

CHAPTER 5

Value of Supply

QUESTION BANK

Q1. M/s. Flow Pro, a registered supplier, sold a machine to BP Ltd. It provides the following information in this regard: -

S.No.	Particulars	Amount(Rs.)
(i)	Price of the machine [excluding taxes and other charges mentioned at S. Nos. (ii) and (iii)]	25,000
(ii)	Third party inspection charges [Such charges were payable by M/s Flow Pro but the same have been directly paid by BP Ltd. to the inspection agency. These charges were not recorded in the invoice issued by M/s Flow Pro.]	5,000
(iii)	Freight charges for delivery of the machine [M/s Flow Pro has agreed to deliver the goods at BP Ltd.'s premises]	2,000
(iv)	Subsidy received from the State Government on sale of machine under Skill Development Programme [Subsidy is directly linked to the price]	5,000
(v)	Discount of 2% is offered to BP Ltd. on the price mentioned at S. No. (i) above and recorded in the invoice	

Note: Price of the machine is net of the subsidy received.
Determine the value of taxable supply made by M/s Flow Pro to BP Ltd.

(MTP Oct 2021), 6 Marks

Ans

Computation of value of taxable supply made by M/s. Flow Pro to BP Ltd.

Particulars	Amount(Rs.)
Price of the machine [Since the subsidy is received from the State Government, the same is not includible in the value of supply in terms of section 15(2)(e)]	25,000
Third party inspection charges [Any amount that the supplier is liable to pay in relation to the supply but has been incurred by the recipient and not included in the price actually paid or payable for the goods, is includible in the value of supply in terms of section 15(2)(b)]	5,000
Freight charges for delivery of the machine [Since arranging freight is the liability of supplier, it is a case of composite supply and thus, freight charges are added in the value of principal supply.]	2,000
Total	32,000
Less: Discount @ 2% on Rs. 25,000 being price charged to BP Ltd. [Discount given before or at the time of supply if duly recorded in the invoice is deductible from the value of supply in terms of section 15(3)(a)]	<u>500</u>
Value of taxable supply	31,500

Q2.	Shri Krishna Pvt. Ltd., a registered supplier, furnishes the following information relating to goods sold by it to Shri Balram Pvt. Ltd.-		
	S. No.	Particulars	Amount (Rs.)
	(i)	Price of the goods [excluding taxes and other charges mentioned at S. Nos. (iii), (v) and (vi)]	1,00,000
	(ii)	Municipal tax	2,000
	(iii)	Inspection charges	15,000
	(iv)	Subsidy received from Shri Ram Trust [Subsidy is directly linked to the goods supplied]	50,000
	(v)	Late fees for delayed payment inclusive of GST [Shri Balram Pvt. Ltd. paid the late fees. However, these charges were ultimately waived by Shri Krishna Pvt. Ltd. and the amount was refunded to Shri Balram Pvt. Ltd. during the same month]	1,000
	(vi)	Weighment charges [Such charges were paid by Shri Balram Pvt. Ltd. to Radhe Pvt. Ltd. on behalf of Shri Krishna Pvt. Ltd.]	2,000
	Note: Price of the goods is net of the subsidy received. Determine the value of taxable supply made by Shri Krishna Pvt. Ltd. to Shri Balram Pvt. Ltd.		
	(MTP Nov 2021,2020) 6 Marks		
Ans	(a) Computation of value of taxable supply made by Shri Krishna Pvt. Ltd. to Shri Balram Pvt. Ltd.		
		Particulars	Amount(Rs.)
		Price of the goods	1,00,000
		Municipal tax [Includible in the value as per section 15(2)(a)]	2,000
		Inspection charges [Any amount charged for anything done by the supplier in respect of the supply of goods at the time of/before delivery of goods is includible in the value as per section 15(2)(c)]	15,000
		Subsidy received from Shri Ram Trust [Since the subsidy is received from a non-Government body and directly linked to the supply, the same is includible in the value in terms of section 15(2)(e)]	50,000
		Late fees for delayed payment [Not includible since the same is waived off]	Nil
		Weighment charges paid to Radhe Pvt. Ltd. on behalf of Shri Krishna Pvt. Ltd. [Any amount that the supplier is liable to pay in relation to the supply but has been incurred by the recipient and not included in the price actually paid or payable for the goods, is includible in the value of supply in terms of section 15(2)(b)]	<u>2,000</u>
		Value of taxable supply	1,69,000
Q3.	Kaashi Ltd. supplies machinery to Alisha Ltd. (Dealer in same State), provides following		

particulars regarding the same. Determine the value of taxable supply of machinery.

