to know what shall be time of supply of renting services and what shall be due date of payment of GST?
- Mr. A seeks advise regarding saving / delaying GST Liability.



Ans:

- **Renting services is “CONTINUOUS SUPPLY OF SERVICES” as services shall continue for 90 days or more.**
- **As per Section 31(5), where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment.**
- Hence for renting services of May 2020, Tax Invoice is to be issued on or before 31st May 2020.
- **GST Liability for may month is to be paid by 20th June 2020.**
- It is immaterial that recipient is paying consideration in June 2020.
- Similarly for renting services of June 2020, Tax Invoice is to be issued on or before 30th June 2020.
- **GST Liability for may month is to be paid by 20th July 2020.**
- It is immaterial that recipient is paying consideration in July 2020.
- In given case, if in agreement / contract, if Mr. A would have specified that payment is to be made by recipient (Co. PQR) on 1st of subsequent month, then
- **For May month rent, Invoice was to be raised by 1st June 2020. Time of Supply shall be 1st June 2020.**
- **GST shall be payable by 20th July 2020.**
- **Similarly for June month rent, Invoice was to be raised by 1st July 2020. Time of Supply shall be 1st July 2020.**
- **GST shall be payable by 20th August 2020.**
- This is known as Business Planning to save/ delay / postpone GST Liability.

Section 13(2) of CGST Act – Continuous Supply of Services.

Question 2:

- Mr. A has given contract for construction of shopping mall in Pune to Co. PQR for Rs 1 Cr + 18% GST.
- Contract specifies that Mr. A shall pay 60% of consideration after completion of 1st Floor.
- Co. PQR constructed 1st Floor in May 2020.
- Mr. A made payment of 60 L + 18% GST in September 2020.
- Co. PQR raised Tax Invoice and made GST payment on or before 20th October 2020.

Ans:

- Co. PQR is providing continuous supply of services.
- **As per Section 31(5), Where the payment is linked to the “Completion of an event” the invoice shall be issued on or before the date of completion of that EVENT.**
- Since event of construction of 1st floor was completed in May 2020, Co. PQR was required to raise tax invoice in May 2020.
- Time of Supply shall be May 2020.
- Co. PQR was required to pay GST by 20th June 2020.

Question 3:

- Mr. A has given contract for construction of shopping mall in Pune to Co. PQR for Rs 1 Cr + 18% GST.
- Contract specifies that Mr. A shall pay 60% of consideration in May 2020.
- Mr. A made payment of 60 L + 18% GST in September 2020.
- Co. PQR raised Tax Invoice and made GST payment on or before 20th October 2020.

Ans:

- Co. PQR is providing continuous supply of services.
- **As per Section 31(5), where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment.**
- Due Date of payment was May 2020 hence Co. PQR was required to raise tax invoice in May 2020.
- Time of Supply shall be May 2020.
- Co. PQR was required to pay GST by 20th June 2020.

Time of Supply for Token, Voucher , Coupon or Stamp.

Value of a Token, Voucher or a Coupon or a Stamp (other than postage stamp) which is redeemable against a Supply of Goods or Services or both shall be equal to the money value of the Goods or Services or both redeemable against such token, voucher, coupon or stamp.

- 'Voucher', for the purposes of GST, necessarily means that instrument which should be **accepted as consideration** (wholly or partly) for a supply.
- Therefore, in a case of a supplier issuing a voucher to a recipient of goods, on his making a purchase from the supplier, the voucher is not being viewed as an additional outcome of the supply made to the recipient. Rather, **it is an instrument that can be used in place of money (or other consideration)** which can be used on effecting yet another inward supply.

Time of Supply of Vouchers for Goods and Services.

- If the **supplier is identifiable** at that point then Time of Supply shall be **Date of Issue of Voucher**.
- If the **supplier is not identifiable** at the point then Time of Supply shall be **Date of Redemption of Voucher**.

Rate of GST on vouchers.

- **The rate of tax will be that applicable to goods or services they are issued in respect of or that applicable at the time of redemption of voucher.**



Time of Supply for Token, Voucher , Coupon or Stamp.

