THE WEST BENGAL AUTHORITY FOR ADVANCE RULING

GOODS AND SERVICES TAX

14, Beliaghata Road, Kolkata – 700015

(Constituted under Section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Yogesh Sugdeo Chitte
Joint Commissioner, CGST & CX

Jaydip Kumar Chakrabarti
Additional Commissioner, SGST

Preamble

a) A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called 'the GST Act'), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

b) Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed thereunder, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	**Wood India Engineering & Projects Private Limited**
Address	15th and 16th Floor, Block C, AF/1/3, DLF IT Park 1, 8 Major Arterial Road, Action Area 1A, New Town, North 24 Parganas, West Bengal-700156
GSTIN	19AAACF3204C3Z8
Case Number	WBAAR 05 of 2026-27
ARN	AD1905260090828
Date of application	May 21, 2026
Jurisdictional authority (State)	Salt Lake Charge
Jurisdictional authority (Centre)	Bidhannagar Division, Kolkata North Commissionerate
Order number and date	12/WBAAR/2026-27 Dated 09.09.2026
Applicant's representative heard	Mr. Sivarajan Kalyanaraman Mr. Sandeep Kumar S.

1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like manner except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the above, for the purposes of these proceedings, the expression "GST Act" means both the CGST Act and the WBGST Act.

1.2 The Applicant is part of John Wood Group Limited and is directly held by Wood International Limited, England & Wales (85.53%), which is the ultimate holding company of the group. As part of the group companies' activities, a single company incurs certain Information Technology (IT)- related costs at the group level on behalf of other companies in the group, which are proposed to be charged to the group companies on a cost-to-cost basis. The IT fees incurred by the group companies for software and IT infrastructure expenses, maintained globally by the single group company, are incurred for the benefit of all companies in the group. To ensure the relevant IT cost is allocated to all group companies using the IT infrastructure, the centrally incurred cost will be charged to the group companies on a cost-to-cost basis. Similarly, M/s Wood Group UK Limited, United Kingdom, charges the IT fee to the Applicant on a cost-to-cost basis by raising debit notes.

1.3 The applicant has made this application under sub-section (1) of section 97 of the GST Act and the rules made thereunder, seeking an advance ruling in respect of the following question:

> Whether the value mentioned in the self-invoice raised by the Applicant can be deemed as open market value as per the Circular No. 210/4/2024-GST dated 26th June 2024 for the payment of GST under Reverse Charge?

1.4 The aforesaid question on which the advance ruling is sought is found to be covered under clause (c) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the question raised in the application has neither been decided by nor is pending before any authority under any provision of the GST Act.

1.6 The officer concerned from the Revenue has raised no objection to the admission of the application.

1.7 The application is, therefore, admitted.

2. Submission of the Applicant

2.1 The Applicant submits that it is a company incorporated under the provisions of the Companies Act, 1956 and is engaged in the business of rendering engineering design, drawing, procurement and construction management services to group companies as well as third parties. The Applicant renders such services to group companies located in India and outside India, including entities situated in the United Kingdom, Singapore, Spain, USA and Canada. The Applicant is registered under the GST regime in the State of West Bengal.

2.2 The Applicant submits that it forms part of the John Wood Group Limited and is directly held by Wood International Limited, England and Wales (85.53%), which is itself held by Wood Group Limited, Scotland, being the ultimate holding company of the group. As part of the activities of the group, certain Information Technology-related costs are incurred centrally at the group level for the benefit of various companies forming part of the group. These costs primarily relate to software, Information Technology infrastructure and other IT support services maintained and operated globally by the group. The Applicant states that such costs are allocated among the group companies that utilise the relevant IT infrastructure and services, and the corresponding costs are thereafter charged to the respective group companies on a cost-to-cost basis.

2.3 The Applicant further submits that the Information Technology infrastructure and software facilities are maintained globally by the group company and are utilised by the various entities of the group. The expenditure incurred centrally towards such IT infrastructure and software is accordingly allocated to the group companies benefiting from such facilities. In the case of the Applicant, M/s Wood Group UK Limited, United Kingdom, charges the relevant IT fee to the Applicant by raising debit notes on a cost-to-cost basis. The Applicant treats the IT support services received from Wood Group UK Limited as an import of services for GST purposes.