S.No.	Particulars	Amount (Rs.)
(i)	Price of Machinery (exclusive of taxes and discounts)	5,50,000
(ii)	One part is directly fitted in machinery at place of Alisha Ltd. (amount paid by Alisha Ltd. directly to supplier, as per contract this amount should be paid by Kaashi Ltd. and not included in price)	20,000
(iii)	Installation and testing charges for machinery, not included in price	25,000
(iv)	Discount @ 2% on machinery price (recorded in the invoice)	
(v)	Kaashi Ltd. provides additional 1% discount at year end, based on additional purchase of other machinery (discount is not linked to the relevant invoice and proportionate ITC has not been reversed by Alisha Ltd.)	

(MTP May 2020), 6 Marks

Ans Computation of taxable value of supply of machinery

S. No.	Particulars	Amount (Rs.)
(i)	Price of machinery (exclusive of taxes and discounts)	5,50,000
(ii)	Add: Amount paid by Alisha Ltd. directly to the supplier for a part fitted in the machinery [Note-1]	20,000
(iii)	Add: Installation and testing charges [Note-2]	25,000
(iv)	Less: Discount 2% on machinery price [Rs. 5,50,000 x 2%] [Note-3]	(11,000)
(v)	Less: Additional 1% discount at year end [Note-4]	Nil
	Value of taxable supply	5,84,000

Notes:

As per section 15 of CGST Act, 2017

- Any amount that the supplier is liable to pay in relation to a supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods shall be included in the value of supply.
- Any amount charged for anything done by the supplier in respect of the supply of goods at the time of, or before delivery of goods shall be included in the value of supply.
- Since discount is given at the time of supply of machinery and recorded in the invoice, the value of the supply shall not include such discount.
- Though the additional discount is established before or at the time of supply, it shall not be excluded from the value of supply as the same is not linked to the relevant invoice and proportionate ITC has not been reversed by Alisha Ltd.

Q4. Hangover Ltd., Delhi, a registered supplier, is manufacturing taxable goods. It provides the following details of taxable inter-State supply made by it during the month of March:-

S. No.	Particulars	Amount (Rs.)
(i)	List price of taxable goods supplied inter-State (exclusive of taxes)	24,00,000
(ii)	Subsidy received from the Central Government for supply of taxable goods to Government School (exclusively related to supply of goods included at S. No. 1)	3,36,000
(iii)	Subsidy received from an NGO for supply of taxable goods to an old age home (exclusively related to supply of goods included at S. No. 1)	80,000

(iv)	Tax levied by Municipal Authority	32,000
(v)	Packing charges	24,000
(vi)	Late fee paid by the recipient of supply for delayed payment of consideration (Recipient has agreed to pay Rs. 9,600 in lump sum and no additional amount is payable by him)	9,600

The list price of the goods is net of the two subsidies received. However, the other charges/taxes/fee are charged to the customers over and above the list price. Calculate the total value of taxable supplies made by Hangover Ltd. during the month of March. Rate of IGST is 18%.

(MTP March 2021) , 6 Marks

Ans Computation of total value of taxable supplies made by Hangover Ltd. during the month of March

Particulars	Amount(Rs.)
List price of the goods	24,00,000
Subsidy amounting to Rs.3,36,000 received from the Central Government [Since the subsidy is received from the Government, the same is not includible in the value in terms of section 15]	NIL
Subsidy received from NGO [Since the subsidy is received from a non-Government body and directly linked to the supply, the same is includible in the value in terms of section 15]	80,000
Tax levied by the Municipal Authority [Includible in the value as per section 15]	32,000
Packing charges [Being incidental expenses, the same are includible in the value as per section 15]	24,000
Late fees paid by recipient of supply for delayed payment [Includible in the value as per section 15 - As the amount of interest received is a lump sum amount, the same has to be taken as inclusive of GST] [Rs.9,600 x 100/118] rounded off	<u>8,136</u>
Total value of taxable supplies	25,44,136

Q5. Kamal Book Depot, a wholesaler of stationery items, registered in Mumbai, has received order for supply of stationery items worth Rs. 2,00,000/- on 12th November, 20XX from another local registered dealer, Mr. Mehta, Mumbai. Kamal Book Depot charged the following additional expenses from Mr. Mehta:-

	Particulars	Amount (Rs.)
(i)	Packing charges	5,000
(ii)	Freight & Cartage	2,000
(iii)	Transit insurance	1,500
(iv)	Extra designing charges	6,000
(v)	Taxes by Municipal Authority	500

The goods were delivered to Mr. Mehta on 14th November, 20XX. Since Mr. Mehta was satisfied with the quality of the goods, he made the payment of goods the same day and simultaneously placed another order on Kamal Book Depot of stationery items amounting

to Rs. 10,00,000 to be delivered in the month of December, 20XX**. On receipt of second order, Kamal Book Depot allowed a discount of Rs. 20,000 on the first order placed by Mr. Mehta.