Question1:

X Ltd a Cloth Merchant sold Gift Voucher to Mr A of Rs 5,000 on 10th April 2019. Such Voucher could be used only against specific cloth (ie Supplies are Identifiable at time of Issuance of Voucher). Mr A purchased that specific cloth on 15th May 2019 and redeemed the Voucher. Find Time of Supply and Value of Supply.

Ans:

- In this case, supply was identifiable at the time of Issuance of Voucher. Hence Time of Supply shall be date of Issuance of Voucher ie 10th April 2019.
- It is immaterial when Mr A shall redeem the voucher.

Question2:

Shoppers Stop sold Gift Voucher to Mr A of Rs 5,000 on 10th April 2019. Such Voucher could be used only against any items of Shoppers Stop (ie Supplies are not identifiable / not known at time of Issuance of Voucher). Mr A purchased accessories on 15th May 2019 and redeemed the Voucher. Find Time of Supply and Value of Supply.

Ans:

- In this case, supply was not identifiable / not known at the time of Issuance of Voucher.
- Mr A could have purchased any item from the voucher.
- Hence Time of Supply shall be date of Redemption of Voucher ie 15th May 2019.

Time of Supply for Token, Voucher , Coupon or Stamp.

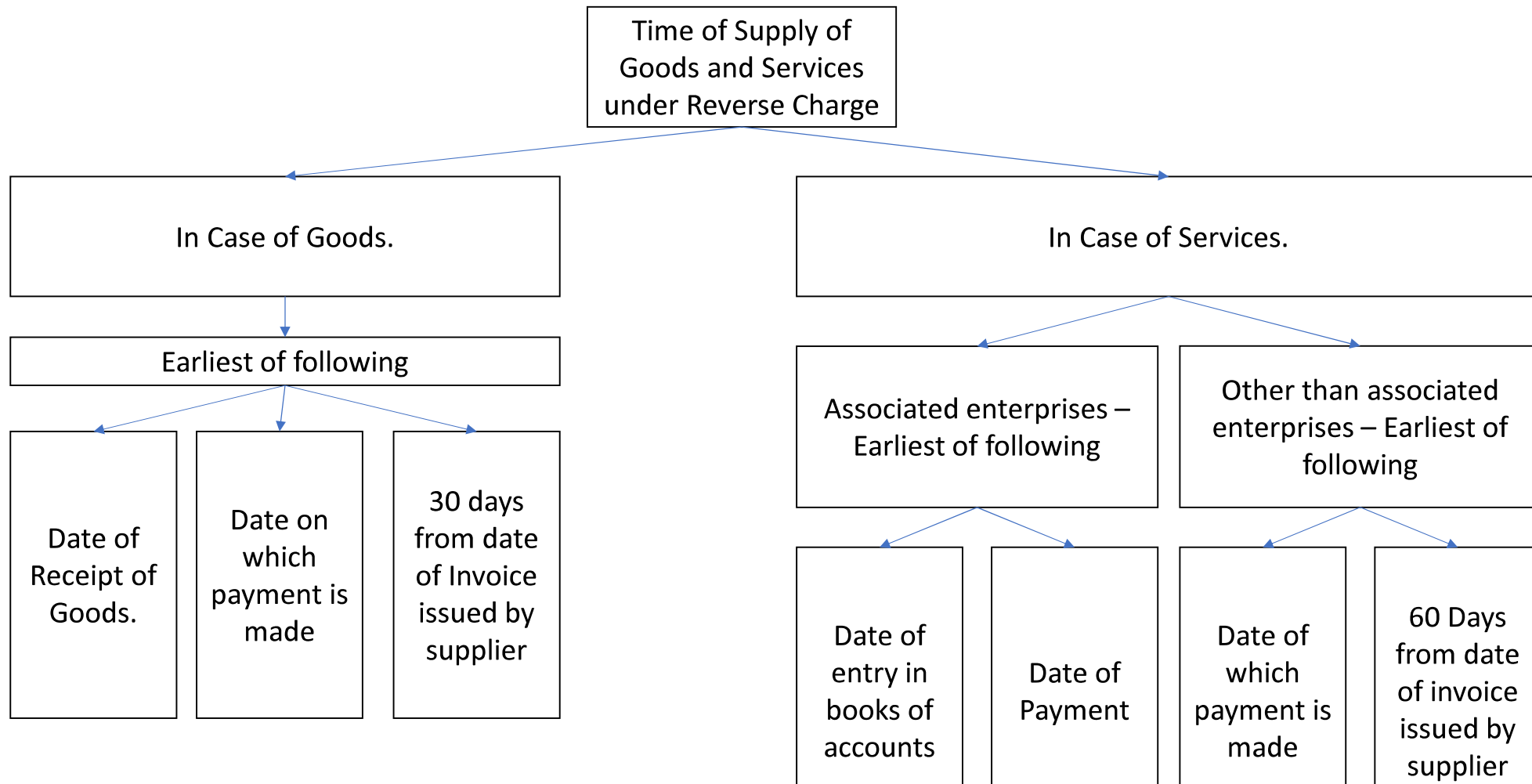
Question 4:

