

TABLE OF CONTENTS

VALUE OF SUPPLY

1. Introduction – Page 2
2. Value of Supply (Sec 15(1)) – Page 3
3. Value of Supply shall include (Sec 15(2)) – Page 4-8
4. Applicability of GST on Penal Interest – (Circular No. 102/21/2019-GST dt 28-6-2019) – Page 9-11
5. Del-Credere Agent (DCA) (Circular No. 73/47/2018-GST dt 5-11-2018) – Page 12-13
6. Value of Supply shall not Include (Sec 15(3)) – Page 14-16
7. Illustrations – Page 17-20
8. Value of Supply to be Determined as prescribed in Rules (Sec 15(4) and (5)) – Page 22
9. Rules 27-35 of CGST Rules, 2017 – Page 23-51

Introduction

Every fiscal statute makes provision for the determination of value as tax which is normally payable on ad-valorem basis. In GST also, tax is payable on ad-valorem basis i.e. percentage of value of the supply of goods or services.

Thus, it becomes important to know how to arrive at the value on which tax is to be paid. Provisions relating to 'Value of supply' set out the mechanism to compute such value basis which CGST and SGST/UTGST (intra-state supply) and IGST (inter-state Supply) should be paid.

Section 15 (CGST Act, 2017) - Value of taxable supply

Rule 27 to 35 (CGST Rules, 2017) – Covered under Chapter IV – Determination of Value of Supply

Value of Supply

Sec 15(1) The value of a supply of goods or services or both shall be the **transaction value**, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are **not related** and the **price is the sole consideration** for the supply.

Not Related

Price is the
Sole
Consideration

Sec 15(2) The value of supply shall include—

- (a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;
- (b) any amount that the supplier is liable to pay in relation to such 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 or services or both;
- (c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply and 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;
- (d) interest or late fee or penalty for delayed payment of any consideration for any supply; and
- (e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.

Explanation.—For the purposes of this sub-section, the amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.

Value of Supply shall include - Taxes (Sec 15(2)(a))

- (a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force
- other than **this Act**,
 - the **State** Goods and Services Tax Act,
 - the **Union Territory** Goods and Services Tax Act and the
 - Goods and Services Tax (**Compensation to States**) Act,
if charged separately by the supplier;

Q - What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961? (Circular No. 76/50/2018-GST dt 31-12-2018)

Ans –

1. Section 15(2)(a) of CGST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the SGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.”
2. For the purpose of determination of value of supply under GST, Tax collected at source (**TCS**) under the provisions of the Income Tax Act, 1961 would **not be includible** as it is an **interim levy not having the character of tax**.

Examples of duties, included in the value –

Basic Custom Duty

Custom Cess

Export Duty, etc

Value of Supply shall include – Amount paid by Recipient (Sec 15(2)(b))

- (b) any amount that the supplier is liable to pay in relation to such 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 or services or both;

A supplier may need to incur various expenses in order to make a particular supply of goods/services. In normal course, he would pay these amounts and they would form part of the value that he charges from the customer (recipient of supply). However, even if the customer makes direct payment of some of such liabilities (of the supplier) to the third parties, and the supplier does not include this amount in his bill, it would still form part of the value of the supply.

Example – Flexchem Palampur (Gujarat) has entered into a contract with R Refinery, Abu Road (Rajasthan) on 1st July, 2019 to supply 10 valves on FOR basis for its project, with the condition that

- The valves go through two stage third party inspection during manufacturing, as required by R Refinery. Cost of inspection of ₹ 15,000 is directly paid by R Refinery to testing agency.

This ₹ 15,000 (amount payable in relation to such supply) paid by R Refinery (Recipient) to testing agency is a liability to Flowchem Palampur (Supplier), thus includable in the value of supply.

Value of Supply shall include – Amount paid by Recipient (Sec 15(2)(b))

(b) any amount that the supplier is liable to pay in relation to such 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 or services or both;

Nature of Transaction	Whether Supply?
<p>Moulds and dies owned by Original Equipment Manufactures (OEM) (Circular No. 47/21/2018-GST dt 8-6-2018)</p>	<ol style="list-style-type: none">1. Moulds and dies owned by the original equipment manufacturer (OEM) which are provided to a component manufacturer (the two not being related persons or distinct persons) on FOC basis does not constitute a supply as there is no consideration involved. Further, since the moulds and dies are provided on FOC basis by the OEM to the component manufacturer in the course or furtherance of his business, there is no requirement for reversal of input tax credit availed on such moulds and dies by the OEM.2. It is further clarified that while calculating the value of the supply made by the component manufacturer, the value of moulds and dies provided by the OEM to the component manufacturer on FOC basis shall not be added to the value of such supply because the cost of moulds/dies was not to be incurred by the component manufacturer and thus, does not merit inclusion in the value of supply in terms of section 15(2)(b) of the Central Goods and Services Tax Act, 2017 (CGST Act for short).3. However, if the contract between OEM and component manufacturer was for supply of components made by using the moulds/dies belonging to the component manufacturer, but the same have been supplied by the OEM to the component manufacturer on FOC basis, the amortised cost of such moulds/dies shall be added to the value of the components. In such cases, the OEM will be required to reverse the credit availed on such moulds/ dies, as the same will not be considered to be provided by OEM to the component manufacturer in the course or furtherance of the former's business.

Value of Supply shall include – Incidental Expenses (Sec 15(2)(c))

(c) incidental expenses,

including commission and packing,

charged by the supplier to the recipient of a supply and 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;

Outward Freight and Transit Insurance

Where the supplier agrees to deliver the goods at the buyer's premises and arranges for the transport and insurance, the contract of supply becomes a composite supply, the principal supply being the supply of goods. Therefore, outward freight and transit insurance become part of the value of the composite supply and GST is payable thereon at the same rate as applicable for the relevant goods.

However, if the contract for supply is on ex-factory basis where buyer pays the outward freight and insurance, the same will not be included in the value of supply of goods.

Example – Laxmi Ltd. Of Bhopal (MP) is a supplier of machinery. Laxmi Ltd. Has supplied machinery to PQR Enterprises in Indore (MP) on 1-10-2019. Laxmi Ltd. has collected consultancy charges in relation to pre-installation planning of ₹ 10,000.

This ₹ 10,000 (amount payable at the time of or before delivery of goods) paid by PQR Enterprises (Recipient) for pre-installation planning is an incidental expense, thus includable in the value of supply.