Compute the GST liability of Kamal Book Depot for the month of November, 20XX assuming the rates of GST on the goods supplied as under:

CGST 9%

SGST 9%

Would your answer be different if expenses (i) to (v) given in above table are already included in the price of Rs. 2,00,000?

Note:-

(i) All the amounts given above are exclusive of GST.

(ii) Kamal Book Depot and Mr. Mehta are not related persons and price is the sole consideration of the supply

**Payment and invoice for the second order will also be made in the month of December, 20XX only.

(RTP May 19)

Ans Computation of value of taxable supply and tax liability

	Particulars	Amount (Rs.)
	Price of the goods [Note-1]	2,00,000
(i)	Packing charges [Note-2]	5,000
(ii)	Freight & Cartage [Note-3]	2,000
(iii)	Transit Insurance [Note-3]	1,500
(iv)	Extra Designing charges [Note-4]	6,000
(v)	Taxes by Municipal Authority [Note-5]	500
	Value of taxable supply	2,15,000
	CGST @ 9%	19,350
	SGST @ 9%	19,350

Notes:-

- As per section 15(1) of the CGST Act, 2017, the value of a supply is the transaction value i.e. the price actually paid or payable for the said supply.
- All incidental expenses including packing charged by the supplier to the recipient are includible in the value of supply in terms of section 15(2) of the CGST Act, 2017.
- The given supply is a composite supply involving supply of goods (stationery items) and services (transit insurance and freight) where the principal supply is the supply of goods. As per section 8(a) of the CGST Act, 2017, a composite supply is treated as a supply of the principal supply involved therein and charged to tax accordingly.
- Any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services; is includible in the value of supply vide section 15(2) of the CGST Act, 2017. Thus, extra designing charges are to be included in the value of supply.
- The taxes by Municipal Authorities are includible in the value of supply in terms of section 15(2) of the CGST Act, 2017.
- In the given case, Mr. Mehta is allowed a discount of Rs. 20,000 on the goods supplied to him in the month of November, 20XX. Since the said goods have already been delivered by Kamal Book Depot, this discount will be a post-supply discount.

Further, value of supply shall not include any discount which is given after the supply has been effected, if—

- (i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and
(ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply [Section 15(3) of the CGST Act, 2017].

However, in the given case, post-supply discount given to Mr. Mehta will not be allowed as a deduction from the value of supply since the discount policy was not known before the time of such supply although the discount can be specifically linked to relevant invoice (invoice pertaining to stationery items supplied to Mr. Mehta in November, 20XX).

In case the expenses (i) to (v) given in above table are already included in the price of Rs. 2,00,000: Since these expenses are includible in the value of supply by virtue of the reasons mentioned in explanatory notes above, no further addition will be required. Resultantly, the value of taxable supply will be Rs. 2,00,000 and CGST and SGST will be Rs. 18,000 and Rs. 18,000 respectively.

Q6. Namo Shankar Ltd., a registered supplier in Mumbai (Maharashtra), has supplied goods to Narad Traders and Nandi Motors Ltd. located in Ahmedabad (Gujarat) and Pune (Maharashtra) respectively. Namo Shankar Ltd. has furnished the following details for the current month:

S.No.	Particulars	Narad Traders (Rs.)	Nandi Motors Ltd. (Rs.)
(i)	Price of the goods (excluding GST)	10,000	30,000
(ii)	Packing charges	500	
(iii)	Commission	500	
(iv)	Weighment charges		2,000
(v)	Discount for prompt payment (recorded in the invoice)		1,000

Items given in points (ii) to (v) have not been considered while arriving at price of the goods given in point (i) above.