Mr A gave gift voucher to Mr B of Pantaloons of Rs 5,000. Voucher is multipurpose and can be used against any product of Pantaloons.

Ans:

- Mr. B can buy any product of Pantaloons be it shoes, cosmetics, clothes, bags, accessories etc.
- Each product has different GST Rate.
- Rate of GST will be of Product and not of voucher.
- Hence Voucher is only mode of consideration and no rate is applicable on voucher.

Time of Supply for Reverse Charge in GST.



CASE STUDIES: TIME OF SUPPLY UNDER GST

Question:

Firm A got an order for supplying **Goods** from Company XYZ on 01st April 2019.

Firm A removed the goods from its factory/godown on 05th April 2019.

Firm A issued an Invoice on 10th April 2019. Company XYZ received the goods on 12th April 2019.

What shall be Time of Supply of Goods?

Ans:

As per Section 12(2) of CGST Act 2017, Time of Supply of Goods is **earliest of following**

- a) Actual Date of Invoice
- b) Time of Removal of Goods for Supply

Hence **Time of Supply of Goods shall be time of removal of goods for supply ie 05th April 2019.**

Question:

Firm A got an order for supplying **Goods** from Company XYZ on 01st April 2019.

Firm A removed the goods from its factory/godown on 15th April 2019.

Firm A issued an Invoice on 10th April 2019. Company XYZ received the goods on 20th April 2019.

What shall be Time of Supply of Goods?

Ans:

As per Section 12(2) of CGST Act 2017, Time of Supply of Goods is **earliest of following**

- a) Actual Date of Invoice
- b) Time of Removal of Goods for Supply

Hence Time of Supply of Goods shall be actual date of Invoice for supply of Goods ie **10th April 2019.**

Question:

Firm A got an order for supplying **Goods** from Company XYZ on 01st April 2019.

Firm A removed the goods from its factory/godown on 15th April 2019.

Firm A issued an Invoice on 10th April 2019. Company XYZ received the goods on 20th April 2019.

Company XYZ had made an Advance Payment on 25th March 2019.

What shall be Time of Supply of Goods?

Ans:

As per Section 12(2) of CGST Act 2017, Time of Supply of Goods is **earliest of following**

- a) Actual Date of Invoice
- b) Time of Removal of Goods for Supply

Hence Time of Supply of Goods shall be actual date of Invoice for supply of Goods ie 10th April 2019.

For Goods, receipt of advance payment is immaterial.

Question:

Co XYZ provides services on 5th June 2019 to Mr. G. Co XYZ raised an Invoice on 15th June 2019 and payment was made by Mr. G on 20th June 2019.

Ans:

As per Section 13(2) of CGST Act 2017, Time of Supply of Services is **earliest of following:**

- a) Date of Issue of Invoice if invoice is raised within 30 days of completion of services.
- b) Date of Receipt of Payment.

Since Invoice is raised within 30 days of completion of services, **Time of Supply of Services shall be date of Issue of Invoice ie 15th June 2019.**

Question:

Co XYZ provides services on 5th June 2019 to Mr. G. Co XYZ raised an Invoice on 15th June 2019 and payment was made by Mr. G on 20th May 2019.

Ans:

As per Section 13(2) of CGST Act 2017, Time of Supply of Services is **earliest of following:**

- a) Date of Issue of Invoice if invoice is raised within 30 days of completion of services.
- b) Date of Receipt of Payment.

