

5. Value of Supply

Page No. _____
Date _____

[Sec 15] NOS

Sec 15(1)

Value of Transaction Value (TV)
SOG/SOS

which is the price

→ actually paid or
→ payable for
SOG/SOS

Conditions for TV

- Supplier + recipient of supply are not related person.
- Price is the sole consideration for the supply.

Sec 15(2)

Addition in TV if separately by

15(2)(a)

Addition of taxes or duties other than GST.

- Any taxes, duties, cesses, fees & charges levied under any law for the time being in force.

15(2)(b)

Third Party payment

- Any amt paid by the recipient to third parties will be added if, → Supplier is liable to pay such amt. in relation to supply → it is not included in the price actually paid or payable for the goods or services

account charge

Supplier

15(2)(c)

Incidental exp.

→ Incidental exp. including commission & packing charged by the supplier (for analysis of to the recipient of a supply + Any amt changed for anything done by the supplier in GST = GST rate of original supply of goods/services)

15(2)(d)

Interest/late fee

Penalty for delay

Payment of consideration. Any discount given before or at the time of supply (i) TOS when interest/late fee or penalty is received

Sec 15(3)

Reduction of discount

15(3)(a) 15(3)(b)

FOR (Free on Road) = Sale of goods.

Buyer will transport the goods. Transportation liability is of supplier.

Ex-factory / Ex-shop

Sale

Sale at the gate of factory / shop

Buyer will transport the goods.

Sec 15(2)(e) (Subsidy)

Subsidy given by other persons. CA/SGL

Not to be added in TV

If subsidy directly linked to the price.

It shall be added in TV.

If lumpsum or blanket subsidy

Not to be added in TV.

At the time of delivery of goods or supply of services.

Before

At the time of delivery of goods or supply of services.

At the time of delivery of goods or supply of services.

③ NOS = refund of next page.

④ In case late fee or penalty rate default assumption exclusive GST.

⑤ Imp note: Interest/late fee or penalty is added in TV. Only if charged by supplier to recipient.

Sec 15(3)(6)

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai

Net ke next page per hai



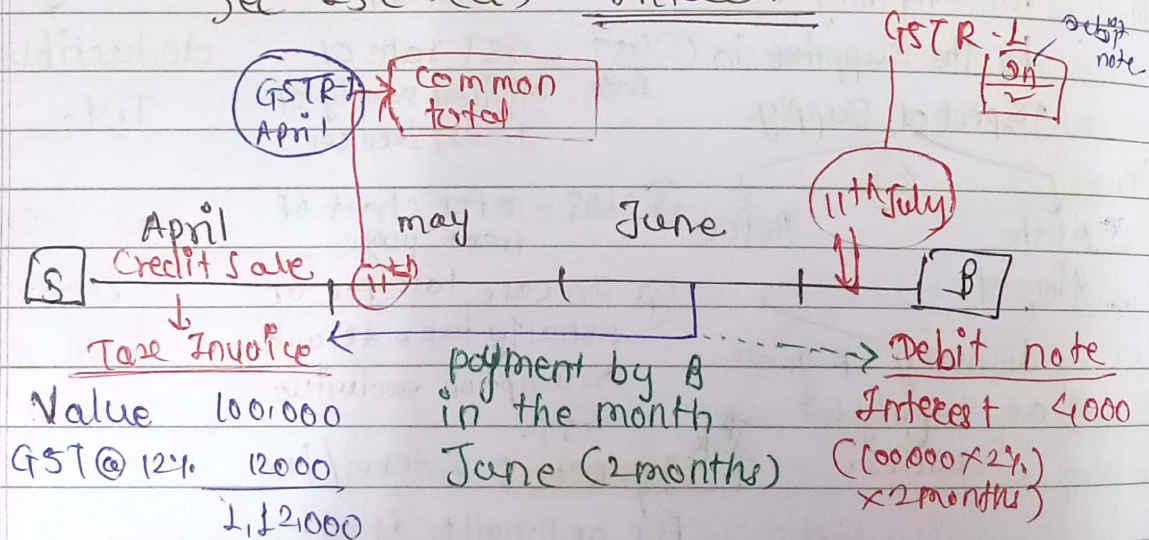
① (A) Analysis : 15(2)(d)
 Interest

Interest on loan/advance/deposits
↓
It's a service but exempted

Interest on delay payment of consideration for supply of goods or services.
↓
It is included in taxable value as 15(2)(d) + GST is payable.

② When GST is payable on Interest / late fee or penalty.

(B) Sec 15(2)(d) = Interest



Declaration in Invoice

If payment is not made by recipient in a month then interest is chargeable @ 2% p.m.

GST payable as follows

Default assumption

If buyer is not ready to pay GST extra on interest

$$GST = \frac{4000 \times 12}{112} = 429$$

$$Interest\ value = \frac{4000 \times 100}{112} = 3571$$

If buyer is ready to pay GST separately on Interest (given in problem)

$$GST = 4000 \times 12\% = 480$$

Post supply discount
The discount that are given after supply.

It is not agreed at the time of supply

Not deductible from
T.Y.

Supplier April May June July Recipient (Business)

GSTR-1 → GST N → GSTR-2B ITC = 12000

20th April
Tax Invoice
value 100000
GST @ 12% = 12000

11th May

payment by recipient within 2 months by recipient

Supplier - Credit Note
value 5000
GST @ 12% = 600

↓
GST ₹ 600 will be deducted from output tax liability of June.

declaration: discount of 5% if payment made in 2 months

declaration: discount
of 5% if payment
made in 2 months

GST ₹ 600 will deducted
from output tax
liability of June.

JTC	600	JTC	1000
reverse			