Value Of Supply

Section 15

→ The value of supply of goods or services or both shall be THE TRANSACTION VALUE (Bill value) only if :

(a) Price is the sole consideration that is actually paid or payable. and

(b) The supplier and the recipient are not related parties.

Value of Supply	=	Transaction Value	+	value to be included u/s 15(2)	-	value to be deducted/ excluded u/s 15(3)

★ Value to be included u/s 15(2) :

(a) Any tax, cess, fees under any law ONLY IF ~~build~~ ~~sep.~~ billed separately

(Other than :- CGST, SGST, IGST, UTGST, Compensation Cess) →

TCS collected under Income tax

15

17(2)

(+)

(b) Any amount which is :

- liable to be paid by the supplier (Contractual)
- actually incurred by the recipient
- and it is not included in the price actually paid or payable.

(ध्यान दें Add)

(c) Any incidental expenses CHARGED BY the supplier (eg. Commission, ~~box~~ brokerage)

(+)

Any other amount charged for anything done at the time or before delivery of goods.

Examples:
- inspection or certification charges.
- installation & testing charges
- weighment charges, loading charges.
- designing charges.
- or any other charges charged by supplier

50000 × 5%
2500 = 2500
+ ₹55
+ ₹55

(d) Any interest, late fees, penalty for delayed payment of any consideration (paid or payable)

Int-Holy

(?)

(e) Any subsidy DIRECTLY LINKED to the price, other than Government subsidy and such subsidy is not included in the price.

5000
50 × 100
5000
+ ₹55
2000
+ ₹55

★ Value to be excluded (allowed to be deducted from value u/s 15(3) :

Before / at the time of delivery of goods or services

(a)

such discount shall be allowed to be deducted if such discount is shown separately in the INVOICE

After the delivery of goods or services

Such discount shall be allowed to be deducted only if :

(a) If it is established in the T&C of engagement entered on or before the time of supply.

+

It is linked to a relevant invoice.

(b) Input Tax Credit proportionately attributable has been reversed by the recipient of the supply.

✱ In case of insurance company, where a deduction is provided from the premium amount payable on account of "NO CLAIM BONUS" shall be allowed as deduction (i.e. GST shall be chargeable on the NET amount (Actual Premium − NO CLAIM BONUS)

Tax

Cess

2500

453

2950

$\frac{2500}{118\%}$

2118

382

2500

$\frac{5000}{1.18\%}$

$\frac{5000}{118\%}$

5000 − 18%