2.4 The Applicant submits that, since the services are received from Wood Group UK Limited, United Kingdom, which is situated outside India, and the Applicant is located in India, the services received by the Applicant constitute an import of services. The Applicant is therefore liable to discharge Integrated Goods and Services Tax on such imported services under the Reverse Charge Mechanism. For this purpose, the Applicant issues a self-invoice in accordance with Section 31(3)(f) of the CGST Act and discharges

the applicable IGST liability under the Reverse Charge Mechanism. The Applicant thereafter avails the corresponding input tax credit in accordance with the provisions of the GST law. The Applicant also submits that, being engaged in export of services, it claims refund of unutilised input tax credit, wherever eligible.

2.5 The Applicant submits that Wood Group UK Limited and the Applicant are related persons for the purposes of GST valuation. Accordingly, the valuation of the services supplied by Wood Group UK Limited to the Applicant is governed by the provisions of Rule 28 of the CGST Rules, 2017. The Applicant relies particularly upon the second proviso to Rule 28(1), which provides that 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 the goods or services. The Applicant submits that in the present case it is eligible for full input tax credit in respect of the IGST paid under the Reverse Charge Mechanism and, consequently, the deeming provision contained in the second proviso to Rule 28(1) is applicable.

2.6 The Applicant submits that the second proviso to Rule 28(1) is not merely a restrictive proviso but operates as a substantive valuation mechanism in the circumstances specifically contemplated therein. According to the Applicant, once the conditions prescribed in the proviso are satisfied, namely, that the recipient is eligible for full input tax credit and a value has been declared in the invoice, the value so declared is required to be treated as the open market value for GST purposes. The Applicant therefore submits that the statutory deeming fiction must be given its full effect and cannot be treated as redundant or merely directory.

2.7 The Applicant further submits that it is statutorily required to issue a self-invoice under Section 31(3)(f) of the CGST Act in respect of the import of services on which tax is payable under Reverse Charge Mechanism. According to the Applicant, the reference to "invoice" in the second proviso to Rule 28(1) is therefore required to be understood with reference to the self-invoice issued by the recipient and not merely with reference to the commercial debit note or invoice issued by Wood Group UK Limited. The Applicant submits that the self-invoice constitutes the relevant statutory document on the basis of which the Applicant discharges GST liability under the Reverse Charge Mechanism. Accordingly, the value declared in such self-invoice is required to be regarded as the deemed open market value in terms of the second proviso to Rule 28(1).

2.8 The Applicant submits that the CBIC has also issued Circular No. 199/11/2023-GST dated 17.07.2023 dealing with valuation of internally generated services between the Head Office and Branch Office where full input tax credit is not available. The Applicant relies

upon the valuation principle contained therein and submits that the same principle has subsequently been extended and clarified in Circular No. 210/4/2024-GST dated 26.06.2024 in relation to import of services from related persons where the recipient is eligible for full input tax credit. According to the Applicant, the said circular clarifies that where a foreign entity provides services to its related domestic entity and full input tax credit is available to the domestic recipient, the value of such services declared in the invoice by the related domestic entity may be deemed to be the open market value in terms of the second proviso to Rule 28(1) of the CGST Rules.

2.9 The Applicant further submits that Circular No. 210/4/2024-GST specifically recognises the position that, in cases where the foreign affiliate provides services to a related domestic entity and full input tax credit is available to the recipient, the value of the services declared in the invoice by the related domestic entity may be deemed to be the open market value under the second proviso to Rule 28(1). The Applicant also submits that where full input tax credit is available and the related domestic entity does not issue an invoice in respect of the services received, the value of such services may be declared as Nil and such Nil value may be deemed to be the open market value in terms of the second proviso to Rule 28(1).

2.10 The Applicant submits that the aforesaid clarification is equally applicable to import of services between related persons and is not restricted merely to supplies between distinct persons or to internally generated services. The Applicant relies upon the clarification contained in Circular No. 210/4/2024-GST and submits that the underlying principle is that where the recipient is entitled to full input tax credit, the valuation mechanism under the second proviso to Rule 28(1) applies and the value declared in the self-invoice may be treated as the deemed open market value. The Applicant further submits that the relevant circulars issued by the CBIC are binding upon the departmental authorities so long as they remain in force.