Compute the GST liability [CGST & SGST or IGST, as the case may be] of Namo Shankar Ltd. for the given month. Assume the rates of taxes to be as under:

PARTICULARS	Rate of tax
Central tax (CGST)	9%
State Tax (SGST)	9%
Integrated tax (IGST)	18%

Make suitable assumptions, wherever necessary

(RTP NOV 2021)

Ans

Computation of GST liability

S. No.	Particulars	Narad Traders (Rs.)	Nandi Motors Ltd. (Rs.)
(i)	Price of goods	10,000	30,000
(ii)	Add: Packing charges (Note-1)	500	
(iii)	Add: Commission (Note-1)	500	
(iv)	Add: Weighment charges (Note-1)	-	2,000
(v)	Less: Discount for prompt payment		

	(Note-2) Value of taxable supply IGST payable @ 18% (Note-3) CGST payable @ 9% (Note-4) SGST payable @ 9% (Note-4)	- 11,000 1,980	1,000 31,000 2,790 2,790														
Notes:																	
1. Incidental expenses, including commission and packing, charged by supplier to recipient of supply is includible in the value of supply. Weighment charges are also incidental expenses, hence includible in the value of supply [Section 15 of the CGST Act, 2017].																	
2. Since discount is known at the time of supply, it is deductible from the value interms of section 15 of the CGST Act, 2017.																	
Since supply made to Narad Traders is an inter-State supply, IGST is payable interms of section 5 of the IGST Act, 2017. Since supply made to Nandi Motors Ltd. is an intra-State supply, CGST & SGST is payable on the same.																	
Q7.	Mr. Ekaant, a supplier registered in Delhi, is engaged in the business of sale and purchase of plastic raincoats. He furnishes the following information pertaining to inward/outward supply made by him for the month of July, 20XX:																
	<table><tr><th>Particulars</th><th>Amount (Rs. in lakh)</th></tr><tr><td>Value of inter-State outward supply to registered persons</td><td>30</td></tr><tr><td>Value of intra-State outward supply to registered persons</td><td>50</td></tr><tr><td>Value of intra-State outward supply to unregistered persons</td><td>15</td></tr><tr><td>Value of intra-State inward supply from registered persons</td><td>10</td></tr><tr><td>Value of inter-State inward supply from registered persons</td><td>5</td></tr><tr><td>Value of intra-State inward supply from unregistered persons</td><td>2</td></tr></table>	Particulars	Amount (Rs. in lakh)	Value of inter-State outward supply to registered persons	30	Value of intra-State outward supply to registered persons	50	Value of intra-State outward supply to unregistered persons	15	Value of intra-State inward supply from registered persons	10	Value of inter-State inward supply from registered persons	5	Value of intra-State inward supply from unregistered persons	2		
Particulars	Amount (Rs. in lakh)																
Value of inter-State outward supply to registered persons	30																
Value of intra-State outward supply to registered persons	50																
Value of intra-State outward supply to unregistered persons	15																
Value of intra-State inward supply from registered persons	10																
Value of inter-State inward supply from registered persons	5																
Value of intra-State inward supply from unregistered persons	2																
	Following additional information is also provided by Mr. Ekaant:-																
	<table><tr><th>Particulars</th><th>Amount (Rs. in lakh)</th></tr><tr><td>IGST credit on capital goods purchased in the month of July</td><td>1.5</td></tr><tr><td>CGST/ SGST credit on other inward supplies [including c redit of Rs. 5,000 (CGST and SGST each) on account of membership of a club]</td><td>0.5</td></tr><tr><td>Availed consultancy services from Mr. Sujit, lawyer located in Delhi [Intra-State services]</td><td>1</td></tr></table>	Particulars	Amount (Rs. in lakh)	IGST credit on capital goods purchased in the month of July	1.5	CGST/ SGST credit on other inward supplies [including c redit of Rs. 5,000 (CGST and SGST each) on account of membership of a club]	0.5	Availed consultancy services from Mr. Sujit, lawyer located in Delhi [Intra-State services]	1								
Particulars	Amount (Rs. in lakh)																
IGST credit on capital goods purchased in the month of July	1.5																
CGST/ SGST credit on other inward supplies [including c redit of Rs. 5,000 (CGST and SGST each) on account of membership of a club]	0.5																
Availed consultancy services from Mr. Sujit, lawyer located in Delhi [Intra-State services]	1																
	The amount of ITC brought forward in the month of July, 20XX is as under:-																
	<table><tr><td>CGST:</td><td>Rs. 2 lakh</td></tr><tr><td>SGST:</td><td>Rs. 2 lakh</td></tr><tr><td>IGST</td><td>Rs. 5 lakh</td></tr></table>	CGST:	Rs. 2 lakh	SGST:	Rs. 2 lakh	IGST	Rs. 5 lakh										
CGST:	Rs. 2 lakh																
SGST:	Rs. 2 lakh																
IGST	Rs. 5 lakh																
	Calculate the net GST liability (CGST and SGST or IGST, as the case may be) to be paid in cash for the month of July, 20XX by assuming the rates of GST as under:																
	CGST 9%																
	SGST 9%																
	IGST 18%																

Note:

(i) All the amounts given above are exclusive of taxes.

