

**GIB/WB/INDIAN OIL/08.03.2019/AAAR-23**

**Appellate Advance Ruling Category :** Input Tax Credit

**State :** West Bengal

**Order No.:** GIB/WB/INDIAN OIL/08.03.2019/AAAR-23

**Name of Entry :**

Indian Oil Corporation Ltd.

**Date :** 08-03-2019

**Breif Issue :**

**Facts & Issues Of The Case -**

Indian Oil Corporation has its Registered Office in Mumbai, and is operating through its various offices, including its depots, terminals, LPG bottling plants, spread across India and are registered under the **Goods and Services Tax, 2017**, in all the States/Union Territories of India, except in the Union Territory of Lakshwadeep.

Advance Ruling application had been filed by the West Bengal Unit of Indian Oil Corporation.

The Applicant exports HSD, ATF and other refined petroleum products to Nepal under the terms and conditions laid down in an agreement dated 27/03/2017 (hereinafter referred to as “the Agreement”) between Indian Oil Corporation and Nepal Oil Corporation Ltd (hereinafter referred to as “NOC”). ATF, Motor Spirit and HSD, sourced from the Applicant’s manufacturing unit (refinery) at Haldia in West Bengal are transported by Rail to the Indian Oil Corporation’s warehouse at Raxaul in Bihar.

Under the GST Act the Applicant has reported the above transactions as interstate exempt supplies from Indian Oil Corporation’s West Bengal Unit, and export of Indian Oil Corporation’s Bihar Unit.

The Applicant has been paying GST on the input service of Railway Freight for the above transportation. As the freight is charged for booking and transportation from West Bengal, it is billed on the Applicant, as the place of supply of the input service is West Bengal.

The main issues which need to be considered in the Application can be briefly summarized as follows:

- a. Whether or not the products transported and supplied by the Applicant are “non-GST products”, “non-taxable supplies” “exempt supplies” or “zero rated supply of goods”
- b. Whether the transportation to Raxaul warehouse is to be considered to be for export of supply to Nepal or transfer of goods to Indian Oil Corporation’s Bihar Unit for ultimate export to Nepal.

**Decision of Advance Ruling Authority :**

**Decision -**

Appellate Authority affirmed the order of Authority of Advance ruling. Advance Ruling authority held:

ATF and other non-taxable supplies from the Applicant's Haldia Refinery to the export warehouse of Indian Oil Corporation Ltd at Raxaul are not zero rated supplies. They are non-taxable supplies from the Applicant to the Bihar Unit of Indian Oil Corporation Ltd, who are distinct persons in terms of section 25(4) of the GST Act. The Applicant cannot claim credit of the GST paid on the railway freight for transportation of ATF and other non-taxable supplies from West Bengal to the Bihar Unit.