Value of Supply shall include – Interest, Late Fees and Delayed Payment (Sec 15(2)(d)) Subsidies (Sec 15(2)(e))

(d) interest or late fee or penalty for delayed payment of any consideration for any supply; and

Example –ABC supplies goods for ₹ 1 lakh, for which credit period was one month. However, the recipient pays the consideration on 90th day of supply; and also pays an amount of ₹ 10,000/- as late fee for delayed payment. In such case, value of supply shall be ₹110,000/-.

(e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.

Explanation.—For the purposes of this sub-section, the amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.

Case Law – Santosh Distributors, AAR Kerala, Order No. KER/60/2019 dt 16-9-2019

An EMI is a fixed amount paid by a borrower to a lender at a specified date every calendar month. EMIs are used to pay off both interest and principal every month, so that over a specified period, the loan is fully paid off along with interest. In cases where the EMI is not paid at the scheduled time, there is a levy of additional / penal interest on account of delay in payment of EMI.

Doubts have been raised regarding the applicability of GST on additional / penal interest on the overdue loan i.e. whether it would be

- exempt from GST in terms of Sl. No. 27 of notification No. 12/2017-CT (Rate) dated 28th June 2017 or
- such penal interest would be treated as consideration for liquidated damages amounting to a separate taxable supply of services under GST covered under entry 5(e) of Schedule II of the CGST Act, 2017

Generally, following two transaction options involving EMI are prevalent in the trade:-

Case – 1: X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. However, X gives Y an option to pay in installments, Rs 11,000/- every month before 10th day of the following month, over next four months (Rs 11,000/- *4 = Rs. 44,000/-). Further, as per the contract, if there is any delay in payment by Y beyond the scheduled date, Y would be liable to pay additional / penal interest amounting to Rs. 500/- per month for the delay.

Case – 2: X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. Y has the option to avail a loan at interest of 2.5% per month for purchasing the mobile from M/s ABC Ltd. The terms of the loan from M/s ABC Ltd. allows Y a period of four months to repay the loan and an additional / penal interest @ 1.25% per month for any delay in payment.

As per the provisions of sub-clause (d) of sub-section (2) of section 15 of the CGST Act, the value of supply shall include “interest or late fee or penalty for delayed payment of any consideration for any supply”. Further in terms of Sl. No. 27 of notification No. 12/2017- CT (Rate) dated the 28.06.2017 “services by way of (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services)” is exempted. Further, as per clause 2 (zk) of the notification No. 12/2017-Central Tax (Rate) dated the 28th June, 2017, “‘interest’ means interest payable in any manner in respect of any moneys borrowed or debt incurred (including a deposit, claim or other similar right or obligation) but does not include any service fee or other charge in respect of the moneys borrowed or debt incurred or in respect of any credit facility which has not been utilised;”.

Accordingly, based on the above provisions, the applicability of GST in both cases listed in para 3 above would be as follows:

Case 1: As per the provisions of sub-clause (d) of sub-section (2) of section 15 of the CGST Act, the amount of penal interest is to be included in the value of supply. The transaction between X and Y is for supply of taxable goods i.e. mobile phone.

Accordingly, the penal interest would be taxable as it would be included in the value of the mobile, irrespective of the manner of invoicing.

Case 2: The additional / penal interest is charged for a transaction between Y and M/s ABC Ltd., and the same is getting covered under Sl. No. 27 of notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. Accordingly, in this case the 'penal interest' charged thereon on a transaction between Y and M/s ABC Ltd. would not be subject to GST, as the same would not be covered under notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. The value of supply of mobile by X to Y would be Rs. 40,000/- for the purpose of levy of GST.

It is further clarified that the transaction of levy of additional / penal interest does not fall within the ambit of entry 5(e) of Schedule II of the CGST Act i.e. “agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act”, as this levy of additional / penal interest satisfies the definition of “interest” as contained in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. It is further clarified that any service fee/charge or any other charges that are levied by M/s ABC Ltd. in respect of the transaction related to extending deposits, loans or advances does not qualify to be interest as defined in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and accordingly will not be exempt.

Del-Credere Agent (DCA) (Circular No. 73/47/2018-GST dt 5-11-2018)

S.No.	Issue	Clarification
1	Whether the temporary short-term transaction based loan extended by the DCA to the recipient (buyer), for which interest is charged by the DCA, is to be included in the value of goods being supplied by the supplier (principal) where DCA is not an agent under Para 3 of Schedule I of the CGST Act?	<p>In such a scenario following activities are taking place:</p> <ol style="list-style-type: none">1. Supply of goods from supplier (principal) to recipient;2. Supply of agency services from DCA to the supplier or the recipient or both;3. Supply of extension of loan services by the DCA to the recipient. <p>It is clarified that in cases where the DCA is not an agent under Para 3 of Schedule I of the CGST Act, the temporary short-term transaction based loan being provided by DCA to the buyer is a supply of service by the DCA to the recipient on Principal to Principal basis and is an independent supply.</p> <p>Therefore, the interest being charged by the DCA would not form part of the value of supply of goods supplied (to the buyer) by the supplier. It may be noted that vide notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017 (S. No. 27), services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) has been exempted.</p>

Del-Credere Agent (DCA) [Circular No. 73/47/2018-GST dt 5-11-2018]

S.No.	Issue	Clarification
2	Where DCA is an agent under Para 3 of Schedule I of the CGST Act and makes payment to the principal on behalf of the buyer and charges interest to the buyer for delayed payment along with the value of goods being supplied, whether the interest will form a part of the value of supply of goods also or not?	<p>In such a scenario following activities are taking place:</p> <ol style="list-style-type: none">1. Supply of goods by the supplier (principal) to the DCA;2. Further supply of goods by the DCA to the recipient;3. Supply of agency services by the DCA to the supplier or the recipient or both;4. Extension of credit by the DCA to the recipient. <p>It is clarified that in cases where the DCA is an agent under Para 3 of Schedule I of the CGST Act, the temporary short-term transaction based credit being provided by DCA to the buyer no longer retains its character of an independent supply and is subsumed in the supply of the goods by the DCA to the recipient. It is emphasised that the activity of extension of credit by the DCA to the recipient would not be considered as a separate supply as it is in the context of the supply of goods made by the DCA to the recipient.</p> <p>It is further clarified that the value of the interest charged for such credit would be required to be included in the value of supply of goods by DCA to the recipient as per clause (d) of sub-section (2) of section 15 of the CGST Act.</p>

Value of Supply shall not Include Discount (Sec 15 (3))

(3) The value of the supply shall not include any discount which is given—

- (a) **before** or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply; and
- (b) **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.