2.11 The Applicant further relies upon various judicial pronouncements in support of its interpretation of the valuation mechanism. The Applicant has referred to the decisions in Metal One Corporation India Pvt. Ltd. v. Union of India [(2024) 24 Centax 13 (Del.)], Thales India Pvt. Ltd. v. ACCGST [2025 (2) TMI 245 - Delhi High Court], Alstom Transport India Ltd. v. CCT [(2025) 34 Centax 119 (Kar.)], Kei Industries Ltd. v. Union of India [(2025) 30 Centax 499 (Del.)], Huawei Technologies India Pvt. Ltd. v. State of Karnataka [(2026) 39 Centax 336 (Kar.)] and Amman Try Trading Company Pvt. Ltd. v. STO [(2025) 36 Centax 146 (Mad.)]. The Applicant submits that the aforesaid judicial decisions support the proposition that, where the statutory deeming provision under Rule 28 applies, the value

declared by the recipient in the self-invoice can constitute the deemed open market value for GST purposes.

2.12 The Applicant submits that the difference between the value declared in its self-invoice and the actual amount charged by Wood Group UK Limited arises because different cost allocation methodologies are being followed by the Applicant and Wood Group UK Limited. During the year 2023, Wood Group UK Limited allocated the relevant group IT costs on the basis of employee headcount. However, from the year 2024 onwards, Wood Group UK Limited changed the methodology and began allocating the relevant IT costs on the basis of employee IT usage for the concerned IT infrastructure and services. As a consequence of this change, the IT charges allocated to the Applicant by Wood Group UK Limited increased as compared with the earlier headcount-based methodology.

2.13 The Applicant submits that notwithstanding the change in methodology adopted by Wood Group UK Limited, the Applicant proposes to continue determining the value for the purpose of its self-invoice on the basis of the headcount-based allocation methodology. Consequently, the value declared by the Applicant in the self-invoice may differ from the amount reflected in the debit note or commercial invoice issued by Wood Group UK Limited under its revised usage-based allocation methodology. The Applicant clarifies that the difference does not arise on account of any dispute regarding the underlying IT services received by it but solely on account of the difference in the methodology adopted for allocation of the common group IT costs. The relevant debit notes issued by Wood Group UK Limited and the corresponding self-invoices issued by the Applicant have also been enclosed for consideration.

2.14 The Applicant submits that the commercial value reflected in the debit note or invoice issued by Wood Group UK Limited and the statutory value declared in the self-invoice serve different purposes. The commercial debit note reflects the allocation of the group IT costs by Wood Group UK Limited for commercial and accounting purposes, whereas the self-invoice issued by the Applicant reflects the value adopted by the Applicant for the purpose of discharge of GST liability under the Reverse Charge Mechanism. Therefore, according to the Applicant, there is no statutory requirement that the value declared in the self-invoice must necessarily correspond exactly with the amount appearing in the commercial debit note raised by Wood Group UK Limited.

2.15 The Applicant further submits that the relevant test for application of the second proviso to Rule 28(1) is not whether the value declared in the self-invoice corresponds with the commercial amount charged by Wood Group UK Limited, but whether the Applicant is eligible for full input tax credit and has declared a value in the self-invoice. Since,

according to the Applicant, both the conditions are satisfied in the present case, the value declared in the self-invoice is required to be treated as the deemed open market value for GST purposes.

2.16 The Applicant submits that the availability of full input tax credit makes the transaction revenue neutral. The Applicant is liable to discharge IGST under Reverse Charge Mechanism on the imported IT support services and, upon payment of such tax, is entitled to avail the corresponding input tax credit under Section 16 of the CGST Act. The Applicant therefore submits that where the tax paid under Reverse Charge Mechanism is fully available as input tax credit, there is no loss of revenue to the exchequer on account of adoption of the value declared in the self-invoice. The Applicant accordingly submits that the valuation relaxation contemplated under the second proviso to Rule 28(1) is intended precisely to address such revenue-neutral situations.

2.17 The Applicant further submits that the valuation principle contained in the second proviso to Rule 28(1) is based upon a deeming fiction and not upon determination of the actual commercial value of the services in every individual case. Therefore, once the Applicant is eligible for full input tax credit and has declared a value in the self-invoice, the declared value is required to be treated as the open market value for GST purposes, irrespective of the value mentioned in the commercial debit note issued by Wood Group UK Limited.

