



PMC Cell – MM

## Oil and Natural Gas Corporation Ltd

Corporate Materials Management  
2<sup>nd</sup> Floor, Tower-A, Deendayal Urja Bhawan,  
5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070  
Tel – (011)26752004 Fax – (011) 26129091

**Circular No. 78/2023**

No: DLI/CORP-MM/2023/PMC/13(59)/999745

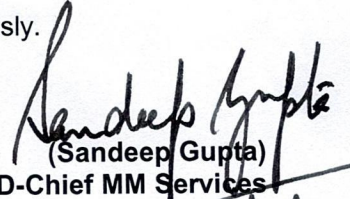
Dated: 26.10.2023

**Sub: Clarification on 'Transaction Value' for Disposal of Goods Imported at Concessional Rate of Customs Duty**

Reference is invited to PMC Circular 07/2022, vide which revised guidelines for availing Concessional Rate of Custom Duty for specified goods required for petroleum operations, issued vide Customs Notification 02/2022-Customs dated 01.02.2022, were issued. As per the said Custom Notification, the disposal of such goods, in terms of Condition No.48 (d), inter-alia requires payment of duty at the rate of 7.5% of transaction value of such goods.

In this regard, reference is also invited to Letter No. DLH/Indirect Tax/Circular/2023-24/02/52 dated 19.10.2023 from Indirect Taxation Department, attaching the clarification from Tax Research Unit, Ministry of Finance, which clarifies that the term 'Transaction Value' in the abovementioned notification is the sale value/auction value of the scrap which is sold through MSTC or other notified Government Agency and not the import value of the goods. Copy enclosed as Annexure-1.


All concerned are advised to follow the above guidelines meticulously.

  
(Sandeep Gupta)  
ED-Chief MM Services  
26/10/23

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

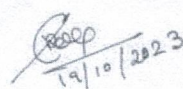
**All concerned may download the circular from the site. Hard copies are not distributed separately**



|   |  |                  |
|---|--|------------------|
|  | <b>OIL AND NATURAL GAS CORPORATION LTD.</b><br><b>OFFICE OF GM (F&amp;A)- HEAD INDIRECT TAXES</b><br><b>CORPORATE INDIRECT TAX DEPARTMENT</b><br><b>3<sup>rd</sup> Floor, Tower-A, Zone-II, Plot No. 5A, Nelson Mandela Road, Vasant Kunj,</b><br><b>New Delhi- 110070</b> |                  |
|   | DLH/Indirect Tax/Circular/2023-24/02/52  | Date: 19.10.2023 |
| <b>From</b>   | : GM (F&A)– Head Corporate Tax (Direct & Indirect), ONGC, New Delhi  |                  |
| <b>To</b>   | : ED- Chief Inventory, Stock and Disposal Mgmt, ONGC, New Delhi<br>Finance Heads of Assets/Basins /Plants/Services /Institutes/ICE<br>Through ONGC Reports   |                  |
| <b>CC</b>   | : ED- Chief Corporate Finance, ONGC, New Delhi<br>CEA to Director (Finance), ONGC, New Delhi   |                  |
| <b>Sub</b>  | : <b>Clarification on 'Transaction Value' for Disposal of Goods Imported at Concessional Rate of Customs Duty</b>  |                  |

- Reference is invited to our internal Circular No. DLH/Indirect Tax/Circular/43/2021-22/03 dt.03.02.2022 regarding import of specified goods required for petroleum operations at concessional rate of duty in terms of Sl.No.404 (Condition No.48, List-33) of N/N 50/2017-Cus. The disposal of such goods, in terms of Condition No.48(d), *inter alia* requires payment of duty at the rate of 7.5% of *transaction value* of such goods. In this connection, the Customs Department had raised doubt whether the term 'Transaction Value', for the purpose of calculation of duty, refers to the import value of the goods or the sale value of the scrap.
- Now, the Tax Research Unit (TRU), Ministry of Finance vide D.O. F.No. CBIC-190354/149/2022-TO(TRU-I)-CBEC dt. 17.10.2023 (Annexure-I) has clarified that the term 'Transaction Value' in the abovementioned notification is the sale value/ auction value of the scrap which is sold through MSTC or other notified Government Agency and not the import value of the goods.

This is for necessary compliance as applicable.

  
 19/10/2023  
 (C S Roy)



F. No. CBIC-190354/149/2022-TO(TRU-I)-CBEC

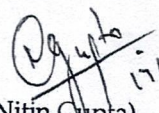
Ministry of Finance  
Department of Revenue  
Tax Research Unit

Room No. 156, North Block  
New Delhi, the 17<sup>th</sup> October, 2023

**Subject: Clarification regarding considering auction value in case of disposal of goods imported under sl. No. 404 of Notification No. 50/2017-Customs - reg.**

The undersigned is directed to refer to letter dated 13.09.2023 from Commissioner of Customs, Import-I, NCH, Mumbai, on the subject matter mentioned above.

In this connection, it is to clarify that the Transaction Value, as mentioned in the Sl. No. 404 (Condition-48) of Customs Notification 50/2017-Custom, is the sale value/auction value of the scrap which is sold through MSTC or other notified Government Agency. The intention was to charge the duty on the sale value of the scrap and not on the import value of the goods.

  
(Nitin Gupta)

Technical Officer (TRU-I)  
Email: nitin.gupta1326@gov.in

To  
Commissioner of Customs  
[Kind Attention: Shri Vivek Pandey]  
Import-I,  
NCH, Mumbai