If Conditions as stated in Sec 15(3) are satisfied then Credit Note (CN) for Discount will be with GST

If Conditions are not satisfied then Credit Note (CN) for Discount will be without GST (i.e. A Commercial Credit Note will be issued)

Example - XYZ stipulates, in writing, that any distributor, who would make a sale of more than INR 10 Cr. In the year 2017-2018, will be paid turnover discount of 5% of the sale price. A distributor makes the sale of INR 15 Cr. In this year, XYZ, in terms of agreement allows him the discount of INR 75 lakh. Distributor is also given another 5 lakh as ex-gratia for huge success. XYZ is allowed to reduce only INR 75 lakh (and not 80 lakh) as agreed.

Value of Supply shall not Include Discount (Sec 15 (3))

Circular No. 186/18/2022-GST dated 27-12-2022 to clarify taxability of No Claim Bonus offered by Insurance companies

Issue - Whether the deduction on account of No Claim Bonus allowed by the insurance company from the insurance premium payable by the insured, can be considered as consideration for the supply provided by the insured to the insurance company, for agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s)?

Clarification - It is clarified that there is no supply provided by the insured to the insurance company in form of agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s) and No Claim Bonus cannot be considered as a consideration for any supply provided by the insured to the insurance company.

Issue - Whether No Claim Bonus provided by the insurance company to the insured can be considered as an admissible discount for the purpose of determination of value of supply of insurance service provided by the insurance company to the insured?

Clarification - It is clarified that No Claim Bonus (NCB) is a permissible deduction under section 15(3)(a) of the CGST Act for the purpose of calculation of value of supply of the insurance services provided by the insurance company to the insured. Accordingly, where the deduction on account of No claim bonus is provided in the invoice issued by the insurer to the insured, GST shall be leviable on actual insurance premium amount, payable by the policy holders to the insurer, after deduction of No Claim Bonus mentioned on the invoice.

Value of Supply shall not Include Discount (Sec 15 (3))

Circular No. 190/02/2023-GST dated 13-1-2023 has been issued to determine applicability of GST on incentive paid by MeitY to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions

Para 3.2 Under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions, the Government pays the acquiring banks an incentive as a percentage of value of RuPay Debit card transactions and low value BHIM-UPI transactions up to Rs.2000/-.

Para 3.3 The Payments and Settlements Systems Act, 2007 prohibits banks and system providers from charging any amount from a person making or receiving a payment through RuPay Debit cards or BHIM-UPI.

Para 3.4 The service supplied by the acquiring banks in the digital payment system in case of transactions through RuPay/BHIM UPI is the same as the service that they provide in case of transactions through any other card or mode of digital payment. The only difference is that the consideration for such services, instead of being paid by the merchant or the user of the card, is paid by the central government in the form of incentive. However, it is not a consideration paid by the central government for any service supplied by the acquiring bank to the Central Government. The incentive is in the nature of a subsidy directly linked to the price of the service and the same does not form part of the taxable value of the transaction in view of the provisions of section 2(31) and section 15 of the CGST Act, 2017.

Para 3.5 As recommended by the Council, **it is hereby clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.**

Illustrations

Illustration 1

B and A Pvt. Ltd. Has provided the following particulars relating to goods sold by it to C Pvt. Ltd.

Particulars	₹
List Price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
Packaging Charges (not included in price above)	1,000

B & A Pvt. Ltd. Received ₹ 2,000 as a subsidy from a NGO on sale of such goods. The price of ₹ 50,000 of the goods is after considering such subsidy. B & A offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by B & A Pvt. Ltd.?

Illustrations

Computation of Value of taxable supply

Particulars	₹
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods (Includible in the value as per section 15(2)(a))	5,000
Packing charges (Includible in the value as per section 15(2)(c))	1,000
Subsidy received from a non-Government body (Since subsidy is received from a non-Government body, the same is included in the value in terms of section 15(2)(e))	<u>2,000</u>
Total	58,000
Less : Discount @ 2% on ₹ 50,000 [Since discount is known at the time of supply and recorded in the supply, it is deductible from the value in terms of section 15(3)(a)]	<u>1,000</u>
Value of taxable supply	57,000

Illustration 2

Sam Advertisers conceptualised and designed the advertising campaign for a new product launched by NM Pvt. Ltd. For a consideration of ₹ 5,00,000. Sam Advertisers owed ₹ 20,000 to one of its vendors in relation to the advertising service provided by it to NM Pvt. Ltd. Such liability of Sam Advertising was discharged by NM Pvt. Ltd. NM Pvt. Ltd. Delayed the payment of consideration and thus, paid ₹ 15,000 as interest. NM Pvt Ltd. Delayed the payment of consideration and thus, paid ₹ 15,000 as interest. Assume the rate of GST to be 18%. Determine the value of taxable supply made by Sam Advertisers.

Illustrations

Answer

Particulars	₹
Service Charges	5,00,000
Payment made by NM Pvt Ltd. To vendor of Sam Advertisers [Liability of the supplier being discharged by the recipient, is includible in the value in terms of section 15(2)(b)]	20,000
Interest for delay in payment of consideration [Includible in the value in terms of section 15(2)(d) – Refer note below] (rounded off)	<u>12,712</u>
Value of taxable supply	5,32,712

Note: The interest for delay in payment of consideration will be includible in the value of supply but the time of supply of such interest will be the date when such interest is received in terms of section 13(6). Such interest has been assumed to be inclusive of GST and thus, the value has been computed by making back calculations.
[Interest/(100+ tax rate)* 100]

Value of Supply to be Determined as prescribed in Rules (Sec 15(4) and (5))

(4) Where the value of the supply of goods or services or both cannot be determined under sub-section (1), the same shall be determined in such manner as may be **prescribed**.

(5) Notwithstanding anything contained in sub-section (1) or sub-section (4), the value of such supplies as may be notified by the Government on the recommendations of the Council shall be determined in such manner as may be **prescribed**.

Note –

The government has notified vide NN 49/2023-CT dated 29-9-2023, w.e.f. 1-10-2023, the following supplies under the Sec 15(5), namely –

- i) Supply of online money gaming;
- ii) Supply of online gaming, other than online money gaming; and
- iii) Supply of actionable claims in casinos.