2.18 The Applicant also submits that the principle of adopting a value different from the actual commercial value is not unknown to the indirect tax regime. The Applicant has referred to the erstwhile Central Excise regime and submitted that there were instances where different values were adopted or deemed for the purpose of payment of duty and the value appearing in the statutory excise invoice could differ from the commercial invoice value. According to the Applicant, this historical position further supports the proposition that the statutory valuation mechanism and the commercial accounting value may operate independently where the applicable law specifically provides a deeming mechanism.

2.19 The Applicant submits that the aforesaid legal position is further supported by the judicial pronouncements referred to in its submissions, wherein the Courts have considered the effect of the deeming valuation mechanism in situations involving full input tax credit. The Applicant particularly relies upon the decision of the Hon'ble Delhi High Court referred to in its submissions and submits that the Court has recognised that the value declared in the self-invoice may be treated as the deemed open market value in accordance with the express terms of the relevant circular and Rule 28. The Applicant therefore submits that the valuation mechanism cannot be defeated merely because the

value declared in the self-invoice is not identical to the actual commercial value reflected in the foreign affiliate's debit note.

2.20 The Applicant submits that since the cost allocation transaction with Wood Group UK Limited is an ongoing transaction, a clear determination by the Hon'ble Authority is required regarding the value to be adopted for GST purposes in respect of the imported IT support services. The Applicant therefore seeks a ruling that the value declared by it in the self-invoice issued under Section 31(3)(f) of the CGST Act may be adopted as the value for discharge of GST liability under Reverse Charge Mechanism, even where such value differs from the actual amount allocated or charged by Wood Group UK Limited in its commercial debit note.

2.21 The Applicant, therefore, respectfully submits that, having regard to the provisions of Section 31(3)(f) of the CGST Act, Rule 28(1) of the CGST Rules, particularly the second proviso thereto, the CBIC Circulars referred to above and the judicial pronouncements relied upon, the value declared in the self-invoice by the Applicant is liable to be treated as the deemed open market value for the purpose of determining the taxable value of the imported IT support services. The Applicant accordingly prays that the said value be accepted for the purpose of discharging GST liability under Reverse Charge Mechanism, notwithstanding the difference between such value and the commercial amount charged by Wood Group UK Limited.

3. Submission of the Revenue

3.1 The concerned officer from the Revenue submits that the Applicant is engaged in rendering Engineering Design, Drawing, Procurement and Construction Management services to its group companies located abroad as well as to third parties in India. The Applicant is a part of the John Wood Group and receives certain IT-related services from its related foreign entity, M/s. Wood Group UK Limited, United Kingdom. The said IT-related costs, comprising software and IT infrastructure costs maintained globally, are incurred centrally by the group company and are cross-charged to the Applicant and other group companies on a pure cost-to-cost basis without any markup or profit element. The Applicant discharges GST under the Reverse Charge Mechanism in respect of such import of services by issuing self-invoices and claims full Input Tax Credit of the tax so paid.

3.2 The Revenue submits that import of services for consideration constitutes a supply in terms of Section 7(1)(b) of the CGST Act, 2017 and the liability in respect thereof is

required to be discharged by the recipient under the Reverse Charge Mechanism in terms of Section 5(3) of the IGST Act, 2017 read with Notification No. 10/2017-Integrated Tax (Rate) dated 28.06.2017. With regard to valuation, the Revenue submits that the Applicant and the foreign group entity being related persons, Rule 28 of the CGST Rules, 2017 is applicable. However, in terms of the second proviso to Rule 28(1), where the recipient is eligible for full Input Tax Credit, the value declared in the invoice may be deemed to be the open market value of the goods or services. The Revenue further relies upon Circular No. 210/4/2024-GST dated 26.06.2024, which clarifies that the principle contained in Circular No. 199/11/2023-GST is equally applicable to the import of services from foreign related entities. Accordingly, the Revenue submits that the value declared by the Applicant in the self-invoice may be accepted as the deemed open market value for discharging GST liability under RCM, subject to verification that the Applicant is eligible for full Input Tax Credit of the tax paid under RCM.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorized representatives of the applicant during personal hearing. We have also considered the submission made by the concerned revenue officer.