Since payment is received earlier to supply of services or invoice, **Time of Supply of Services shall be date of Receipt of Payment ie 20th May 2019.**

Question:

Co XYZ provides services on 5th June 2019 to Mr. G. Co XYZ raised an Invoice on 15th August 2019 and payment was made by Mr. G on 20th August 2019.

Ans:

As per Section 13(2) of CGST Act 2017, Time of Supply of Services is **earliest of following:**

- a) Date of Provision (Completion) of Services if Invoice is raised after 30 days of completion of services.
- b) Date of Receipt of Payment.

Since Invoice is raised after 30 days of completion of services, **Time of Supply of Services shall be earliest of date of provision of services or date of payment ie 05th June 2019.**

Question:

Co XYZ provides services on 05th June 2019 to Mr. G. Co XYZ raised an Invoice on 15th August 2019 and payment was made by Mr. G on 20th June 2019.

Ans:

As per Section 13(2) of CGST Act 2017, Time of Supply of Services is **earliest of following:**

- a) Date of Provision (Completion) of Services, if Invoice is raised after 30 days of completion of services.
- b) Date of Receipt of Payment.

Since **Invoice is raised after 30 days of completion of services**, Time of Supply of Services shall be earliest of date of provision of services or date of payment ie **05th June 2019**.

Question:

Co XYZ provides services on 05th June 2019 to Mr. G for Rs 1 Lakh (Plus 18% GST). Advances paid by Mr. G of 40% on 20th April 2019. Co XYZ raised an Invoice on 15th June 2019 and payment of balance 60% was made by Mr. G on 20th June 2019.

Ans:

As per Section 13(2) of CGST Act 2017, Time of Supply of Services is **earliest of following:**

- a) Date of Issue of Invoice if invoice is raised within 30 days of completion of services.
- b) Date of Receipt of Payment.

Since Mr. G had received 40% advance on 20th April 2019, Time of supply of services to the extent of 40% Advances shall be 20th April 2019. Co XYZ shall collect GST on Rs 40,000 from Mr. G on **20th April 2019**.

Since Invoice is raised within 30 days of provision (completion of services), Time of supply of services for balance 60% shall be earliest of date of invoice (15th June) or receipt of payment (20th June) ie **15th June 2019**.

Question:

Co XYZ provides services on 05th June 2019 to Mr. G for Rs 1 Lakh (Plus 18% GST). Advances paid by Mr. G of 40% on 20th April 2019. Co XYZ raised an Invoice on 15th July 2019 and payment of balance 60% was made by Mr. G on 20th July 2019.

Ans:

As per Section 13(2) of CGST Act 2017, Time of Supply of Services is **earliest of following:**

- a) Date of Issue of Invoice if invoice is raised within 30 days of completion of services.
- b) Date of Receipt of Payment.

Since Mr. G had received 40% advance on 20th April 2019, Time of supply of services to the extent of 40% Advances shall be 20th April 2019. Co XYZ shall collect GST on Rs 40,000 from Mr. G on **20th April 2019**.

Since Invoice is raised **after** 30 days of provision (completion of services), Time of supply of services for balance 60% shall be date of completion of services ie **5th June 2019**.

Question:

Mr. Z supplied services on 30th April 2019 for Rs 1,00,000 (Plus **18% GST**) to Firm ABC. Government **changed the rate to 12%** on 1st May 2019. Mr. Z raised the Invoice on 05th May 2019 and Firm ABC made the payment on 10th May 2019.

Ans:

- Services (Father) are provided prior to change in Rate of Tax.
- Since Invoice (Son 1) and payment (Son 2) both are after change in Rate of Tax, New Rate shall be applicable.
- **Hence GST Rate shall be 12%**
- Time of Supply shall be earliest of Date of Invoice (Since Invoice is issued within 30 days) or Date of Payment whichever is earlier
- **Hence Time of Supply shall be 05th May 2019.**

Question:

Mr. Z supplied services on 30th April 2019 for Rs 1,00,000 (Plus **18% GST**) to Firm ABC. Government **changed the rate to 12%** on 1st May 2019.

Mr. Z raised the Invoice on 05th May 2019 but Firm ABC had made advance payment on 10th April 2019.