Value of Supply to be Determined as prescribed in Rules (Sec 15(4) and (5))

Explanation to Rule 15.—For the purposes of this Act,—

(a) persons shall be deemed to be “related persons” if—

(i) such persons are officers or directors of one another’s businesses;

(ii) such persons are legally recognised partners in business;

(iii) such persons are employer and employee;

(iv) any person directly or indirectly owns, controls or holds twenty-five per cent. or more of the outstanding voting stock or shares of both of them;

(v) one of them directly or indirectly controls the other;

(vi) both of them are directly or indirectly controlled by a third person;

(vii) together they directly or indirectly control a third person; or

(viii) they are members of the same family;

(b) the term “person” also includes legal persons;

(c) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.

Rules 27-35 of CGST Act, 2017

Act	Rule	Nature
Sec 15(4)	Rule 27	Value of supply of goods or services where the consideration is not wholly in money
	Rule 28	Value of supply of goods or services or both between distinct or related persons, other than through an agent
	Rule 29	Value of supply of goods made or received through an agent
	Rule 30	Value of supply of goods or services or both based on cost
	Rule 31	Residual method for determination of value of supply of goods or services or both
	Rule 31A	Value of supply in case of lottery, betting, gambling and horse racing
	Rule 32	Determination of value in respect of certain supplies
	Rule 32A	Value of supply in cases where Kerala Flood Cess is applicable
	Rule 33	Value of supply of services in case of pure agent
	Rule 34	Rate of exchange of currency, other than Indian rupees, for determination of value
	Rule 35	Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax

Rule 27 – Consideration is not wholly in Money

These methods are to be used in order of sequence; the one coming later in sequence is applicable only if the previous methods are not applicable.

Where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall,-

- (a) be the **open market value** of such supply (OMV);
- (b) if the open market value is not available under clause (a), be the **sum total of consideration in money** and any such further amount in money as is equivalent to the **consideration not in money**, if such amount is known at the time of supply;
- (c) if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of **like kind and quality**;
- (d) if the value is not determinable under clause (a) or clause (b) or clause (c), be the **sum total of consideration in money** and such further amount in money that is **equivalent to consideration not in money** as determined by the application of **rule 30** or **rule 31** in that order.

Illustration:

(1) Where a new phone is supplied for ₹ 20,000 along with the exchange of an old phone and if the price of the new phone without exchange is ₹ 24,000, the open market value of the new phone is ₹ 24,000.

(2) Where a laptop is supplied for ₹40,000 along with the barter of a printer that is manufactured by the recipient and the value of the printer known at the time of supply is ₹ 4,000 but the open market value of the laptop is not known, the value of the supply of the laptop is ₹ 44,000.

Rule 27 – Consideration is not wholly in Money

Explanation.-For the purposes of the provisions of this Chapter, the expressions-

(a) —**OPEN MARKET VALUE** of a supply of goods or services or both means the full value in money, **excluding** the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are **not related** and the **price is the sole consideration**, to obtain such supply at the same time when the supply being valued is made;

(b) —**SUPPLY OF GOODS OR SERVICES OR BOTH OF LIKE KIND AND QUALITY**

means any other supply of goods or services or both made under similar circumstances that, in respect of the

- characteristics,
- quality,
- quantity,
- functional components,
- materials, and
- the reputation of the goods or services or both first mentioned,

is the same as, or

closely or

substantially resembles,

that supply of goods or services or both.

Rule 28 – Between Distinct or Related Persons, other than through Agent

Rule 28(1) The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the supplier and recipient are related, other than where the supply is made through an agent, shall-

(a) be the open market value of such supply;

(b) if the open market value is not available, be the value of supply of goods or services of like kind and quality;

(c) if the value is not determinable under clause (a) or (b), be the value as determined by the application of rule 30 or rule 31, in that order:

Provided that where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to **90%** of the price charged for the supply of goods of **like kind and quality** by the recipient to his customer **not being a related person**:

Provided further that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be

Note – Since both the provisos are overlapping, therefore, in general, where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of goods or services. In such cases, invoice value shall be accepted.

Note – As per Valuation rule 32(7), the value of taxable services provided by **notified** class of service providers, without any consideration, between distinct persons is NIL, if ITC is available. (No notification has been issued till date)

Rule 28 – Between Distinct or Related Persons, other than through Agent

Rule 28(2) Notwithstanding anything contained in sub-rule (1), the value of supply of services by a supplier to a recipient who is a related person, by way of providing corporate guarantee to any banking company or financial institution on behalf of the said recipient, shall be deemed to be one per cent of the amount of such guarantee offered, or the actual consideration, whichever is higher. **[Sub-Rule (2) inserted vide NN 52/2023-CT dt. 26-10-23, w.e.f. 26-10-23]**

Note –

1. For example, where the corporate guarantee is provided by a holding company, for its subsidiary company, those two entities also fall under the category of 'related persons' and this rule 28(2) will become applicable.
2. Further, this rule will mandatorily apply on such situations, irrespective of whether full ITC is available to the recipient of service or not.
3. It is to be noted that these types of corporate guarantees happen in cases of infra projects and real estate businesses. In these businesses there is a flat rate of GST without availability of ITC. Meaning thus that this mandatory levy of GST will be a burden for such corporates.
4. Most importantly, the CBIC has issued clarification no. 204/16/2023-GST dated 27-10-2023 and stated that such levy of GST on corporate guarantee will be applicable only prospectively from 26-10-2023.
5. **Personal guarantee offered by directors** to the bank against the credit limits/loans being sanctioned to the company for which no consideration is provided to the director - Value of such services may be treated as zero and thus no GST is payable. This has been clarified by CBIC through Circular No. 204/16/2023-GST dated 27-10-2023. However, if some consideration is paid to ex-directors, then consideration given will be the value of such services.

Rule 29 – Between Distinct or Related Persons, Through Agent

The value of supply of goods between the principal and his agent shall-

(a) be the **open market value** of the goods being supplied,

or

at the option of the supplier, be 90% of the price charged for the supply of goods of **like kind and quality** by the recipient to his customer **not being a related person**, where the goods are intended for further supply by the said recipient.

Illustration: A principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a price of ₹5,000 per quintal on the day of the supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of ₹4,550 per quintal. The value of the supply made by the principal shall be ₹4,550 per quintal or where he exercises the option, the value shall be 90% of ₹5,000 i.e., ₹4,500 per quintal.

