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Circular No. 16/2019

No: MAT/PMC/10(3)/2019

Dated: 18.07.2019

Sub: Customs Notification in respect to disposal of Goods

Reference of all concerned is invited to Circular No. DLH/Indirect Tax/Circular/24/2019-20/01 dated 10.07.2019 issued by ED-CCF, wherein changes by union Budget-2019 relevant to ONGC under Indirect Tax Laws, have been brought out for necessary compliance (copy enclosed for ready reference).

In this context attention is invited to the para (II) (b) of CBIC Customs Notification No. 25/2019-Customs dated 06.07.2019 whereby, against Condition No. 48, in clause (e) under Customs Notification No. 50/2017-Customs dated 30-06-2017, the proviso to dispose of such imported goods in non-serviceable form after mutilation has been inserted at the end.

Wherever applicable, the said provisions shall be complied with. Action is advised to be taken expeditiously. The copy of aforesaid notification no. 25/2019-Customs is enclosed for ready reference

Above guidelines should be meticulously followed by all concerned.

Ashwini Nagia
18/7/19

(Ashwini Nagia)
ED-Chief MM Services

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	OIL AND NATURAL GAS CORPORATION LTD. OFFICE OF EXECUTIVE DIRECTOR - CHIEF CORPORATE FINANCE (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/24/2019-20/01	Date: 10 th July, 2019
From	: ED- Chief Corporate Finance, ONGC, New Delhi	
To	: Key Executives at Assets/Basins/Plants/Services/Institutes; Finance Heads of Asset/Basins /Plants/Services /Institutes/ICE Through ONGC Reports	
CC	: EO to Director (Finance), ONGC, New Delhi	
Sub	: Relevant changes by Union Budget-2019 under Indirect Tax Laws	

The Hon'ble Finance Minister presented Union Budget for the year 2019 before the Parliament on 05.07.2019. The changes relevant to ONGC operations under Indirect Tax Laws are as under:

1. Basic Excise Duty (BED) on production of Crude Oil:

Basic Excise Duty (BED) of 'Rs. 1 per tonne' has been levied on production of Crude Oil (HSN 2709 2000) by amending Fourth Schedule to the Central Excise Act vide clause 90 of the Finance (No. 2) Bill, 2019.

In view of above, the production of crude oil would attract BED @ Rs. 1 per tonne on quantity dispatched/removed by ONGC work centres. However, vide Notification No. 6/2019-CE dated 06.07.2019, the BED has been exempted on production of crude oil in respect of specified blocks (pre-NELP discovered) and NELP blocks.

[Effective from 06.07.2019]

2. Basic Customs Duty (BCD) on import of Crude Oil:

Basic Customs Duty (BCD) of 'Rs. 1 per tonne' has been levied on import of Crude Oil (HSN 2709 0000) vide Customs Notification No. 20/2019-Cus dated 06.07.2019. Consequently, the effective rate of customs duty on import of crude oil would become 'Rs. 2.20 per tonne' i.e. BCD-Rs. 1 per tonne + CVD Rs. 1 per tonne + SWS @10% on BCD & CVD. This point may be relevant to Corporate Sections for pricing purposes.

[Effective from 06.07.2019]

3. Reduction in rate of BCD on Naphtha:

The rate of Basic Customs Duty (BCD) on import of Naphtha (HSN 2710) has been reduced from 5% to 4% vide Notification No. 25/2019-Cus dated 06.07.2019. This point may be relevant to Corporate Sections for pricing purposes.

[Effective from 06.07.2019]



4. Option to pay BCD @7.50% on imported goods sought to be disposed of in non-serviceable form after mutilation:

As per condition no. 48(e) of Customs Notification No. 50/2017-Cus, where the goods imported for petroleum operations by availing the benefits of exemption are sought to be disposed of, which are no longer required for petroleum operations, the customs duties are payable on depreciated value to be calculated as prescribed therein.