Ans:

- Services (Father) are provided prior to change in Rate of Tax.
- Payment (Son 2) is also received prior to change in Rate of Tax.
- Invoice (Son 1) is issued after change in Rate of Tax.
- Since Services (Father) and Payment (Son 1) is prior to change in rate of tax, Old GST Rate shall be applicable
- **Hence GST Rate shall be 18%**
- **Hence Time of Supply shall be 10th April 2019.**

Question:

Mr. Z supplied services on 30th April 2019 for Rs 1,00,000 (Plus 18% GST) to Firm ABC.

Government changed the rate to 12% on 1st May 2019.

Mr. Z had raised the Invoice on 30th April 2019 and Firm ABC had made payment on 10th May 2019.

Ans:

- Services (Father) are provided prior to change in Rate of Tax.
- Invoice (Son 1) is also issued prior to change in Rate of Tax.
- Payment (Son 2) is received after change in Rate of Tax.
- Since Services (Father) and Payment (Son 1) is prior to change in rate of tax, Old GST Rate shall be applicable
- **Hence GST Rate shall be 18%.**
- **Hence Time of Supply shall be 30th April 2019.**

Question:

Mr. Z supplied services on 30th April 2019 for Rs 1,00,000 (Plus **18% GST**) to Firm ABC.

Government changed the rate to 12% on 1st May 2019.

Mr. Z had raised the Invoice on 30th June 2019 and Firm ABC had made payment on 10th July 2019.

Ans:

- Services (Father) are provided prior to change in Rate of Tax.
- Invoice (Son 1) is issued and Payment (Son 2) is also received after change in Rate of Tax.
- **But Invoice is raised after 30 days of provision (completion) of services.**
- Hence Time of Supply shall be earlier of Date of Completion of Services or Date of Advance Payment whichever is earlier.
- Hence TOS shall be 30th April 2019 and GST Rate shall be 18%.

Question:

Mr. Z had received advances on 15th April 2019 of Rs 1,00,000 (Plus **18% GST**).

Mr. Z also raised an Invoice on 20th April 2019.

Government changed the Rate of GST to 5% on 1st May 2019.

Services got completed on 5th May 2019.

Ans:

- Services (Father) are provided after change in Rate of Tax.
- Invoice (Son 1) is issued and Payment (Son 2) is also received before change in Rate of Tax.
- Since Invoice and Payment both are before change in Rate of Tax, GST Rate shall be Old Rate.
- **Hence GST Rate shall be 18%.**
- Time of Supply of Services shall be earliest of following : Invoice or Payment
- Hence Time of Supply of Services shall be 15th April 2019.

Question:

Mr. Z had received advances on 15th April 2019 of Rs 1,00,000 (Plus 18% GST).

Government changed the Rate of GST to 5% on 1st May 2019.

Services got completed on 5th May 2019 and Mr. Z raised an Invoice on 20th May 2019.

Ans:

- Services (Father) are provided after change in Rate of Tax.
- Invoice (Son 1) is issued after change in Rate of Tax
- Only Payment (Son 2) is received before change in Rate of Tax.
- Since Services Completion (Father) and Invoice (Son 1) both are after change in Rate of Tax, GST Rate shall be new rate.
- **Hence GST Rate shall be 5%.**
- For Advances received on 15th April 2019, GST Rate shall be 18%.
- Than Mr. Z shall issue credit note for difference of 13% (18-5).

Question:

Mr. Z had raised an Invoice on 15th April 2019 of Rs 1,00,000 (Plus 18% GST).

Government changed the Rate of GST to 5% on 1st May 2019.

Services got completed on 5th May 2019 and payment was received on 20th May 2019.

Ans:

- Services (Father) are provided after change in Rate of Tax.
- Payment (Son 2) is also received after change in Rate of Tax.
- Only Invoice (Son 1) is issued before change in Rate of Tax.
- Since Services Completion (Father) and Payment (Son 2) both are after change in Rate of Tax, GST Rate shall be new rate.
- **Hence GST Rate shall be 5%.**
- For Invoice raised on 15th April 2019, GST Rate shall be 18%. Than Mr. Z shall issue credit note for difference of 13% (18-5).