(a) where the value of a supply is not determinable under clause (a), the same shall be determined by the application of **rule 30 or rule 31 in that order.**

Rule 30 – Based on Cost and Rule 31 – Residuary Rule

Rule 30 Value of supply of goods or services or both based on cost.-

Where the value of a supply of goods or services or both is not determinable by any of the preceding rules of this Chapter, the value shall be 110% of the cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services.

Rule 31 Residual method for determination of value of supply of goods or services or both.-

Where the value of supply of goods or services or both cannot be determined under rules 27 to 30, the same shall be determined using reasonable means consistent with the principles and the general provisions of section 15 and the provisions of this Chapter:

Provided that in the case of supply of services, the supplier may opt for this rule, ignoring rule 30.

Rule 31A – Value of supply in case of lottery, betting, gambling and horse racing

(1) **Notwithstanding anything contained** in the provisions of this Chapter, the **value in respect of supplies specified below SHALL be determined** in the manner provided hereinafter.

(2) The value of supply of lottery shall be deemed to be
100/128 of the face value of ticket

OR

100/128 of the price

as notified in the Official Gazette by the Organising State, **whichever is higher.**

Explanation:– For the purposes of this sub-rule, the expression “Organising State” has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.

(3) The value of supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club **SHALL BE**

100% of the face value of the bet

OR

100% the amount paid into the totalisator. **(as the case may be)**

Rule 31A – Value of supply in case of lottery, betting, gambling and horse racing

Explanation:– For the purposes of this sub-rule, the expressions

- (a) “lottery run by State Governments” means a lottery not allowed to be sold in any State other than the organizing State;
- (b) “lottery authorised by State Governments” means a lottery which is authorised to be sold in State(s) other than the organising State also; and
- (c) “Organising State” has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.

Rule 31B – Value of supply in case of online gaming including online money gaming

Notwithstanding anything contained in this chapter, the value of supply of online gaming, including supply of actionable claims involved in online money gaming, shall be the **total amount paid or payable to or deposited with the supplier** by way of money or money's worth, including virtual digital assets, by or on behalf of the player:

Provided that any amount returned or refunded by the supplier to the player for any reasons whatsoever, including player not using the amount paid or deposited with the supplier for participating in any event, **shall not be deductible from the value of supply of online money gaming.**

Rule 31B inserted vide NN 51/2023-CT dated 29-9-2023, w.e.f. 1-10-2023.

Rule 31C – Value of supply of actionable claims in case of casino

Notwithstanding anything contained in this chapter, the value of supply of actionable claims in casino **shall be the total amount paid or payable** by or on behalf of the player for –

- (i) purchase of the tokens, chips, coins or tickets, by whatever name called, for use in casino; or
- (ii) participating in any event, including game, scheme, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required:

Provided that any amount returned or refunded by the casino to the player on return of token, coins, chips, or tickets, as the case may be, or otherwise, **shall not be deductible** from the value of the supply of actionable claims in casino.

Explanation. - For the purpose of rule 31B and rule 31C, any amount received by the player by winning any event, including game, scheme, competition or any other activity or process, which is used for playing by the said player in a further event **without withdrawing, shall not be considered** as the amount paid to or deposited with the supplier by or on behalf of the said player.

Rule 31C inserted vide NN 51/2023-CT dated 29-9-2023, w.e.f. 1-10-2023.

Rule 32 – Determination of value in respect of certain supplies (Margin Method)

Rule 32(1) Notwithstanding anything contained in the provisions of this Chapter, the value in respect of supplies specified below shall, at the option of the supplier, be determined in the manner provided hereinafter.

Name of Supplies specified –

1. Purchase or sale of foreign currency [\(Rule 32\(2\)\)](#)
2. Booking of tickets for travel by air provided by an air travel agent [\(Rule 32\(3\)\)](#)
3. Life insurance business [\(Rule 32\(4\)\)](#)
4. Person dealing in buying and selling of second hand goods [\(Rule 32\(5\)\)](#)
5. A token, or a voucher, or a coupon, or a stamp (other than postage stamp) [\(Rule 32\(6\)\)](#)

Rule 32(6) The value of a token, or a 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.

Illustration – If ₹ 1,500 worth of meal coupons are supplied by the taxable person, the value of supply of such coupons under GST law will also be ₹1,500

Rule 32(7) The value of taxable services provided by such class of service providers as may be notified by the Government, on the recommendations of the Council, as referred to in paragraph 2 of Schedule I of the said Act between distinct persons as referred to in section 25, where input tax credit is available, shall be deemed to be NIL.

Purchase or sale of foreign currency, including Money Changing (Rule 32(2))

Method 1 – Clause (a) of Rule 32(2)

S.No.	Circumstances	Value as per the rules
1.	For a currency, when exchanged from, or to, Indian Rupees,	[(Buying rate or the selling rate, as the case may be) – (The Reserve Bank of India reference rate for that currency at that time)] * (Total units of currency)
2.	In case where the Reserve Bank of India reference rate for a currency is not available	1 % of the gross amount of Indian Rupees provided or received by the person changing the money
3.	Neither of the currencies exchanged is Indian Rupees	1 % of the lesser of the two amounts the person changing the money would have received by converting any of the two currencies into Indian Rupee on that day at the reference rate provided by the Reserve Bank of India.

Provided also that a person supplying the services may exercise the option to ascertain the value in terms of clause (b) for a financial year and such option shall not be withdrawn during the remaining part of that financial year.

Purchase or sale of foreign currency, including Money Changing (Rule 32(2))

Method 2 – Clause (b) of Rule 32(2)

S.No.	Circumstances	Value as per the rules
1.	First ₹ 100,000	1% of the gross amount of currency exchanged for an amount up to one lakh rupees, subject to a minimum amount of ₹ 250
2.	Next ₹ 100,000 to ₹ 10,00,000	₹ 1,000 and 0.5% of the gross amount of currency exchanged for an amount exceeding ₹ 100,000 and up to ₹ 10,00,000; and
3.	Next ₹ 10,00,000 and above	₹ 5,500 and 0.1% of the gross amount of currency exchanged for an amount exceeding ₹ 10,00,000, subject to a maximum amount of ₹ 60,000.

Booking of tickets for travel by air provided by an air travel agent (Rule 32(3))

(3) The value of the supply of services in relation to booking of tickets for travel by air provided by an air travel agent shall be deemed to be an amount calculated at the rate of 5% of the basic fare in the case of domestic bookings, and at the rate of 10% of the basic fare in the case of international bookings of passage for travel by air.