Now, the said condition has been amended vide Notification No. 25/2019-Cus dated 06.07.2019 whereby an option has been provided to pay Basic Customs Duty (BCD) @7.50% at transaction value on such imported goods to be disposed of in non-serviceable form, after mutilation, subject to submission of a certificate from DGH to the effect that the said goods are non-serviceable and have been mutilated before disposal.

[Effective from 06.07.2019]

5. Changes in rate of Excise Duty on HSD (unbranded):

Changes made in rate of Special Additional Excise Duty (SAED) and Road & Infrastructure (R&I) Cess levied on HSD (unbranded) are as under:

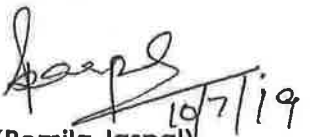
Duties of Excise applicable upto 05.07.2019 (Rs. per litre)				Duties of Excise applicable with effect from 06.07.2019 (Rs. per litre)			
BED	SAED	R&I Cess	Total	BED	SAED	R&I Cess	Total
4.83	1	8	13.83	4.83	2	9	15.83

6. Amnesty Scheme – Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019:

In the Budget, an Amnesty Scheme known as **Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019** has been proposed to be notified. As per the scheme, the pending disputes pertaining to Central Excise, Service Tax, Cesses etc. (i.e. taxes which have been subsumed under GST), may be settled with payment of tax to the extent of 30% to 50% without interest & penalty. The draft scheme is enclosed herewith at **Annexure-I**.

In view of above, the work centre may review the pending disputes pertaining to Central Excise, Service Tax, Cesses etc. considering strength & weakness of such cases, if any, so that the benefit of scheme, with approval of competent authority, may be availed once the scheme is notified. The recommendation of the unit after due deliberation, may be sent to Corporate Indirect Tax by 15.08.2019 so that uniform approach can be adopted for availing the benefit of the scheme.

This is for necessary compliance, as applicable.


(Pomila Jaspal)

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 25/2019 –Customs

New Delhi, the 6th July, 2019

G.S.R. -- (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* G.S.R. 785(E), dated the 30th June, 2017, namely:-

In the said notification,

(I) in the Table, -

- (1) S. No. 23 and the entries relating thereto shall be omitted;
- (2) S. No. 24 and the entries relating thereto shall be omitted;
- (3) against S.No.57, in column (3), in item I, sub-items (A), (B) and (C) and the entries relating thereto shall be omitted;
- (4) S. No. 67 and the entries relating thereto shall be omitted;
- (5) against S. No. 119, in column (3), for the words “Prawn feed, shrimp larvae feed and fish feed in pellet form”, the following shall be substituted, namely: -
“The following goods, namely: -
 - (1) Prawn feed;
 - (2) shrimp larvae feed;
 - (3) fish feed in pellet form”;
- (6) S. No. 125 and the entries relating thereto shall be omitted;
- (7) for S. No. 136 and the entries relating thereto, the following S. No. and entries shall be substituted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“136.	2612 10 00	Uranium Ore and concentrates, for generation of nuclear power	Nil	-	-”;

- (8) S. No. 145 and the entries relating thereto shall be omitted;

(9) against S. No. 147, in column (3), for the words “including”, the words “excluding” shall be substituted;

(10) after S. No. 147 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“147A.	2710	Naphtha	4%	-	-”;

(11) for S. No. 182 and the entries relating thereto, the following S. No. and entries shall be substituted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“182.	2844 20 00	All goods, for generation of nuclear power	Nil	-	-”;

(12) against S. No. 198, for the entry in column (4), the entry “Nil” shall be substituted;

(13) after S. No. 202 and the entries thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“202A.	2910 20 00	Methyloxirane (propylene oxide)	5%	-	-”;

(14) after S. No. 216 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“216A.	Any Chapter	Raw materials, parts or accessories for use in manufacture of artificial kidney	Nil	-	9”;

(15) against S. No. 249A, for the entry in column (3), the entry “All goods” shall be substituted;