4.2 As per the facts submitted before us, the applicant is in the business of rendering engineering design, drawing, procurement and construction management services to group companies located in the United Kingdom (UK0, Italy, Spain, the United States of America (USA) and Canada. The applicant also provides such services to third parties other than group companies in India. The applicant is part of John Wood Group Limited and is directly held up by Wood International Limited of England & Wales (85.53%), with John Wood Group Limited, Scotland being the ultimate holding company of the group. It is submitted that as a part of the group company's activities, there are certain Information Technology (in short, IT) related costs which are incurred by a single company at the group level for and on behalf of other companies in the group and the same is cross-charged to all other all other group companies on a cost-to-cost basis.

IT fees incurred by the group companies on the software and IT infrastructure expense, is maintained globally by the single group company and all the companies in the group are being benefitted. In order to ensure that the relevant cost is allocated to all the group companies where the IT infrastructure is being used. The cost incurred centrally is charged to all the companies on cost-to-cost basis. Here in the applicant’s case M/S Wood Group UK Limited, United Kingdom charges IT fee on cost-to-cost basis by raising debit

notes on the applicant. The applicant discharges his tax liability under Reverse Charge by issuing self invoice.

4.3 Under these circumstances, the applicant has placed the following question before this authority:
Question: Whether the value mentioned in the self-invoice raised by the applicant can be deemed as open market value as per Circular No. 210/4/2024 – GST dated 26.06.2024 for the payment of GST under reverse charge?

4.4 The applicant submits that as per the meaning of supply under Section 7 of the CGST Act, 2017 import of services for a consideration whether or not in the course or furtherance of business is included in the concept of supply. According to him, his case fits into the meaning of import of services under Section 2(11) of the IGST Act, 2017 since here the supplier of services is located outside India and the applicant is located in the state of West Bengal.

The applicant states that as per Notification No. 10/2017 – Integrated Tax (Rate) dated 28.06.2017, where any person located in a non-taxable territory provides any service to a person located in the taxable territory (other than a non-taxable online recipient), the recipient is liable to pay GST under the reverse charge mechanism. This is clearly applicable in the case of the applicant.

The applicant believes that in his case, he himself and M/s Wood Group UK Limited are both ultimately held by M/s John Wood Group Limited, Scotland, which is the common holding company, and hence they are related persons as per the explanation provided in Section 15 of the CGST Act, 2017. Since the applicant is liable to pay GST on reverse charge basis, he has to issue a self-invoice on the supplies received by him from the foreign entity as per the provisions of Section 5(3) and (4) of the IGST Act, 2017 read with Section 20 of the said Act and Section 31(3)(f) of the CGST Act, 2017.

The applicant receives debit note from the foreign entity on supply of service received by the applicant and the applicant issues self-invoice to discharge tax liability on reverse charge basis. Referring to the provisions of Rule 28 of the CGST Rules, 2017 and Circular No. 210/4/2024 – GST dated 26.06.2024, the applicant submits that the value declared by the applicant in the self-invoice should be regarded as open market value in respect of the transaction.

4.5 Considering the facts placed in the application the Revenue is of the opinion that import of services for consideration constitutes a supply in terms of Section 7(1)(b) of the CGST Act, 2017 and the liability in respect thereof is required to be discharged by the recipient under the Reverse Charge Mechanism in terms of Section 5(3) of the IGST Act, 2017 read with Notification No. 10/2017-Integrated Tax (Rate) dated 28.06.2017. With regard to valuation, the Revenue submits that the Applicant and the foreign group entity being related persons, Rule 28 of the CGST Rules, 2017 is applicable. However, in terms of the second proviso to Rule 28(1), where the recipient is eligible for full Input Tax Credit, the value declared in the invoice may be deemed to be the open market value of the goods or services. The Revenue further relies upon Circular No. 210/4/2024-GST dated 26.06.2024, which clarifies that the principle contained in Circular No. 199/11/2023-GST is equally applicable to the import of services from foreign related entities. Accordingly, the Revenue submits that the value declared by the Applicant in the self-invoice may be accepted as the deemed open market value for discharging GST liability under RCM, subject to verification that the Applicant is eligible for full Input Tax Credit of the tax paid under RCM.

4.6 We will begin our discussion with the concept of supply in the GST Act since any tax under the regime is imposed on the incidence of taxable supply. Section 7 of the CGST Act, 2017 elaborates the concept of supply. The relevant portion of the said section is reproduced as under:

Section 7. Scope of Supply.

(1) *For the purposes of this Act, the expression "supply" includes—*

(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice versa, for cash, deferred payment or other valuable consideration.