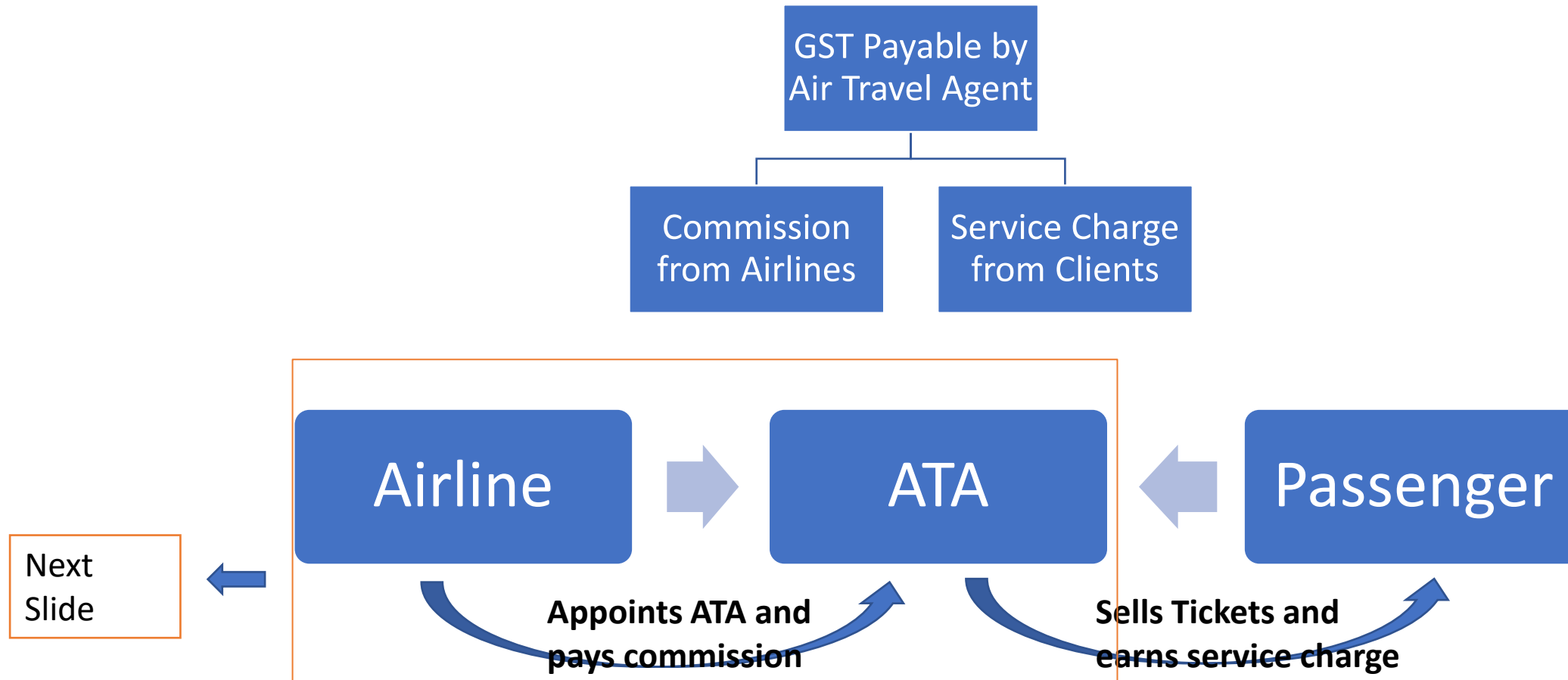
Explanation.- For the purposes of this sub-rule, the expression —basic fare means that part of the air fare on which commission is normally paid to the air travel agent by the airlines.

S.No.	Circumstances	Value as per the rules
1.	Domestic Bookings	5% of the basic fare
2.	International Bookings	10% of the basic fare

Booking of tickets for travel by air provided by an air travel agent (Rule 32(3))

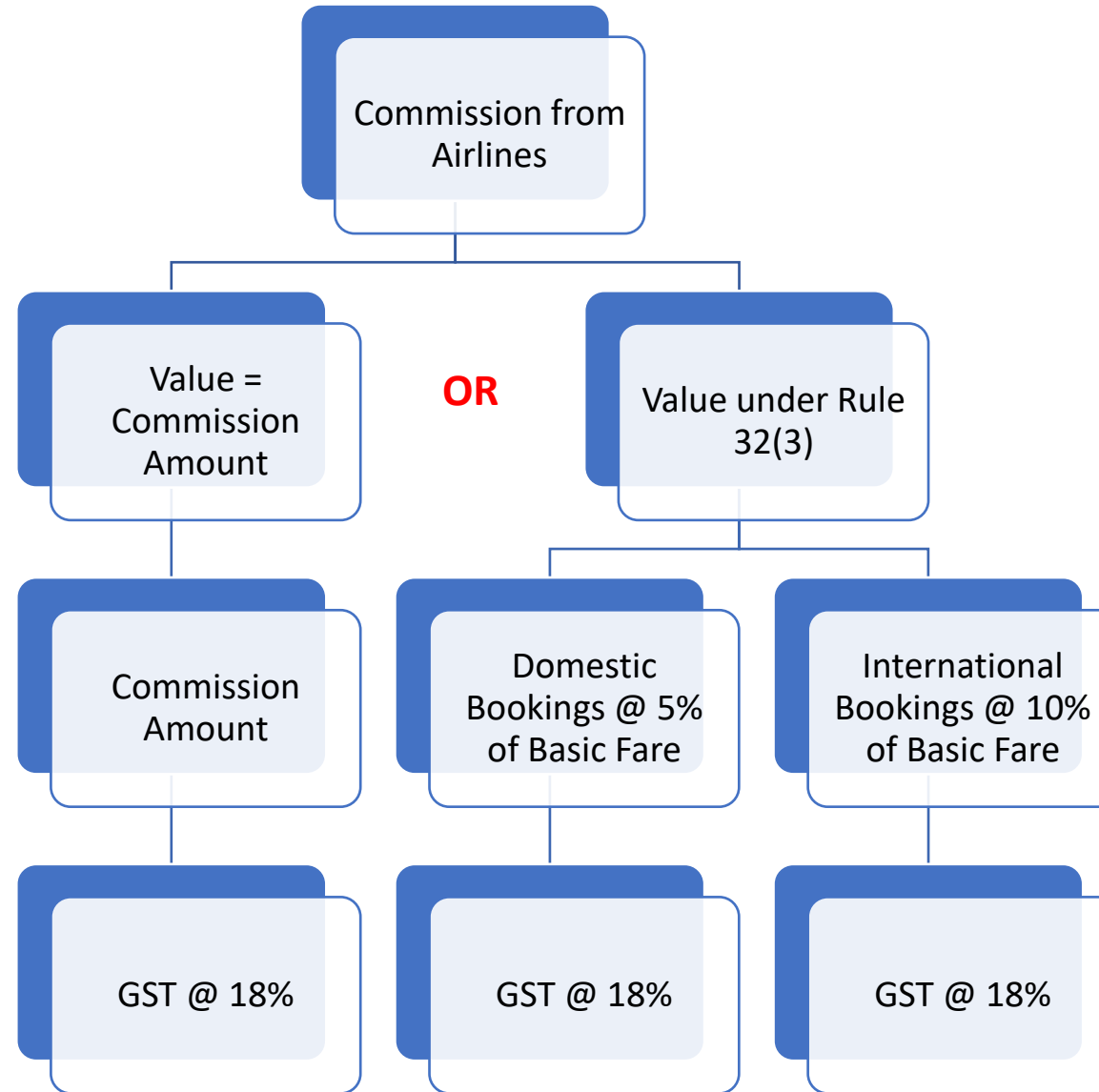
An Air Travel Agent earns two types of income:

