

GIB/RJ/Sanjog Steels/02.11.2018/AAR-323

Advance Ruling Category : Place of Supply

State : Rajasthan

Order No.: GIB/RJ/Sanjog Steels/02.11.2018/AAR-323

Name of Entry :
Sanjog Steels Private Limited

Date : 02-11-2018

Breif Issue :

Facts & Issue of the Ruling

The applicant “Sanjog Steels Pvt. Ltd” is engaged in the manufacturing of TMT Steel Bars (HSN 7214) at Rajasthan. The Applicant is manufacturing TMT Steel Bars in its own brand name namely “Sanjog Sona TMT” 85 “Jindal TMT” (under license from Jindal Rolling Mills Ltd.) and is supplying it directly to the Customers which are registered. Apart from it the Applicant is also manufacturing TMT Steel Bars under the brand name of “Rathi Powertech” and for the sale of the said goods, the sale procedure due to business reasons are as follows:-

- The Applicant would be selling the manufactured goods under the Brand name Rathi Powertech to M/s. RSE. M/s. RSE would be selling the said goods after adding its margin of about Rs. 50 per metric tonne to M/s. Goyal Alloys Pvt. Ltd., M/s. Goyal will be selling the said products to various customers (hereinafter referred to as “M/s X”) as per the demand of market.
- The manufactured goods would be directly dispatched from the Applicant to M/s X and the E-Way Bill would be prepared on a “Bill to Ship to” model as per the provisions of Section 10(1)(b) of the IGST Act, 2017.

With the above background, the applicant raised the following query:

1. Whether the supply from M/s. SSPL to M/s. X on a “Bill to Ship to” mode as per provisions of Section 10(1)(b) of IGST Act, 2017 is permissible?
2. Whether as per the press note dated 23.04.2018 issued in relation to the transactions of supply u/s. 10(1)(b) of the IGST Act, 2017 the use of E-way bill in the aforesaid facts in the column of “ship to” of ultimate customer M/s. X is permissible ?
3. Whether in the aforesaid facts the provisions of Section 15 of the CGST Act, 2017 read with Rule 28 of CGST Rules, 2017 and in particular the second proviso to Rule 28 would apply for the value of supply for the transactions between M/s. SSPL and M/s. RSE and thereafter M/s.

RSE and M/s. Goyal as all are registered persons and the transactions are business to business transactions with availability of full Input Tax Credit?

4. Whether the transactions between M/s. Goyal and the ultimate customer M/s. X would be covered by the provisions of Section 15 for the value of taxable supply as they are not related persons?

Decision of Advance Ruling Authority :

Decision

1. The supply from M/s. SSPL to M/s. X on a 'Bill to Ship to' mode as per **provisions of Section 10(1) (b) of IGST Act, 2017 is permissible.**
2. The applicant can issue an e-way bill in which the 'bill to' will be mentioned in the name of M/s RSE/RPG whereas 'ship to' would be in the name of final customer i.e. M/s X.
3. In the aforesaid facts the provisions of Section 15 of the CGST Act, 2017 read with Rule 28 of CGST Rules, 2017 and in particular the second proviso to Rule 28 would apply for the value of supply for the transactions between M/s. SSPL and M/s. RSE with availability of full Input Tax Credit.
4. The transactions between M/s Goyal and M/s X (the ultimate customer) would be covered under the provisions of Section 15 as both are unrelated persons, (as declared in submissions by the applicant).