(ii) All the conditions necessary for availing the ITC have been fulfilled.

(RTP May 2019)

Ans Computation of net GST liability of Mr. Ekaant

Particulars	Value (Rs.)	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Total tax liability				
Value of intra-State legalconsultancy services i.e. inward supplies liable to reverse charge mechanism (to be paid in cash) (A) [Note-1]	1,00,000	9,000	9,000	-
Value of inter-State outwardsupplies (B1)	30,00,000	-	-	5,40,000
Value of intra-State outward supplies to registered as well as unregistered persons (B2) (Rs. 50,00,000+ Rs. 15,00,000)	65,00,000	5,85,000	5,85,000	-
Total (B) = (B1) +(B2)		5,85,000	5,85,000	5,40,000
Input tax Credit				
Brought forward ITC		2,00,000	2,00,000	5,00,000
Value of intra-State inward supplies from registered person [Note-2]	10,00,000	90,000	90,000	
Value of inter-State inward supplies from registered person [Note-2]	5,00,000	-	-	90,000
Value of intra-State inward supplies from unregistered person[Note-3]	2,00,000	-	-	-
IGST credit of capital goods [Note-2]				1,50,000
Credit on other inward supplies purchased in the month of July less credit on membership of a club [Note-2&4]		45,000	45,000	-
Credit of legal consultancy services[Note-2]		<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total (C)		3,44,000	3,44,000	7,40,000
Net liability (B)-(C)		2,41,000	2,41,000	(2,00,000)
Less: Set off from IGST credit[Note-5]		2,00,000	-	-
Liability after set off (D)		41,000	2,41,000	Nil
Net GST liability to be paid incash (A) + (D)		50,000	2,50,000	Nil

Notes:-

1. Services supplied by an individual advocate to any business entity located in the taxable territory by way of legal services, directly or indirectly are taxable under reverse charge mechanism. Thus, tax is payable by the recipient (Mr. Ekaant) on said services to the Government.

Further, as per section 49(4) of the CGST Act, 2017, amount available in the electronic credit ledger [ITC amount] may be used for making payment towards output tax. However, tax payable under reverse charge is not an output tax in terms of section 2(82) of the CGST Act, 2017. Therefore, tax payable under reverse charge cannot be set off against the input tax credit and thus, will have to be paid in cash

2. Every registered person is entitled to take credit of input tax charged on any inward supply of goods and/or services which are used or intended to be used in the course or furtherance of his business in terms of section 16 of CGST Act, 2017. Further "input tax" in relation to a registered person includes the tax payable under reverse charge mechanism in terms of section 2(62) of the CGST Act, 2017.

3. Intra-State supplies received by a registered person from any unregistered supplier, are exempt from the whole of the central tax leviable thereon under section 9(4) till 30.09.2019 [Notification No.8/2017 CT (R) dated 28.06.2017]. Since no tax has been paid, so no credit is available.

4. Input tax credit is not allowed in respect of membership of a club in terms of section 17(5) of CGST Act, 2017.

5. Input tax credit of IGST has been used to pay IGST and CGST in that order.

Q8. Following are the particulars, relating to one of the machine sold by SQM Ltd. To ACD Ltd. in the month of February 2020 at list price of ` 9,50,000. (exclusive of taxes and discount) Further, following additional amounts have been charged from ACD Ltd :

S. No.	Particulars	Amount (`)
(i)	Municipal taxes chargeable on the machine	45,000
(ii)	Outward freight charges (Contract was to deliver machine at ACD Ltd.'s factory i.e. F.O.R. contract)	65,000

Additional information :

(i) SQM Ltd. normally gives an interest-free credit period of 30 days for payment, after that it charges interest @ 1% p.m. or part thereof on list price.

ACD Ltd. paid for the supply after 45 days, but SQM Ltd. waived the interest payable.

(ii) SQM Ltd. received ` 50,000 as subsidy, from one non-government organization (NGO) on sale of such machine. This subsidy was not linked to the price of machine and also not considered in list price of ` 9,50,000.

(iii) ACD Ltd. deducted discount of ` 15,000 at the time of final payment, which was not as per agreement.

