

M/s Sanjog Steels Pvt. Ltd.

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2018-19/25 dated 02.11.2018

Q Questions Before the Authority

- 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?
- 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?
- 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?
- 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?

F Facts

The applicant manufactures TMT steel bars and sells them under brand names licensed from M/s. RSE and M/s. RPG. The business model involves a Bill to Ship to arrangement where the applicant sells to M/s. RSE, who sells to M/s. Goyal, who then sells to the ultimate customer M/s. X. The goods are dispatched directly from the applicant to the ultimate customer M/s. X.

H Ruling

Bill to Ship to model	Permissible	Under Section 10(1)(b) of the IGST Act
E-way bill generation	Permissible	Bill to M/s. RSE/RPG and Ship to M/s. X
Valuation (SSPL to RSE)	Section 15 read with Rule 28	Second proviso to Rule 28 applies
Valuation (Goyal to X)	Section 15	As they are unrelated persons

The authority ruled that the Bill to Ship to model is permissible under Section 10(1)(b) of the IGST Act. It confirmed that the applicant can issue an e-way bill mentioning M/s. RSE/RPG in the bill to column and M/s. X in the ship to column. It further held that the valuation of supply between the applicant and M/s. RSE is governed by Section 15 read with the second proviso to Rule 28 of the CGST Rules, and that transactions between M/s. Goyal and M/s. X are covered by Section 15.

R Reasoning

The authority relied on Section 10(1)(b) of the IGST Act, which allows for the delivery of goods to a third person on the direction of a recipient. It noted that this provision does not limit the number of parties involved in the transaction chain. Regarding valuation, it applied Section 15 of the CGST Act and the second proviso to Rule 28 of the CGST Rules, as the recipient is eligible for full input tax credit. It concluded that the transaction value is the appropriate basis for valuation between related parties in this context.

P Provisions Relied On

Section 10(1)(b) of the IGST Act, 2017

Section 15 of the CGST Act, 2017

Rule 28 of the CGST Rules, 2017

! For the Practitioner

This ruling provides **clarity on the operational mechanics** of Bill to Ship to transactions involving multiple parties and the associated e-way bill requirements. It confirms that the **second proviso to Rule 28** is applicable for valuation when the recipient is eligible for full input tax credit. Practitioners can use this to structure multi-party supply chains involving brand licensing and direct dispatch.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [raj.25.2018-19_snajog_steels_pl.pdf](#)

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