

Metal One Corporation India Pvt. Ltd. v. Union of India & Ors., with Idemitsu Lube, Sony India, Petronas Energy India and Mitsui and Co India connected petitions

Case number: W.P.(C) 14945/2023 with CM APPL. 59655/2023; W.P.(C) 2039/2024 with CM APPL. 8537/2024; W.P.(C) 4834/2024 with CM APPL. 19730/2024; W.P.(C) 4979/2024 with CM APPL. 20374/2024; W.P.(C) 9801/2024 with CM APPL. 40176/2024

Citation: 2024:DHC:8298-DB

Decision date: 22 October 2024

Secondment: full-ITC related-party valuation, Circular 210 and nil value where no invoice was generated

Court: Delhi High Court

Bench: Hon'ble Mr. Justice Yashwant Varma and Hon'ble Mr. Justice Ravinder Dudeja

Decision stage: Final common disposal of all five writ petitions on the seconded-employee issue. Other show-cause-notice issues remain open to adjudication.

01 Facts of case and issues

Five companies challenged GST proceedings concerning employees seconded by related foreign entities. In the lead case, Metal One had separate employment agreements with employees of its Japanese parent and registrations in Delhi, Maharashtra and Tamil Nadu. The extracted show-cause notice proposed reverse-charge IGST of Rs. 1,94,28,551 for Delhi and Rs. 58,95,317 for Mumbai, for July 2017–March 2023, besides interest and penalty. These are proposed components, not an adjudicated aggregate.

Revenue relied on Northern Operating Systems and treated salary payments as consideration for imported services. The petitioners initially disputed secondment and the character of the arrangement. After CBIC Circular 210/4/2024-GST dated 26 June 2024, they did not press that dispute. The decisive admitted fact was that the domestic entities had not generated invoices for the relevant services.

Pinpoint: Paragraphs 1–8 and 12–14; physical/printed PDF pp. 3–7 and 10–11.

02 Discussion by Hon'ble Court

The Court confined the question to valuation under Rule 28. Its full-input-tax-credit proviso treats the invoice value as open market value. Circular 210, paragraph 3.7, applies that approach to a related foreign entity's services to an Indian recipient eligible for full ITC: where the domestic recipient has issued no invoice, the value may be deemed nil.

The Court expressly questioned whether the circular's invoice-dependent approach was consistent with the statute and Rule 28. It nevertheless applied the circular because it bound the respondent authorities; it did not determine a challenge to the circular's validity. On the conceded absence of invoices, the resulting nil value left no plausible tax liability on the secondment issue and no practical purpose in continuing those proceedings. This valuation holding is not a general declaration that secondment is outside GST.

Pinpoint: Paragraphs 9–14, physical/printed pp. 7–11; Circular 210/4/2024-GST, paragraphs 3.2–3.7, physical pp. 2–3.

03 Judicial decision and operative relief

The Court quashed the secondment portions of the show-cause notices dated 29 September 2023 (Metal One), 28 September 2023 (Idemitsu), 27 September 2023 (Sony), 28 September 2023 (Petronas) and 31 May 2024 (Mitsui). It also quashed the consequential orders-in-original dated 29 December 2023 in Sony's case and 30 December 2023 in Petronas's case, subject to the judgment's secondment-only scope.

Sony had already paid tax and taken reverse-charge credit. The Court held that its interest and penalty could not survive the circular's clarification. Paragraph 19 disposed of every writ petition, while reserving all other notice issues and the parties' corresponding rights and contentions.

Pinpoint: Paragraphs 15–19; physical/printed pp. 11–12.

04 In favour of

The five taxpayer petitioners on the secondment issue; Revenue remains free to adjudicate other issues in the impugned notices.

Final, reasoned relief on a limited substantive valuation issue, not an interim stay or remand. The writs are disposed of even though unrelated notice issues survive. There is no express direction in this common judgment to refund Sony's tax already paid.

Pinpoint: Paragraphs 14–19; physical/printed pp. 10–12.

05 AKHB REVIEW POINT

AKHB analysis: Establish full ITC eligibility, the related-party service, the relevant period and actual invoice history before invoking this ruling. Identify and separate the secondment component of each notice or order from issues the Court left open. Do not treat the fact-specific relief as a universal employment exemption, an overruling of Northern Operating Systems, or automatic entitlement to a refund.

The circular itself, paragraph 3.6, describes the recipient's Section 31(3)(f) self-invoice and reverse-charge obligations for imported services. Read that provision with paragraph 3.7; this judgment is not advice to suppress invoices prospectively. Preserve employment and secondment agreements, payment records and ITC evidence, and verify current appellate orders before relying on the nil-value result.

Pinpoint: AKHB commentary based on paragraphs 2, 9–19 and Circular 210, paragraphs 3.5–3.7.

Sources and limitations

Relevant provisions

CGST Rules 2017: Rule 28, particularly the second proviso to Rule 28(1). CGST Act 2017: Sections 15, 31(3)(f), 50, 73, 73(9), 122 and 168(1); Schedule I, entry 4. IGST Act 2017: Section 20 in the extracted notice. Circular 210/4/2024-GST dated 26 June 2024. The invoice and Schedule I provisions are supplementary statutory context, not additional issues decided by the Court.

Statutory note

Primary-source check on 13 October 2026: the original CBIC Circular 210/4/2024-GST hosted by the GST Council was obtained and all four physical pages read/viewed, including its blank final page. Paragraphs 3.2–3.3 reproduce the Rule 28(1) full-ITC proviso; paragraphs 3.5–3.7 address foreign related-party services, self-invoicing and nil valuation. Paragraph 3.1 invokes Section 168(1). The full-ITC condition is essential; the ruling does not establish the same result for a recipient ineligible for full credit.