1. Commission from the Airlines for booking of air tickets;
2. Income in the form of processing fees/ service charges / facilitation charges. etc. from the client for whom he books the tickets.



Booking of tickets for travel by air provided by an air travel agent (Rule 32(3))

Note –
ATA can select the methodology on transaction by transaction basis instead of choosing for the entire FY at the beginning of the FY



Life Insurance Business (Rule 32(4))

Primarily, there are three major kinds of life insurance products – Term insurance plans, Ulips and Endowments (including money back). The premium paid represents two portions – risk coverage and savings. GST is only on the risk portion of the premium and not on savings portion.

S. No.	Circumstances	Value of Supply
1.	(a) Amount is intimated to the policy holder at the time of supply of service;	The gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder
2.	(b) In case of single premium annuity policies other than (a),	10% of single premium charged from the policy holder;
3.	(c) in all other cases,	25% of the premium charged from the policy holder in the first year and 12.5% of the premium charged from the policy holder in subsequent years:

Person dealing in buying and selling of second hand goods (Rule 32(5))

Second hand goods i.e., used goods as such or after such minor processing which does not change the nature of the goods

When ITC is not Availed [Margin Scheme]

- Value = Selling Price – Purchase Price
- Selling Price < Purchase Price => Ignore Negative Value
- GST on second hand goods received from Unregistered supplier exempt

When ITC is availed

- Normal Valuations are per other applicable provisions

- ❖ Intra-State supplies of second hand goods by an unregistered supplier to registered second hand goods dealer exempt from CGST (**Notification No. 10/2017-CTR dt 28-6-2017**)
- ❖ Similar exemptions are also there in respective SGST Acts.
- ❖ This means that GST is exempt on second hand goods received from unregistered supplier

Person dealing in buying and selling of second hand goods (Rule 32(5))

Many a times goods taken on loan are repossessed from the defaulting borrower by the lender in the event of default in payment of the loan. The purchase value of such repossessed asset is –

If the defaulting borrower is Un-registered

- Purchase Value = Purchase price in the hands of such borrower reduced by 5% for every quarter or part thereof, between the date of purchase and the date of disposal by the person making such repossession.

If the defaulting borrower is registered

- The repossessing lender agency will discharge GST at the supply value without any reduction from actual / notional purchase value.

Illustration: Mr. A (an unregistered person in GST) takes a loan of INR 4 lakh from SBI for purchase of his new car of INR 5 lakh on 1 October 2017. Since Mr. A could not repay the loan, SBI repossessed the car on 29th September, 2019 (after 2 years) . In this case, value of the car for the purpose of rule 32 (5) at the time of repossession would be INR 3 lakh [5 lakh – 40% (i.e. 5%*8 quarters) of 5 lakh]

Notification No. 8/2018-CTR dt 25-1-2018 and Notification No. 9/2018-ITR dt 25-1-2018

S. No.	Description of Goods	Rate
1.	<p>Old and used, petrol Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven motor vehicles of engine capacity of 1200 cc or more and of length of 4000 mm or more.</p> <p>Explanation. - For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under.</p>	18%
2.	<p>Old and used, diesel driven motor vehicles of engine capacity of 1500 cc or more and of length of 4000 mm</p> <p>Explanation. - For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under.</p>	18%
3.	<p>Old and used motor vehicles of engine capacity exceeding 1500 cc, popularly known as Sports Utility Vehicles (SUVs) including utility vehicles.</p> <p>Explanation. - For the purposes of this entry, SUV includes a motor vehicle of length exceeding 4000 mm and having ground clearance of 170 mm. and above.</p>	18%
4.	All Old and used Vehicles other than those mentioned from S. No. 1 to S.No.3	12%

Explanation –For the purposes of this notification, -

- (i) in case of a registered person who has claimed depreciation under section 32 of the Income-Tax Act,1961(43 of 1961) on the said goods, the value that represents the margin of the supplier shall be the difference between the consideration received for supply of such goods and the depreciated value of such goods on the date of supply, and where the margin of such supply is negative, it shall be ignored; and
- (ii) in any other case, the value that represents the margin of supplier shall be, the difference between the selling price and the purchase price and where such margin is negative, it shall be ignored.

2. This notification shall not apply, if the supplier of such goods has availed input tax credit as defined in clause (63) of section 2 of the Central Goods and Services Tax Act, 2017, CENVAT as defined in CENVAT Credit Rules, 2004 or the input tax credit of Value Added Tax or any other taxes paid, on such goods.

Value of supply of services in case of pure agent (Rule 33)

Rule 33 - Notwithstanding anything contained in the provisions of this Chapter, the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied, namely,-

- (i) the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;
- (ii) the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and
- (iii) the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.

Explanation.- For the purposes of this rule, the expression “pure agent” means a person who-

- (a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;
- (b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;
- (c) does not use for his own interest such goods or services so procured; and
- (d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.