(iv) SQM Ltd. collected ` 9,500 as TCS (tax collected at source) under the provisions of the Income Tax Act, 1961.

Compute the value of taxable supply as per the provision of GST laws, considering that the price is the sole consideration for the supply and both parties are unrelated to each other.

Note: Correct legal provision should form part of your answer.

(NOV 2020 Suggested), 6 Marks

Ans Computation of value of taxable supply

S. No.	Particulars	Amount (`)
--------	-------------	--------------

	List price (exclusive of taxes and discount)	9,50,000
(i)	Municipal taxes [Note-1]	45,000
(ii)	Outward freight charges [Note-2]	65,000
	Value of taxable supply	10,60,000
Notes: 1. Tax other than GST, if charged separately, are includible in the value in terms of section 15. 2. Since contract is to deliver machine at buyer's factory, it is a composite supply wherein the freight charges will be added to the value of principal supply of machine. 3. Value of supply includes interest charged for delayed payment. However, since the interest on delayed payment has been waived off, the same has not been added to the value 4. Subsidy provided by non-Government bodies is includible in the value in terms of section 15 provided the same is directly linked to the price. Since subsidy received from NGO is not directly linked to the price of the machine, the same has not been added to the value. 5. Since the discount was not known or agreed to at the time of supply of goods to the buyers, such discount cannot be reduced from the price, in terms of section 15. 6. TCS is not includible in the value of supply as it is an interim levy not having the character of tax.		
Q9.	Green Agro Services, a registered person provides the following information relating to its activities during the month of February, 2020:	
	Gross Receipts from	(₹)
	Services relating to rearing of sheeps	6,00,000
	Services by way of artificial insemination of horses	4,00,000
	Processing of sugarcane into jiggery	8,00,000
	Milling of paddy into rice	7,50,000
	Services by way of fumigation in a warehouse of agricultural produce	1,80,000
	All the above receipts are exclusive of GST. Compute the value of taxable supplies under GST laws for the month of February, 2020. (JAN 2021 SUGGESTED), 6 Marks	
Ans	Services relating to rearing of sheeps [Exempt since services relating to rearing of all life forms of animals, except horses, for food etc. are exempt.]	Nil
	Services by way of artificial insemination of horses [Not exempt since services of artificial insemination are exempt only of livestock other than horses.]	4,00,000
	Processing of sugarcane into jiggery [Not exempt, since processes which alter the essential characteristics of agricultural produce are not exempt and processing of sugarcane into jaggery changes the essential characteristics of sugarcane.]	8,00,000
	Milling of paddy into rice [Not exempt, since this process, being carried out after cultivation is over, is not an intermediate production process in relation to cultivation of plants and it also changes the essential characteristics of paddy.]	7,50,000

	Services by way of fumigation in a warehouse of agricultural produce [Specifically exempt from GST.]	Nil
	Value of taxable supplies	19,50,000

Q10. P Ltd, a registered person provided following information for the month of October, 2020:

Particulars	Amount (₹)
Intra-State outward supply	8,00,000
Inter-State exempt outward supply	4,00,000
Turnover of exported goods	20,00,000
Payment of IGST	1,20,000
Payment of CGST and SGST	45,000 each
Payment of custom duty on export	40,000
Payment made for availing GTA services	3,00,000

GST is payable on Reverse Charge for GTA services.

Explain the meaning of aggregate turnover u/s 2(6) of the CGST Act and compute the aggregate turnover of P Ltd. for the month of October, 2020. All amounts are exclusive of GST.

(JULY 2021 SUGGESTED), 5 Marks

Ans (a) The term aggregate turnover means the aggregate value of:

- (i) all taxable supplies
- (ii) exempt supplies,
- (iii) exports of goods or services or both and
- (iv) inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excluding
 - (i) central tax, State tax, Union territory tax, integrated tax and cess.
 - (ii) the value of inward supplies on which tax is payable by a person on reverse charge basis

Computation of aggregate turnover of P Ltd. for the month of October, 2020

Particulars	Amount (₹)
In terms of the definition of the aggregate turnover given above, the aggregate turnover of P Ltd. has been computed as follows:	
Intra-State outward supply	8,00,000
Inter-State exempt outward supply	4,00,000
Turnover of exported goods	20,00,000
Payment of IGST	Nil
Payment of CGST and SGST	Nil
Payment of customs duty on export	40,000

	Payment made under reverse charge for availing GTA services	Nil	
	Aggregate turnover	32,40,000	