(16) against S. No. 250A, for the entry in column (3), the entry “All goods” shall be substituted;

(17) S. No. 252 and the entries relating thereto shall be omitted;

(18) against S. No. 262, for the entries in column (2), the entries “3901 to 3915 (except 3903, 3904 and 3908)” shall be substituted;

(19) against S. No. 267, for the entry in column (3), the entry “All goods other than polymers of vinyl chloride” shall be substituted;

(20) S. No. 282 and the entries relating thereto shall be omitted;

(21) S. No. 283 and the entries relating thereto shall be omitted;

(22) S. No. 294 and the entries relating thereto shall be omitted;

(23) S. No. 295 and the entries relating thereto shall be omitted;

(24) S. No. 297 and the entries relating thereto shall be omitted;

(25) against S. No. 302, for the entry in column (4), the entry “5%” shall be substituted;

- (26) against S. No. 306, for the entry in column (4), the entry “2.5%” shall be substituted;
- (27) against S. No. 310, for the entry in column (4), the entry “2.5%” shall be substituted;
- (28) against S. No. 335, for the entry in column (3), the entry “All goods, other than marble slabs and goods mentioned at S. No. 337” shall be substituted;
- (29) S. No. 336 and the entries relating thereto shall be omitted;
- (30) after S. No. 341 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“341A.	Any Chapter	The following goods for the manufacture of Preform of Silica, namely: - (i) Refrigerated Helium Liquid (2804); (ii) Germanium Tetra Chloride (2812); (iii)Silica tetra chloride (2812); (iv)Silica tube (7002); (v) Silica Rods (7002)	Nil	-	9”;

- (31) against S. No. 354, for the entry in column (4), the entry “11.85%” shall be substituted;
- (32) against S. No. 355, for the entry in column (4), the entry “11%” shall be substituted;
- (33) against S. No. 356, in column (4), for the entry “10%”, at both the places, the entry “12.5%” shall be substituted;
- (34) against S. No. 357, for the entry in column (4), the entry “12.5%” shall be substituted;
- (35) S. No. 358 and the entries relating thereto shall be omitted;
- (36) S. No. 359 and the entries relating thereto shall be omitted;
- (37) S. No. 363 and the entries relating thereto shall be omitted;
- (38) for S. No. 366 and the entries relating thereto, the following S. No. and entries shall be substituted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“366.	72 (except 7202 60 00, 7208, 7209, 7210, 7211, 7212, 7218, 7224, 7225 11 00, 7225 30 90, 7225 40 19, 7225 50, 7225 99 00 or 7229)	All goods other than the following, namely: - (i) goods mentioned against serial numbers 367, 368, 369, 370, 371, 371B, 373A, 373B, 376 and 376C; (ii) seconds and defectives of goods falling under Chapter 72	5%	-	-”;

- (39) after S. No. 373 and the entries thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“373A.	7218	All goods	7.5%	-	-
373B.	7224	All goods	7.5%	-	-”;

- (40) against S. No. 374, for the entry in column (4), the entry “2.5%” shall be substituted;

(41) against S. No. 375, in column (4), for the entry “5%”, wherever they occur, the entry “2.5%” shall be substituted;

(42) after S. No. 376A and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“376B.	7226 99 30	Amorphous alloy ribbon	5%	-	-
376C.	7229	All goods other than INVAR	7.5%	-	-
376D.	7229	INVAR	5%	-	”;

(43) after S. No. 390 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“390A.	8105 20 10	Cobalt mattes and other intermediate products of cobalt metallurgy	2.5%	-	”;

(44) S. No. 427 and the entries relating thereto shall be omitted;

(45) after S. No. 449 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“449A.	8415 90 00	All goods other than indoor or outdoor units of split-system air conditioner	10%	-	”;

(46) after S. No. 452 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“452A.	8421 39 20, 8421 39 90	All goods other than catalytic converters	7.5%	-	”;

