



PM Cell – MM

# Oil and Natural Gas Corporation Ltd

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## Circular No. 28/2022

No: DLI/CORP-MM/PMC/2022/949245

Dated: 22.07.2022

### **Sub: Invoicing on Procurement of Goods and Services from Third Party for Unincorporated Joint Ventures (UJV) Operations.**

During the Key Executives meeting at Ahmedabad, the issue of review of UJV billing mechanism from GST perspective was deliberated wherein it emerged that the existing practice should be reviewed for uniformity in line with GST provisions.

In this context, it is to inform that presently, various UJVs have been formed for carrying out petroleum operations across ONGC work-centers. In order to carry out the petroleum operations under such UJVs, various goods and services are procured by ONGC from third parties.

As per the extant practice, no GST is charged from UJV Partners on the third party services procured by ONGC and provided to UJV, following the principle of 'Pure Agent' as laid down in Rule-33 of CGST Rules, 2017. However, in order to align the invoicing with such principle, the work centres are advised to consider the following points in cases where the principle of 'pure-agent' is applicable for such third party supplies which are directly identifiable for the specific UJV blocks:

- (i) For the Goods or Services which are procured by ONGC after pooling the requirement of both ONGC as well as UJV Blocks, a *separate invoice* should be obtained by ONGC from the Third Party Vendor for the value which is attributable directly towards UJV block i.e. for the value which is attributable to all the partners (including ONGC) of the said UJV block;
- (ii) Such invoice should be raised in the name of ONGC as hitherto but with *block name (Operator-ONGC)* mentioned additionally.

All concerned are advised to follow the above guidelines meticulously

  
(Sandeep Gupta)  
ED-Chief MM Services

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