

◦ Analysis of Section 15(1)

Value of Supply = Transaction value
 price actually paid or payable
 for the said supply of
 goods (OR) services (OR) Both

Transaction value is deemed to be as "Assessable value / value of supply" if All the below mentioned condition are satisfied.

- 1) Buyer and seller are not related person
- AND**
- 2) Price is the sole consideration for the supply
 100% consideration
 Money form.

CRUX

Value of Supply = Transaction value
 (if two conditions are satisfied)

	Condition 1	Condition 2	Value
Case 1	✓	✓	15(1) - TV
Case 2	✓	X	} Sec 15(1) 15(4)
Case 3	X	✓	
Case - 4	X	X	

If value not determine u/s 15(1) then, 15(4) shall apply and value determine as per Valuation Rules (27-31)

Example : 1

\Rightarrow Value = 10,000
 15(1)
 X and Y are Not RP

Example : 2

= 15(1) shall Not Apply
 Go for sec 15(4)
 X and Y are Not RP

Example : 3

= 15(1) shall Not Apply
 X and Y are Not RP

Example : 4

= 15(1) shall Not Apply
 15(4) Apply.
 X and Y Related party

• Computation of Value of Supply

Particulars	Amount
price actually paid (or) payable for the said supply u/s 15(1)	xxx
Add: Inclusions u/s 15(2)	
• Any taxes, duty, cess, fees and charges which are not subsumed under GST law (Note-1)	xxx
• Any amount that supplier is liable to pay but invoiced/met by the recipient (Note-2)	xxx
• Any incidental (or) Ancillary expenditure related to supply (Note-3)	xxx
• Interest, late fees / Penalty for delayed payment (Note-4)	
• Subsidies directly linked to the price except govt subsidy (i.e. provide by Govt or SOI) (Note-5)	xxx
(add only if already deducted from value)	

Less :- Exclusion u/s 15(3)

Pre-Supply discount	xxx
Post-Supply discount	
# Subject to condition	xxx

VALUE OF SUPPLY xxx

Condition For Post Supply

1) Such discount is established in terms of an agreement entered into on or before the time of such supply and specifically linked to the relevant Invoice

AND

2) ITC as is attributable to the discount on the basis of document issued by supplier has been reversed by the recipient of supply [ITC Reverse]

Note: Tax not subsumed under GST

Example:

- Import duty
- Safeguard duty
- Anti-dumping duty
- other custom duty
- professional tax
- Toll tax
- Electricity duty
- Property / Municipal Tax
- Excise duty on Tobacco

→ Example 1:-

Price Actually paid (or) payable	=	8,00,000
CGST / SGST paid	=	1,50,000
Municipal tax	=	1,00,000
		<u>9,00,000</u>

→ Example 2

Transaction value = 12,80,000

(inclusive 28%

GST)

value = 10,00,000

↓

$$\frac{12,80,000}{128} \times 100 = 10,00,000$$

• Note - 2

selling commission, Transportation cost, Insurance cost etc...

• Note - 3 ⇒ Packing exp, special packing exp, commission, Inspection charges, warranty charges, Transportation, Insurance etc...

• Note : 4

Price Actually paid = 50,000
Credit Month = 3 Month
Interest on delayed payment = 10% p.a
Delayed period = 2 Month

$$\text{Value} = 50,000 + 833.34 = 50,834 \text{ /-}$$

$$* 50,000 \times \frac{10}{100} \times \frac{2}{12} = 833.34 \text{ /-}$$

• Note: Price charged for supply = 80,000
 Above price after giving the effect of following 2 items :-

→ Subsidy from private trust → 10,000

→ Subsidy from central govt → 15,000

$$\text{Value} = 80,000 + 10,000 = 90,000 \text{ /-}$$