



PMC Cell – MM

Oil and Natural Gas Corporation Ltd

Corporate Materials Management

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Circular No. 48/2017

No.: MAT/PMC/13(117)GST/2017

Dated: 25.10.2017

Sub: Change in rates of GST relevant to ONGC.

Reference of all concerned is invited to the guidelines notified vide circular No. 37/2017 dtd. 24.08.2017, wherein instructions were issued for evaluation of bids in ongoing and future tenders under GST regime.

Consequent upon recommendation of GST Council in its 22nd Meeting held on 06.10.2017, the Govt. has issued notifications under GST Law. The extract of relevant notifications and effective rates has been issued by ED-CCF vide Circular No. DLH/Indirect Tax/Circular/07/2017-18 dated 17.10.2017 (Copy enclosed for ready reference), which should be followed by all concerned.

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(Ashwini Nagia)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'ongcreports.net').

All concerned may download the circular from the site. Hard copies are not distributed separately.

Copy to:

1. EO to CMD, ONGC, DD Urja Bhawan, Vasant Kunj, New Delhi.
2. CEA to Director (T&FS) / Director (Offshore) / Director (HR) / Director (Exploration)/ Director (Onshore) / Director (Finance), ONGC, DD Urja Bhawan, Vasant Kunj, New Delhi.
3. CVO, ONGC, DD Urja Bhawan, Vasant Kunj, New Delhi.

	OIL AND NATURAL GAS CORPORATION LTD. OFFICE OF EXECUTIVE DIRECTOR - CHIEF CORPORATE FINANCE (INDIRECT TAX DEPARTMENT) 3 rd Floor, Tower-A, Zone-II, Plot No. 5A, Nelson Mandela Road, Vasant Kunj, New Delhi- 110070	
	DLH/Indirect Tax/Circular/07/2017-18	Date: 17 th Oct, 2017
From	: General Manager (F&A)-Head Indirect Tax, ONGC, New Delhi	
To	: (i) Asset Managers/Basin Managers/Services Chief/Plant Managers (ii) Finance Heads of Asset/Basins /Plants/Services /Institutes (iii) Chief MM, Chief Commercial, Chief Marketing and Head ICE, ONGC, New Delhi <i>Through ONGC Reports</i>	
CC	: EO to Director (Finance), ONGC, New Delhi	
Sub	: Changes in Rates of GST relevant to ONGC	

Consequent upon recommendation of GST Council in its 22nd Meeting held on 06.10.2017, the Govt. has issued notifications under GST Law. The extract of relevant notifications and effective rates are tabulated as under:

Sl.	Notification & Description	GST Rate
1	<p>Customs Notification No. 77/2017-Customs dt. 13.10.2017: (Amendment under customs Notification 50/2017-Cus by inserting Sl. No. 557A for Chapter 89 of Customs Tariff Act pertaining to Offshore Drilling Rigs)</p> <p>Rigs and ancillary items imported for oil or gas exploration and production taken on lease by the importer for use after import.</p> <p>Condition No. 102:</p> <p>The importer, by the execution of bond, in such form and for such sum as may be specified by the Commissioner of Customs, binds himself:</p> <ul style="list-style-type: none"> (i) to pay Integrated tax leviable under section 5(1) of the IGST Act, 2017 on supply of service covered by item 1(b) or 5(f) of Schedule II of the Central Goods and Services Tax Act, 2017; (ii) not to sell or part with the goods, without the prior permission of the Commissioner of Customs of the port of importation; (iii) to re-export the goods within 3 months from the expiry of the period for which they were supplied under a transaction covered by item 1(b) or 5(f) of Schedule II of the Central Goods and Services Tax Act, 2017 out of India; (iv) to pay on demand an amount equal to the integrated tax payable on the said goods but for the exemption under this notification in the event of violation of any of the above conditions. <p><i>Accordingly, the Import of Offshore Drilling Rig, inter-alia, on lease for oil or gas exploration and production after importation, would be exempted from IGST.</i></p>	IGST – Nil
2	<p>Notification No. 39/2017-Integrated tax (Rate) dt. 13.10.2017:</p> <p>Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 and</p>	12%

	<p>associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line.</p> <p><i>Accordingly, the construction, installation, up-gradation, repair etc. of immovable property in Offshore like Offshore Platforms, Pipelines etc. would be covered under this entry.</i></p>	
3	<p>Notification No. 39/2017-Integrated tax (Rate) dt. 13.10.2017:</p> <p>(a) Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.</p> <p>Condition: The Service Provider would not be eligible for the credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business.</p>	5%
	(b) If above condition is not satisfied.	12%
4	<p>Notification No. 39/2017-Integrated tax (Rate) dt. 13.10.2017:</p> <p>(a) Transportation of Natural Gas through pipeline.</p> <p>Condition: The Service Provider would not be eligible for the credit of input tax charged on goods and services used in supplying the service.</p>	5%
	(b) If above condition is not satisfied.	12%
5	<p>Notification No. 32/2017-Integrated tax (Rate) & 38/2017-CGST (Rate) dt. 13.10.2017:</p> <p>Govt. vide above notification/s have exempted the Inter-State & Intra-State supply of goods or services or both received by a registered person from any supplier, who is not registered. The exemption contained in this notification shall apply to all registered persons till the 31.03.2018.</p> <p><i>Accordingly, the procurement of goods or services from un-registered supplier (u/s 9(4) of CGST Act, 2017) would be exempted in hands of ONGC, irrespective of value of such procurement.</i></p> <p><i>It may however be noted that the procurements covered under reverse charge mechanism specifically u/s 9(3) of CGST Act, 2017 such as GTA, Advocates, Sponsorship, Govt. Services, Import of Services, Independent Director etc. would continue to attract GST under reverse charge.</i></p>	Nil

Note: The above provisions are effective from 13.10.2017.

This is for necessary action as applicable please.


 (Anil Kumar)