



PMC Cell – MM

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Corporate Materials Management

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Circular No. 23/2022

No: DLI/CORP-MM/PMC/2022/922095

Dated: 18.07.2022

Sub: Changes in rates of GST relevant to ONGC.

Reference is invited to Circular No. 37/2017 dated 24.08.2017, wherein subsequent to introduction of GST Law, tender conditions for ONGC tenders were issued.


Consequent upon recommendations of GST Council in its 47th Meeting held on 28th & 29th June 2022, the Government has issued notifications under GST Law. The changes as relevant for ONGC operations has been issued by Head Corporate Tax vide Circular No. DLH/Indirect Tax/Circular/2022-23/03/47 dated 15.07.2022 (Copy enclosed for ready reference), which should be followed by all concerned.

Modifications in relevant provisions of IMM Manual and tender conditions will be issued in due course of time. Meanwhile, all concerned are advised to make suitable modification in ongoing Contracts/POs with respect to changes in concessional rates of Tax/GST on import as well domestic procurement of specified goods under respective notifications.


(Sandeep Gupta)
ED-Chief M M Services

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

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

	OIL AND NATURAL GAS CORPORATION LTD. OFFICE OF GM (F&A)- HEAD INDIRECT TAXES CORPORATE 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/2022-23/03/47	Date: 15.07.2022
From	: GM (F&A)– Head Corporate Tax (Direct & Indirect)	
To	: Key Executives at Assets/Basins/Plants/Services/Institutes Finance Heads of Asset/Basins /Plants/Services /Institutes/ICE Head ICE, ONGC, New Delhi Through ONGC Reports	
CC	: ED- Chief Corporate Finance, ONGC, New Delhi CEA to Director (Finance), ONGC, New Delhi	
Sub	: Relevant Changes under GST Law pursuant to 47th GST Council Meeting	

Consequent upon recommendations of GST Council in its 47th Meeting held on 28th & 29th June 2022, the Govt. has issued notifications under GST Law. The changes as relevant for ONGC operations are summarized below:

1. Change in Rate of Tax/GST on Import as well as Domestic Procurement of Specified Goods required for Petroleum Operations:

Reference is made to Sl. No. 1 of our earlier Circular No. DLH/Indirect Tax/Circular/43/2021-22/03 dated 03.02.2022 wherein, it was, *inter-alia*, communicated that import of specified goods required for petroleum operation would attract GST @ 5% (i.e. BCD-Nil, IGST-5%) on submission of Essentiality Certificate (EC) issued by authorized senior official of ONGC (Refer Sl. No. 404, Condition No. 48 & Revised List-33 of Customs N/N 50/2017-Cus as amended vide N/N 02/2022-Cus). Similarly, the domestic procurement of specified goods required for petroleum operation attracts GST @5% on submission of EC issued by Office of Directorate General of Hydrocarbons (DGH) in terms of GST Rate N/N 3/2017.

Now, the said concessional rates of Tax/GST on import as well domestic procurement of specified goods under respective notifications have been increased from 5% to 12% in the following manner:

- **Import of specified goods:** 12% [i.e. BCD-Nil, IGST-12%] vide Customs N/N 40/2022;
- **Domestic procurement of specified goods:** 12% [i.e. IGST-12% or CGST-6% & SGST/UTGST-6%] vide GST Rate N/N 8/2022.

However, there is no change in the procedural requirement/conditions for such imports or domestic procurements under the respective notifications.

[Effective from 18.07.2022]

2. Change in Rate of GST on Import as well as Domestic Procurement of Specified Goods by R&D Institutes:

Reference is made to Sl. No. 2 of our earlier Circular No. DLH/Indirect Tax/Circular/08/2017-18 dated 23.11.2017 wherein, it was, *inter-alia*, communicated that domestic procurement of specified goods by R&D Institute attracts GST @5% in terms of GST Rate N/N 47/2017-IGST (Rate). Similarly, the import of specified goods by R&D Institute attracts Customs Duty @5% (BCD-5%, IGST-Nil) in terms of Customs N/N 43/2017 (Sl. No. 19) read with N/N 51/1996-Cus.

