**Valuation Issues**

1. Where a new phone is supplied for Rs.20000 along with the exchange of an old phone and if the price of the new phone without exchange is Rs.24000, the open market value of the new phone is Rs \_\_\_\_\_\_\_\_.

1. Where a laptop is supplied for Rs.40000 along with a barter of printer that is manufactured by the recipient and the value of the printer known at the time of supply is Rs.4000 but the open market value of the laptop is not known, the value of the supply of laptop is Rs \_\_\_\_\_\_.
2. Where 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 Rs.5000 per quintal on the day of supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of Rs.4550 per quintal. What is value of Supply?
3. Is there any specific valuation mechanism provided for composite supplies and mixed supplies?
4. Are the valuation provisions similar for both inter-State and intra-State supplies?
5. Will the valuation rules provided in Section 15 apply to IGST payable on import of goods?
6. Is reference to Valuation Rules required in all cases?
7. Will the flight tickets booked by client for travel of Chartered Accountants to facilitate an outstation audit be liable to GST, even if the engagement contract provides that any travel expenses incurred by the supplier in this behalf will be reimbursable to the chartered accountants?

1. Can the transaction value be questioned if supplier and recipient’s relationship come into existence after entering into a contract/arrangement to supply goods or services?
2. Will the Customs duty paid by Customs House Agent on behalf of the client also be required to be included in the transaction value?
3. Ms. Babita purchases a Samsung television set costing Rs. 85,000 from M/s. Gada Electronics, in exchange of her existing TV set. After an hour of bargaining, the shop manager agrees to accept Rs.78,000 instead of his quote of Rs.81,000, as he would still be in a profitable position (the old TV can be sold for Rs.8,000).
4. Mr. Bahubali located in Gujarat purchases 10,000 Hero ink pens worth Rs.4,00,000 from Katappa Wholesalers located in Chennai. Mr. Bahubali’s wife (Devsena) is an employee in Katappa Wholesalers. The price of each Hero pen in the open market is Rs.52. The supplier additionally charges Rs.5,000 for delivering the goods to the recipient’s place of business.
5. Valmonte Textiles is a registered person in Mumbai. A particular variety of clothing has been categorised as non-moving stock, costing Rs.5,00,000. None of the customers were willing to buy these clothes in spite of giving big discounts on them, for the reason that the design was too experimental. After months, Valmonte Textiles was able to sell this stock on an online website to another retailer located in Meghalaya for Rs.2,50,000, on the condition that the retailer would put up a poster of ValmonteTextiles in all their retail outlets in the State.
6. M/s. Monalisa Painters owned by Jethalal is popularly known for painting the interiors of banquet halls. M/s. Starry Night Painters (also owned by Jethalal) is engaged in painting machinery equipment. A factory contracts M/s. Monalisa Painters for painting its machinery to keep it from corrosion, for a fee of Rs.1,50,000. M/s. Monalisa Painters sub-contracts the work to M/s. Starry Night Painters for Rs.1,00,000, and ensures supervision of the work performed by them. Generally, M/s/ Starry Night Painters charges a fixed sum of Rs.1,000 per hour to its clients; it spends 120 hours on this project.
7. Prestige Appliances Ltd. (Bangalore) has 10 agents located across the State of Karnataka (except Bangalore). The stock of chimneys is dispatched on Just-In-Time basis from Prestige Appliances Ltd. to the locations of the agents, based on receipt of orders from various dealers, on a weekly basis. Prestige Appliances Ltd. is also engaged in the wholesale supply of chimneys in Bangalore. An agent places an order for dispatch of 30 chimneys on 22-Sep-2017. Prestige had sold 30 chimneys to a retailer in Bangalore on 18-Sep-2017 for Rs. 2,80,000. The agent effects the sale of the 30 units to a dealer who would effect the sales on MRP basis (i.e., @ Rs.10,000/unit).
8. Mr. & Ms. Mehta purchase 10 gift vouchers for Rs. 500 each from Crossword, and 5 vouchers from Four Fountains Spa costing Rs. 1,000 each, and gives them as return gifts to children and their parents for their son’s birthday party. The vouchers from Four Fountains Spa had a special offer for couples – services for both persons at the price chargeable to one.