

**GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES, ASSAM :: KAR BHAWAN
DISPUR, GUWAHATI-6**

CIRCULAR NO. 69/2019-GST

Dated Dispur the 14th October, 2019.

Subject: Clarification on scope of support services to exploration, mining or drilling of petroleum crude or natural gas or both – reg.

No. CT/GST-15/Pt-I/2017/169.— Representations have been received from trade seeking clarification on the scope of the entry “*services of exploration, mining or drilling of petroleum crude or natural gas or both*” at Sl. No. 24 (ii) of heading 9986 in Rate Notification No. 11 (FTX.56/2017/24 dated 29.06.2017).

2. The matter has been examined. Most of the activities associated with exploration, mining or drilling of petroleum crude or natural gas fall under heading 9986. A few services particularly technical and consulting services relating to exploration also fall under heading 9983. Therefore, following entry has been inserted under heading 9983 with effect from 1st October 2019 vide Rate Notification No. 20/2019; -

“(ia) Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both”

3.1 Explanatory Notes to the Scheme of Classification of Services adopted for the purposes of GST, which is based on the United Nations Central Product Classification describe succinctly the activities associated with exploration, mining or drilling of petroleum crude or natural gas under heading 9983 and 9986.

3.2 The relevant Explanatory Notes for Heading 9983 are as follows:

998341 *Geological and geophysical consulting services*

This service code includes provision of advice, guidance and operational assistance concerning the location of mineral deposits, oil and gas fields and groundwater by studying the properties of the earth and rock formations and structures; provision of advice with regard to exploration and development of mineral, oil and natural gas properties, including pre-feasibility and feasibility studies; project evaluation services; evaluation of geological, geophysical and geochemical anomalies; surface geological mapping or surveying; providing information on subsurface earth formations by different methods such as seismographic, gravimetric, magnetometric methods & other subsurface surveying methods

This service code does not include

- test drilling and boring work, cf. 995432

998343 Mineral exploration and evaluation

This service code includes mineral exploration and evaluation information, obtained on own account basis

Note: This intellectual property product may be produced with the intent to sell or license the information to others.

3.3 The relevant Explanatory Notes for Heading 9986 are as follows:

998621 Support services to oil and gas extraction

This service code includes derrick erection, repair and dismantling services; well casing, cementing, pumping, plugging and abandoning of wells; test drilling and exploration services in connection with petroleum and gas extraction; specialized fire extinguishing services; operation of oil or gas extraction unit on a fee or contract basis

This service code does not include:

- geological, geophysical and related prospecting and consulting services, cf. 998341

998622 Support services to other mining n.e.c.

This service code includes draining and pumping of mines; overburden removal and other development and preparation services of mineral properties and sites, including tunnelling, except for oil and gas extraction; test drilling services in connection with mining operations, except for oil and gas extraction; operation of other mining units on a fee or contract basis

This service code does not include:

- mineral exploration and evaluation services, cf. 998343
- geophysical services, cf. 998341

4.1 It is hereby clarified that the scope of the entry at Sr. 24 (ii) under heading 9986 of Rate Notification No. 11 (FTX.56/2017/24 dated 29.06.2017) shall be governed by the explanatory notes to service codes 998621 and 998622 of the Scheme of Classification of Services.

4.2 It is further clarified that the scope of the entry at Sl. No. 21 (ia) under heading 9983 of Rate Notification No. 11 (FTX.56/2017/24 dated 29.06.2017) inserted with effect from 1st October 2019 vide Rate Notification No. 20/2019 shall be governed by the explanatory notes to service codes 998341 and 998343 of the Scheme of Classification of Services.

4.3 The services which do not fall under the said entries under heading 9983 and 9986 of the said notification shall be classified in their respective headings and taxed accordingly.

5. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and rules.
6. Difficulties, if any, in implementation of the above instructions may be brought to the notice of the Commissioner at an early date.
7. This Circular shall be deemed to have been issued on 11th October, 2019.


Sd/= Anurag Goel, IAS.,
Commissioner of State tax, Assam,
Dispur, Guwahati

Memo No. CT/GST-15/Pt-1/2017/169-A

Dated Dispur the 14th October, 2019.

Copy to :

1. The Additional Chief Secretary to the Government of Assam, Finance Department, Dispur, Guwahati-6 for favour of kind information.
2. The Commissioner & Secretary to the Government of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
3. The Commissioner of Central GST, Guwahati / Dibrugarh for information.
4. The Additional Commissioner of State tax (All) / Joint Commissioner of State tax (All)/ Deputy Commissioner of State tax (All) / Assistant Commissioner of State tax (All) / Superintendent of State tax (All) / Inspector of State tax (All) for information and necessary action.
5. The Information Technology Officer, Office of the Commissioner of State tax, Assam for uploading it on the website of the Commissionerate for information of all concerned.


Commissioner of State tax, Assam,
Dispur, Guwahati