Now, the said concessional rates of GST on import as well as domestic procurement of specified goods by R&D Institute, have been withdrawn vide GST Rate N/N 11/2022 and Customs N/N 42/2022. However, in case of import of such specified goods by the R&D Institute, there is no change in the rate of BCD i.e. @5%.

In view of above, the procurement of goods by R&D Institute would attract GST in the following manner:

- **Domestic procurement of goods:** Merit Rate of GST, as applicable;
- **Import of specified goods:** BCD-5% & IGST-Merit Rate, subject to compliance of the conditions, as specified under Customs N/N 51/1996.

[Effective from 18.07.2022]

3. Rate of GST on Construction of Effluent Treatment Plant:

Concessional Rate of GST @12% was provided vide Sl. No. 3 (iv) of N/N 8/2017-IGST (Rate) for works contract services by way of construction, renovation, repair & maintenance of a pollution control or effluent treatment plant, except located as a part of a factory (HSN-9954). Now, the said concessional rate of GST has been withdrawn vide N/N 03/2022-IGST (Rate).

In view of above, the works contract services by way of construction, renovation, repair & maintenance of a pollution control or effluent treatment plant would attract GST @18%.

[Effective from 18.07.2022]

4. Rate of GST on Accommodation Services by a Hotel or Guest House:

Reference is made to Sl. No. 6 (i) of our earlier Circular No. DLH/Indirect Tax/Circular/28/2019-20/05 dated 19.11.2019 wherein, it was, *inter-alia*, communicated that there is an exemption on the accommodation services where value of supply is upto Rs. 1,000/- per room per day whereas GST @12% is applicable where such value is upto Rs. 7,500/-. Now, the said exemption has been withdrawn vide N/N 04/2022-IGST (Rate) read with N/N 03/2022-IGST (Rate).

In view of above, the accommodation services provided by hotel & guest house where the value of supply is upto Rs. 7,500/- per room per day, shall attract GST @12% under Sl. No. 7(i) of the amended N/N 8/2017-IGST (Rate).

Further, such services where the value of supply is more than Rs. 7,500/- per room per day, shall continue to attract GST @18%.

[Effective from 18.07.2022]

5. Change in GST Provisions related to Goods Transport Agency (GTA) Services:

Presently, the Services provided by way of Goods Transport Agency (GTA) attracts GST @5% under Reverse Charge Mechanism (RCM) or GST @12% under Direct Charge/Forward Charge Mechanism. Now, the option of making payment of GST @5% under Direct Charge by GTA has also been provided vide GST Rate N/N 3/2022.

In view of above, the GTA Services would attract GST either under Direct Charge or Reverse Charge in the following manner:

- **Payment of GST under Direct Charge by GTA:** GST @5% where GTA does not avail ITC and GST @12% where GTA avails ITC as per GST Rate N/N 3/2022. Further, the following 'declaration' on the GST-invoice raised by such GTA would be required in terms of GST Rate N/N 5/2022:

'I/we have taken registration under the CGST Act, 2017 read with clause (v) of section 20 of IGST Act, 2017 and have exercised the option to pay tax on services of GTA in relation to transport of goods supplied by us during the Financial Year _____ under forward charge.'

- **Payment of GST under Reverse Charge by ONGC:** GST @5% where GTA does not opt for the option of payment under direct/forward charge.

[Effective from 18.07.2022]

6. Rate of GST on Renting of Goods Carriage:

Presently, the Services by way of Renting of Goods Carriage with Operator (HSN-9966) attracts GST @18% under Sl. No. 10(iii) of GST Rate N/N-8/2017-IGST (Rate). Now, concessional rate of GST @12% has been provided on Renting of Goods Carriage with Operator (where cost of fuel is included in the consideration) vide GST Rate N/N 3/2022.