(47) S. No. 453 and the entries relating thereto shall be omitted;

(48) after S. No. 481 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“481A.	Any Chapter	Raw materials, parts or accessories for use in the manufacture of disposable sterilized dialysers and micro barrier of artificial kidney	Nil	-	9”;

(49) against S. No. 509, for the entries in column (3), the following entries shall be substituted, namely: -

“(a) Parts, components and accessories for manufacture of Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under 8521 90 90, other than the following items, namely: -

- (i) populated printed circuit boards;
- (ii) charger or power adapter;

(b) sub-parts for use in manufacture of items mentioned at (a) above”;

(50) against S. No. 511, for the entry in column (3), the following entries shall be substituted, namely: -

“(a) Parts, components and accessories for manufacture of CCTV Camera/IP camera falling under 8525 80, other than the following items, namely: -

- (i) populated printed circuit boards;
- (ii) charger or power adapter;

(b) sub-parts for use in manufacture of items mentioned at (a) above”;

(51) for S. No. 524 and the entries relating thereto, the following S. No. and entries shall be substituted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“524.	8702 or 8704	Motor vehicles (excluding electrically operated vehicles), if imported, - (1) as a Completely Knocked Down (CKD) kit containing all the necessary components, parts or sub-assemblies, for assembling a complete vehicle, with, - (a) engine, gearbox and transmission mechanism not in a pre-assembled condition; (b) engine or gearbox or transmission mechanism in pre-assembled form but not mounted on a chassis or a body assembly. (2) other than (1) above.	15% 25% 30%	- - -	- - -”;

(52) against S. No. 528, in column (3), after item (ix), the following items shall be inserted, namely: -

- “(x) E-Drive assembly;
- (xi) On Board charger;
- (xii) E compressor;
- (xiii) Charging Gun”;

(53) against S. No. 529, for the entry in column (6), the entry “9” shall be substituted;

(54) against S. No. 612, in column (3), after item (u), the following items shall be inserted, namely: -

- “(v) Pine wood;
(w) Foam/ EVA foam”;

(II) in the ANNEXURE, -

(a) against Condition No. 41, in paragraph 1, in clause (b), -

- (i) for the word “ten”, the word “one” shall be substituted;
(ii) for the words “one hundred”, the word “ten” shall be substituted;

(b) against Condition No. 48, in clause (e), the following proviso shall be inserted at the end, namely: -

“**Provided** that where the said goods so imported are sought to be disposed of in non-serviceable form, after mutilation, the importer or the transferee, as the case may be, may at his option, pay duty at the rate of 7.5 per cent. on transaction value of such goods subject to production of a certificate from a duly authorised officer of the Directorate General of Hydro Carbons in the Ministry of Petroleum and Natural Gas, Government of India, to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, having jurisdiction over the port of import, to the effect that the said goods are non-serviceable and have been mutilated before disposal.”;

(III) in List 5, against item number 14, for the entry, the entry “Polyester tape” shall be substituted;

(IV) in List 14, item number 9 and the entries relating thereto shall be omitted;

(V) List 20 and the entries relating thereto shall be omitted;

(VI) in List 32, after item number 8, and the entries relating thereto, the following shall be inserted, namely: -

- “9) Mahi Banswara Atomic Power project- 1 to 4, Mahi Banswara, Rajasthan
10) Kaiga Atomic Power project – 5 and 6, Kaiga site, Karnataka
11) Gorakhpur Atomic Power project- 3 and 4, GHAVP site, Haryana
12) Chutka Atomic Power project- 1 and 2, Chutka site, Madhya Pradesh”.

[F. No. 334/3/2019- TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

Note: - The principal notification No. 50/2017- Customs, dated the 30th June, 2017 was published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) *vide* number G.S.R. 785 (E), dated the 30th June, 2017 and last amended *vide* notification No.17/2019- Customs dated the 15th June, 2019, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) *vide* number G.S.R. 425 (E), dated the 15th June, 2019.