Targeted official-domain searches did not verify a subsequent withdrawal of paragraph 3.7 or a later amendment displacing the specific full-ITC proviso. This is not a comprehensive 2026 rules, notification or commencement audit. The CBIC legacy valuation webpage was identified as archival and was not treated as a current consolidated rulebook.

Treatment note

Later primary treatment: Thales India Private Limited v. Assistant Commissioner of CGST, Delhi, W.P.(C) 5563/2025, order dated 27 May 2025, paragraphs 3–9, records that the earlier Thales order of 7 January 2025 followed Metal One. It criticises departmental refusal to accept the precedent and directs processing and crediting of Thales’s refund within two months. The express no-challenge statement in paragraph 7 concerns Thales’s 7 January 2025 order. This is subsequent application, not appellate affirmance of Metal One or proof of Metal One’s present docket status.

On 13 October 2026 the official Supreme Court party-name search was run for “Metal One”, either party, each of diary years 2024, 2025 and 2026, separately under Pending and Disposed. All six completed searches returned “No records found”. Exact-party/case/date indexed searches included appeal, SLP, stay, review and reversal terms, together with targeted connected-case searches. The live searches did not separately cover all four other petitioners, spelling variants, older diary years or High Court review proceedings. No direct reversal, stay or modification of the 22 October 2024 common judgment was verified in that bounded review. No exhaustive registry clearance, all-party search or certification that no appeal exists is claimed.

Scope of source review

All 12 physical pages of the original judgment were fully read and individually visually inspected; printed and physical page numbers coincide. Paragraph 9 quotes an earlier interlocutory order; its listing and interim directions are not the final disposition. Paragraphs 15–19 supply the operative relief. The complete four-page circular and complete seven-page official Thales order were also read and individually viewed.

Source notes

The retained original and the fresh official copy obtained on 13 October 2026 have identical bytes, 12 pages and SHA-256 883b6a72e841ec5ec0ca5e25d0ef64bbd2d5237b24dee66ce22c82f37f645f2d. The original remains unchanged. The neutral citation is visible in the page artwork although it is absent from the corpus metadata. The judgment date is 22 October 2024; the signature artwork records 28 October 2024, 15:59:09. No cryptographic signature validation is claimed.

The original paragraph 12 has an awkward double-negative formulation; the clear reasoning and relief in paragraphs 14–19 govern this summary. Paragraph 17 prints “Section 15” when describing Sony’s interest/penalty order and contains the phrase “of its own violation”. These have not been silently rewritten as statutory or factual findings. The underlying notices, employment agreements and orders-in-original were not independently obtained; their particulars are reported as recorded in the final judgment.

The later Thales court PDF was discovered through the QR code on a third-party-hosted court copy and then retrieved directly from the Delhi High Court. Its quotation of Metal One differs textually at paragraph 12; this note follows the verified original Metal One PDF. No TLS warning, access restriction or CAPTCHA control was bypassed.

Primary source

Source description: Complete 12-page official common judgment. Fresh official PDF is byte-identical to the retained original.

Official source: [Open source document](#)

Source pages: 12

Judgment author: Yashwant Varma J (Oral)

Outcome type: final limited issue secondment valuation quashing

Additional source

CBIC Circular 210/4/2024-GST dated 26 June 2024, official GST Council-hosted PDF

Official source: [Open source document](#)

Pinpoint: Paragraphs 3.1–3.7, physical pp. 2–3; full four-page text/image review, including blank p. 4.

Thales India Private Limited v. Assistant Commissioner of CGST, Delhi, W.P.(C) 5563/2025, 27 May 2025

Official source: [Open source document](#)

Pinpoint: Paragraphs 3–9, especially paragraphs 6–8 on pp. 6–7. Complete seven-page text/image review.

Supreme Court of India official party-name case-status search

Official source: [Open source document](#)

Pinpoint: Bounded live party-name searches on 13 October 2026; exact query scope and results in author evidence.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official High Court judgment and identified primary sources. No human legal review is claimed.

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Source checked: 13 October 2026

Connected matters

Entry 1

Case title: Metal One Corporation India Pvt. Ltd. v. Union of India & Ors.

Case number: W.P.(C) 14945/2023

Application: CM APPL. 59655/2023 (Interim Relief)

Source page: 1

Show cause notice date: 29 September 2023

Entry 2

Case title: Idemitsu Lube India Pvt. Ltd. v. Union of India & Ors.

Case number: W.P.(C) 2039/2024

Application: CM APPL. 8537/2024 (Stay)

Source page: 1

Show cause notice date: 28 September 2023

Entry 3

Case title: Sony India Private Limited v. Directorate General of GST Intelligence & Ors.

Case number: W.P.(C) 4834/2024

Application: CM APPL. 19730/2024 (Stay)

Source page: 2

Show cause notice date: 27 September 2023

Order in original date: 29 December 2023

Entry 4

Case title: Petronas Energy India Pvt. Ltd. v. Union of India and Ors.

Case number: W.P.(C) 4979/2024

Application: CM APPL. 20374/2024 (Stay)

Source page: 2

Show cause notice date: 28 September 2023

Order in original date: 30 December 2023

Entry 5

Case title: Mitsui and Co India Private Limited v. Additional Commissioner, CGST Audit-II, Delhi & Ors.

Case number: W.P.(C) 9801/2024

Application: CM APPL. 40176/2024 (Interim Relief)

Source page: 2-3

Show cause notice date: 31 May 2024

Reserved date: Not stated; oral judgment.

Current treatment as of: 2026-10-13

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