Explanation.– For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;

(b) import of services for a consideration whether or not in the course or

furtherance of business;

(c) the activities specified in Schedule I, made or agreed to be made without a consideration;

Schedule I appended to Section 7 specifies 'Activities to be treated as supply even if made without consideration'. Entry 4 of this schedule refers to 'Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business'.

So it is evident that import of services for a consideration is included in the concept of supply irrespective of the fact whether or not it is in the course or furtherance of business by virtue of Section 7 *ibid*. When it comes to the import of services by a person from a related person or from any of his other establishments outside India, Schedule I restricts its deemed inclusion into the concept of supply only in case of in the course or furtherance of business.

Now the question is what constitutes import of services. For this, we have to refer to Section 2(11) of the Integrated Goods and Services Tax Act, 2017 (in short, IGST Act, 2017). It is provided that

"import of services" means the supply of any service, where—

(i) *the supplier of service is located outside India;*

(ii) *the recipient of service is located in India; and*

(iii) *the place of supply of service is in India;*

The next question is what is meant by related persons. The Explanation to Section 15 of the CGST Act, 2017 defines related persons as under:

Explanation.—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.*

4.7 Now we will apply the discussions made so far to the factual matrix of the present case as represented before us and determine whether the activity referred to in the application is to be included in the concept of supply. As per submissions made by the applicant's representative, the applicant is part of John Wood Group Limited and is directly held by Wood International Limited of England & Wales (85.53%), with John Wood Group Limited, Scotland being the ultimate holding company of the group. It is submitted that as a part of their activities of the group company, there are certain Information Technology (in short, IT) related costs which are incurred by a single company at the group level for and on behalf of other companies in the group and the same is cross-charged to all other all other group companies on a cost-to-cost basis.

It is learnt that John Wood Group PLC (commonly known as Wood) is a British multinational engineering and consulting firm. Following its acquisition by Dubai-based engineering firm Sidara, Wood operates across more than 50 countries. Its global network includes hundreds of registered entities across countries such as the USA, Canada, Brazil, Argentina, Singapore, Malaysia, Australia, Norway, France, Italy, Germany, Spain, and India, among others.

It is also learnt that Wood India Engineering & Projects Private Limited is part of the John Wood Group corporate network**.** It serves as the primary registered operating entity for Wood's global engineering group in India. Incorporated in March 1997, this entity previously operated as *Amec* Foster Wheeler India Private Limited before being fully integrated into the global Wood architecture following John Wood Group's acquisition of Amec Foster Wheeler. It manages the large-scale Chennai and Kolkata engineering design centres, executing front-end engineering design (FEED) and project management packages for Wood's global oil, gas, and energy clients.

Since the applicant is directly held up by Wood International Limited of England & Wales (85.53% holding) and Wood International Limited, which is registered in England and Wales, operates as a subsidiary within the broader corporate structure of John Wood Group, it can be concluded that John Wood Group and the applicant are related persons in terms of Explanation to Section 15 *supra*.

In the present case, the supplier of services is located outside India and the recipient is located in India. The place of supply in this case will be determined by the provisions of Section 13(2) of the IGST Act, 2017 since the services supplied are not covered by sub-sections (3) to (13) of Section 13. Section 13(2) stipulates as under:

> (2) *The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:*
>
> *Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.*

So, in the present case, the place of supply is India. Thus, the transaction qualifies as import of services. As such, it is includible in Entry 4 of Schedule I appended to Section 7 *supra*. So it can be concluded that the transaction as referred to in the application is a supply under the provisions of the CGST Act, 2017.

4.8 Once the transaction is established as supply, now we will move on to the points of nature, taxability and value of the referred supply. In the preceding paragraph, we have discussed that the transaction under question is an import of service by virtue of the definition provided in Section 2(11) of the IGST Act, 2017. Section 7(4) of the IGST Act, 2017 stipulates that supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-state trade or commerce and it will be a subject matter of the IGST Act, 2017. Accordingly, the transaction under question is a subject matter of the IGST Act, 2017 and all the relevant provisions of the Act will be applicable in this case.

