

GIB/AP/Halliburton/25.02.2020/AAR-357

Advance Ruling Category : Export of Services

State : Andhra Pradesh

Order No.: GIB/AP/Halliburton/25.02.2020/AAR-357

Name of Entry :

Halliburton offshore services

Date : 25-02-2020

Breif Issue :

Facts & Issue Of The Case :

Halliburton Offshore Services Inc. (herein after referred to as 'HOSI') is a global service provider, engaged in providing various oilfield services to Exploration and Production companies across the globe. Presently, the Applicant has contracted to provide drill bits for drilling to ONGC at 12 different locations.

The applicant filed the present application seeking a ruling from this Authority on the following issues:

- a. Whether the import of drill bits for supply to ONGC at its location in India on consumption basis involves two supplies namely, - Import into India of drill bits; and - Indigenous movement from the port of import to ONGC's location.
- b. If two supplies are involved in the abovementioned transaction then whether two Essentiality Certificates ('EC') are required to be issued i.e. one for import of drill bits into India under serial no. 404 of Notification No. 50/2017-Customs, dated 30 June 2017; and another for indigenous movement under Notification No. 3 /2077-Central Tax (Rate), dated 28 June 2017 respectively.
- c. If answer to (a) above is no then whether the supply of drill bits to ONGC in India will be covered by serial no. 404 of Notification No. 50/2017-Customs dated 30 June 2017 (i.e. under single EC) and no two separate ECs are required.

Decision of Advance Ruling Authority :

Decision :

In terms of serial No. 404 of Notification No. 50/2017-Customs dated 30 June 2017

('Customs Notification'), a concessional rate of Customs duty (BCD - NIL and IGST 5%) is prescribed for specified goods mentioned in List 33, required in connection with petroleum operations undertaken under petroleum exploration license or mining leases granted by the Government to ONGC and the benefit of concessional rate of Customs duty (i.e. BCD - NIL, IGST 5%) is available subject to fulfilment of conditions listed in Sl. No. 48 of the Customs Notification including the producing to the jurisdictional Deputy commissioner of Customs or Assistant commissioner of Customs, a certificate from a duly authorized officer of the Directorate General of Hydro Carbons in the Ministry of Petroleum and Natural Gas, Government of India to the effect as specified therein the Notification".

The entitlement or eligibility or applicability of exemption from central tax under Notification No. 03/2017-Central Tax (Rate) dated 28.06.2017 to the supply of goods (drill bits) to the delivery stations of ONGC is only upon fulfilment of conditions specified in the said Notification - including the one of: "producing to the Deputy Commissioner of Central Tax or the Assistant Commissioner of Central Tax or the Deputy Commissioner of State Tax or the Assistant Commissioner of State Tax, as the case may be, (having jurisdiction over the supplier of goods, at the time of outward supply of goods), a certificate from a duly authorized officer of the Directorate General of Hydro Carbons in the Ministry of Petroleum and Natural Gas, Government of India to the effect as specified therein the Notification"