In view of above, the Hiring of Goods Carriage Vehicles with Operator (where cost of fuel is included in the consideration charged from ONGC by the contractor) such as Truck, Trailer would attract GST @ 12%.

[Effective from 18.07.2022]

7. Levy of GST under Reverse Charge on Renting of Residential Dwelling:

Presently, the Renting of Residential Dwelling for use as residence is exempted in terms of Sl. No.13 of GST Rate N/N 9/2017-IGST (Rate). Now, Renting of such Residential Dwelling to a Registered Person would attract GST @18% under Reverse Charge Mechanism in terms of GST Rate N/N 4/2022 read with N/N 5/2022.

In view of above, ONGC work centres would be required to pay GST @18% under Reverse Charge on the Residential Dwellings taken by ONGC from any

person (registered or not under GST Law) on Lease/Rental such as Bachelor Accommodations etc.

[Effective from 18.07.2022]

8. Rate of GST on Supply of E-waste:

Presently, the supply of e-waste (HSN-84 or 85) attracts GST @5%, subject to conditions, in terms of Sl. No. 234A of Schedule-I to GST Rate N/N 1/2017, as amended. Now, such e-waste would attract GST @18% in terms of GST Rate N/N 6/2022 shifting said Sl. No. 234A from Schedule-I to new Sl. No. 371A of Schedule-III to GST Rate N/N 1/2017.

In view of above, the supply/sale of electrical and electronic waste (e-waste) falling within the definition of E-waste under Sl. No. 371A of Schedule-III to the said GST Rate N/N 1/2017 (as amended), would attract GST @18%.

[Effective from 18.07.2022]

9. Levy of GST on Room Charges by a Clinical Establishment:

Presently, the health care services provided by a clinical establishment (including room charges) are exempted in terms of Sl. No. 77 of GST Rate N/N 9/2017-IGST (Rate). Now, the services provided by a clinical establishment by way of providing Room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo Natal Intensive Care Unit (NICU)] having Room Charges exceeding Rs. 5,000 per day to a person receiving health care services, would attract GST @5% in terms of GST Rate N/N 3/2022 read with N/N 4/2022. However, the Health Care Services by a clinical establishment, other than the Room as specified, would continue to be exempted.

In view of above, the room charges by a clinical establishment (except for ICU etc. as specified) where such room charges exceed Rs. 5,000/- per day, would attract GST @5%. However, the other health care services by a clinical establishment (including the case where room charges are upto Rs. 5,000/- per day) would continue to be exempted.

[Effective from 18.07.2022]

10. Procedural Changes under GST>Returns:

Reference is made to Sl. No. 2 of our earlier Circular No. DLH/Indirect Tax/Circular/43/2021-22/03 dated 03.02.2022 whereby Govt. vide GST N/N 14/2022-CGST has made certain changes under relevant Forms pertaining to GST>Returns/Statements such as GSTR-1 and GSTR-3B. Further, a detailed Circular No. 170/02/2022-GST dated 06.07.2022 has also been issued by CBIC on filing of such GST>Returns under GST Law.

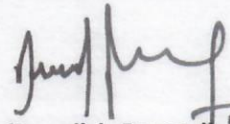
In view of the above, it is, *inter-alia*, advised to correctly mention the Place of Supply wise (PoS) details in the GST-invoice and in GST>Returns considering the requirement of the principles of destination-based taxation. Further, the details of availment of ITC, wherever applicable, should be filled-up properly under the

prescribed column/s relating to availment as well as reversal on account of ineligible ITC thereof.

Accordingly, the work centres are advised to prepare records based on Place of Supply (i.e. Intra-State wise, Inter-State wise & Rate of GST wise) and the data/document relating to availment/re-availment of ITC wherever applicable for proper reporting of turnover in GST>Returns as well as for the audit compliance purposes.

[Effective from 05.07.2022]

This is for necessary compliance as applicable.


(Jagdish Prasad) 15/7/22