Value of supply of services in case of pure agent (Rule 33)

Illustration.- Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to the Registrar of Companies. The fees charged by the Registrar of Companies for the registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment of those fees. Therefore, A's recovery of such expenses is a disbursement and not part of the value of supply made by A to B.

Suppose a customs broker issues an invoice for reimbursement of a few expenses and for consideration towards agency service rendered to an importer. The amounts charged by the customs broker are as below :

S. No.	Component charged in invoice	Amount
1.	Agency Income	₹ 10,000/-
2.	Travelling expenses, Hotel Expenses	₹ 15,000/-
3.	Custom Duty	₹ 55,000/-
4.	Docks dues	₹ 5,000/-

In the above situation, agency income and travelling / hotel expenses shall be added for determining the value of supply by the customs broker whereas docks dues and the customs duty shall not be added to the value, provided the conditions of pure agents are satisfied.

Value of supply of services in case of pure agent (Rule 33)

Circular No. 115/34/2019 – GST dt 11th Oct, 2019

Clarification on issue of GST on Airport levies

- Passenger Service Fee (PSF) is charged under rule 88 of Aircraft Rules, 1937 according to which the **airport licensee** may **collect PSF from embarking passengers** at such rates as specified by the Central Government.
- User Development Fee (UDF) is levied under rule 89 of the Aircraft rules 1937 which provides that the **licensee may levy and collect, at a major airport**, the User Development Fee at such rate as may be determined under clause (b) of sub-section (1) of section 13 of the Airports Economic Regulatory Authority of India Act, 2008. The authority which manages the airport is eligible to levy and charge UDF **from the embarking passengers** at any airport.
- Further, Director General of Civil Aviation has clarified that in order to avoid inconvenience to passengers and for smooth and orderly air transport/airport operations, the User Development Fees (UDF) shall be collected from the passengers by the airlines **at the time of issue of air ticket** and the same shall be remitted to Airports Authority of India in the line system/procedure in vogue.
- For this, collection charges of Rs. 5/- shall be receivable by the airlines from AAI, which shall not to be passed on to the passengers in any manner. The above facts clearly indicate that PSF and UDF are charged by airport operators for providing the services to passengers.

Value of supply of services in case of pure agent (Rule 33)

Circular No. 115/34/2019 – GST dt 11th Oct, 2019

Clarification on issue of GST on Airport levies

- Section 2(31) of the CGST Act states that “consideration” in relation to the supply of goods or services or both includes any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person. Thus, PSF and UDF charged by airport operators are consideration for providing services to passengers.
- Thus, services provided by an airport operator to passengers against consideration in the form of **UDF and PSF are liable to GST.**
- PSF and UDF being charges levied by airport operator for services provided to passengers, are collected by the airlines as an agent and is not a consideration for any service provided by the airlines. Thus, airline is not responsible for payment of ST/GST on UDF or PSF provided the airline satisfies the conditions prescribed for a pure agent under Rule 33 of the CGST Rules. It is the licensee, that is the airport operator (AAI, DIAL, MIAL etc) which is liable to pay ST/GST on UDF and PSF.
- Accordingly, the airline acting as pure agent of the passenger should separately indicate actual amount of PSF and UDF and GST payable on such PSF and UDF by the airport licensee, in the invoice issued by airlines to its passengers. The airline would only recover the actual PSF and UDF and GST payable on such PSF and UDF by the airport operator. The amount so recovered will be excluded from the value of supplies made by the airline to its passengers. In other words, the airline shall not be liable to pay GST on the PSF and UDF, provided the airline satisfies the conditions prescribed for a pure agent under Rule 33 of the CGST Rules.
- The registered passengers, who are the ultimate recipient of the airport services, may take ITC of GST paid on PSF and UDF on the basis of pure agent’s invoice issued by the airline to them.

Clarification on issue of GST on Airport levies

- The airport operators shall pay GST on the PSF and UDF collected by them from the passengers through the airlines. Since, the airport operators are collecting PSF and UDF inclusive of ST/GST, there is no question of their not paying ST/GST collected by them to the Government.
- The collection charges (Rs. 5) paid by airport operator to airlines are a consideration for the services provided by the airlines to the airport operator (AAI, DAIL, MAIL etc) and airlines shall be liable to pay GST on the same under forward charge. ITC of the same will be available with the airport operator.

Value of supply of services in case of pure agent (Rule 33)

Circular No. 206/18/2023-GST dated 31-10-2023

Electricity Charges collected as a reimbursement

The CBIC has clarified through Circular No. 206/18/2023-GST dated 31-10-2023 that where the electricity is supplied by the Real Estate Owners, Resident Welfare Associations (RWAs), Real Estate Developers etc., as a pure agent, it will not form part of value of their supply. Further, where they charge for electricity on actual basis that is, they charge the same amount for electricity from their lessees or occupants as charged by the State Electricity Boards or DISCOMs from them, they will be deemed to be acting as pure agent for this supply.

However, it has also been clarified that whenever electricity is being supplied bundled with renting of immovable property and/or maintenance of premises, as the case may be, by real estate companies, malls, airport operators, it forms a part of composite supply and shall be taxed accordingly.

The principal supply is renting of immovable property and/or maintenance of premise, as the case may be, and the supply of electricity is an ancillary supply as the case may be. Even if electricity is billed separately, the supplies will constitute a composite supply and therefore, the rate of the principal supply i.e., GST rate on renting of immovable property and/or maintenance of premise, as the case may be, would be applicable.

The second part of the clarification regarding collection of electricity charges by real estate companies, malls, airport operators etc. is going against the interest of the taxpayer and as per section 168(1), circulars are not binding on the taxpayer. So, in the considered opinion of the writer, the taxpayer can apply the concept of pure-agent making proper agreement to the effect and following all the conditions prescribed in CGST Act and rules thereof.

Rate of exchange of currency, Other than Indian rupees (Rule 34) Value of supply inclusive of IGST, CGST, SGST, UTGST (Rule 35)

Rule 34 - Rate of exchange of currency, other than Indian rupees, for determination of value

- (1) The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act.
- (2) The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange determined as per the generally accepted accounting principles for the date of time of supply of such services in terms of section 13 of the Act.]

Rule 35 - Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax

Where the value of supply is inclusive of integrated tax or, as the case may be, central tax, State tax, Union territory tax, the tax amount shall be determined in the following manner, namely,-

Tax amount = (Value inclusive of taxes X tax rate in % of IGST or, as the case may be, CGST, SGST or UTGST) ÷ (100+ sum of tax rates, as applicable, in %)