Section 5(3) of the IGST Act provides as under:

> *The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.*

Here we are reproducing the relevant portions of Notification 10/2017 – Integrated Tax (Rate) dated 28.06.2017, as amended:

Notification No. 10/2017- Integrated Tax (Rate)

New Delhi, the 28th June, 2017

GSR.....(E).-In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government on the recommendations of the Council hereby notifies that on categories of supply of services mentioned in column (2) of the Table below, supplied by a person as specified in column (3) of the said Table, *the whole of integrated tax leviable under section 5 of the said Integrated Goods and Services Tax Act, shall be paid on reverse charge basis by the recipient of the such services as specified in column (4) of the said Table*:-

Table

Sl. No.	**Category of Supply of Services**	**Supplier of service**	**Recipient of Service**
(1)	**(2)**	**(3)**	**(4)**
1	Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.	Any person located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient.

So it is evident from the table above that in the case under consideration, Integrated Tax is payable under reverse charge and the tax is payable by the applicant being the recipient of supply of service and being located in India.

4.9 The next logical question is what would be the value of transaction in the present case on which tax is to be paid by the recipient of services. Since the IGST Act, 2017 does not contain any specific provision for value of supply, by virtue of application of Section 20 of the IGST Act, 2017, we have to refer to Section 15 of the CGST Act, 2017 for determination of value of supply in the present case. Section 15(1) of the Act is as under:

> (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.*

It is evident that the above provisions will be applicable where the supplier and recipient are not related. It is not applicable where both are related, as in the present case. In that case the provisions of sub-sections (1), (2) and (3) are not applicable. To determine value of supply in cases where the supplier and recipient are related persons, provisions of

Section 15(4) is applicable which reads as under:

> (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.*

In this respect we have to refer to Rule 28 of the CGST Rules, 2017 which provides the basis of determination of value of supply of goods or services or both between distinct or related persons. The rule is as under:

> ***28. Value of supply of goods or services or both between distinct or related persons, other than through an agent.***
>
> *(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 ninety percent 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 deemed to be the open market value of the goods or services.*
>
> *(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 located in India], 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 per annum, or the actual consideration, whichever is higher.*
>
> *Provided that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the value of said supply of services.*

In this respect CBIC has issued a circular bearing number 210/4/2024 – GST dated 26.06.2024. The relevant portions of the Circular are reproduced as under:

Subject: Clarification on valuation of supply of import of services by a related person where recipient is eligible to full input tax credit – Reg.

As per S.No. 4 of Schedule I of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the 'CGST Act'), import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business, is to be treated as supply even if made without consideration.

2. Representations have been received from trade and industry stating that demands are being raised by some of the field formations against the registered persons seeking tax on reverse charge basis in respect of certain activities undertaken by their related persons based outside India, by considering the said activities as import of services by the registered person in India, based on an expansive interpretation of the deeming fiction in S. No. 4 of Schedule I of CGST Act, though no consideration is involved in the said activities and the same are not considered as supplies by the said related person in India. It has been represented that the same treatment, which is being given to domestic related parties/ distinct persons as per clarification provided by Circular No. 199/11/2023-GST dated 17.07.2023, may also be provided in cases where a foreign entity is providing service to its related party located in India, in cases where full ITC is available to the said recipient located in India

3.1 *In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the issues as under:*

3.2 *Rule 28 of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the 'CGST Rules') is reproduced as below:*

"Rule 28.Value of supply of goods or services or both between distinct or related persons, other than through an agent. –

(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 ninety percent 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 deemed to be the open market value of the goods or services**.*

…"

3.3 *As per second proviso to rule 28(1) of CGST Rules, in cases involving supply of goods or services or both between the **distinct** or **related persons** 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 the said goods or services.*

3.4 *It may be noted that vide Circular No. 199/11/2023-GST dated 17.07.2023, clarification has been issued regarding taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons. It has been clarified in the said circular that as per the second proviso to rule 28(1) of CGST Rules, in respect of supply of services by Head Office(HO) to Branch Offices(BO) of an organisation, the value of the said supply of services declared in the invoice by HO shall be deemed to be open market value of such services, if the recipient BO is eligible for full input tax credit. It has also been clarified vide the said circular that in cases where full input tax credit is available to the recipient, if HO has not issued a tax invoice to the BO in respect of any particular services being rendered by HO to the said BO, the value of such services may be deemed to be declared as Nil by HO to BO, and may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules.*

3.5 *The second proviso to Rule 28 (1) of CGST Rules, is applicable in all the cases involving supply of goods or services or both between the **distinct persons** as well as the **related persons, in cases where full ITC is available to the recipient.** Accordingly, it is evident that the clarification which has been issued vide Circular No. 199/11/2023-GST dated 17.07.2023 in respect of supplies of services between*

distinct persons in cases where full ITC is available to the recipient, is equally applicable in respect of import of services between related persons.

3.6 *In case of import of services by a registered person in India from a r**elated person located outside India, the tax is required to be paid by the registered person in India under reverse charge mechanism.** In such cases, the registered person in India is required to issue self-invoice under Section 31(3)(f) of CGST Act and pay tax on reverse charge basis.*

3.7 *In view of the above, it is clarified that in cases where the foreign affiliate is providing certain services to the related domestic entity, and where full input tax credit is available to the said related domestic entity, the value of such supply of services declared in the invoice by the said related domestic entity may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules. Further, in cases where full input tax credit is available to the recipient, if the invoice is not issued by the related domestic entity with respect to any service provided by the foreign affiliate to it, the value of such services may be deemed to be declared as Nil, and may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules.* (emphasis added)

In the present case, the applicant receives IT support services from a foreign entity located outside the taxable territory of India, which is a related person in the sense that the supplier of service is the holding company of the applicant. The applicant receives a debit note from the foreign entity on a cost-to-cost basis, and the applicant discharges its tax liability on a reverse charge basis by issuing a self-invoice.

4.10 The second proviso to Rule 28 *supra* provides that 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 the goods or services. Now the question is to which invoice does this proviso refer to. For this, we have to discuss the provisions of 'Tax Invoice' under Section 31 of the CGST Act, 2017. Sub-section (1) of this Section specifies when a registered person shall issue a tax invoice in respect of supply of taxable goods. Sub-section (2) of this Section specifies when a registered person shall issue tax invoice in respect of supply of taxable services. Sub-section (3) of this Section is a *non-obstante* clause which refers to certain specific situations in respect of issuance of invoice/ tax invoice. Clause (f) of this sub-section reads as under:

a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall, within the period as may be prescribed, issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both.

If we read the above provision of Section 31(3)(f) conjunctively with the second proviso to Rule 28, it will be evident to us that the proviso refers to the so-called self-invoice issued by the recipient of goods or services or both. Now, if the clarifications provided in Circular No. 210 *supra* are taken into account and applied to the present case, it can be concluded that the value shown in the invoice issued by the applicant can be deemed to be the market value subject to the one and only criterion of availability of full ITC on the part of the recipient.

In our considered view, as per the explanation and clarification provided in Circular No. 210/4/2024 – GST dated 26.06.2024 read conjunctively with the provisions of Section 31(3)(f) of the CGST Act, 2017 and Rule 28(1) of the CGST Rules, 2017, value mentioned in the self-invoice raised by the applicant can be deemed as open market value if he is eligible to avail full amount of Input Tax Credit. It is needless to mention that in case the applicant is not eligible to avail full amount of ITC, the provisions of Rule 28 is not applicable.

In view of the foregoing, we rule as under:

RULING

Question: Whether the value mentioned in the self-invoice raised by the applicant can be deemed as open market value as per Circular No. 210/4/2024 – GST dated 26.06.2024 for the payment of GST under reverse charge?

Answer: The answer is in the affirmative, subject to the condition that the applicant is eligible to avail the full amount of Input Tax Credit.

Sd/-
(YOGESH SUGDEO CHITTE)
Member
West Bengal Authority for
Advance Ruling

Sd/-
(JAYDIP KUMAR CHAKRABARTI)
Member
West Bengal Authority for
Advance Ruling

Place: Kolkata
Date: 9th September, 2026

To,
Wood India Engineering & Projects Private Limited
15th and 16th Floor, Block C, AF/1/3, DLF IT Park 1,
8 Major Arterial Road, Action Area 1A, New Town,
North 24 Parganas, West Bengal-700156

Copy to:

(1) The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B.Connector, Kolkata - 700107

(2) The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata - 700015

(3) The Commissioner, CGST & CX, Kolkata North Commissionerate, 180, Shantipally, R.B.Connector, Kolkata – 700107

(4) The Charge Officer, Commercial Taxes, Salt Lake Charge, 5th Floor, Jalasampad Bhawan, Block DF, Sector-1, Bidhannagar, West Bengal, Kolkata 700091

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