## JAWAHARLAL NEHRU CUSTOM HOUSE, SHEVA, DISTT. RAIGAD MAHARASHTRA- 400 707



## STANDING ORDER NO. 51 /2007

��������Sub� :� Exemption from payment of additional duty of customs leviable on��

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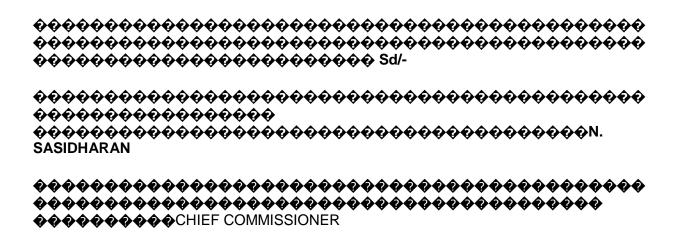
������������������� Customs Tariff Act, 1975 & reg.

Customs, Ahmedabad regarding the levey of 4% special countervailing duty (Special CVD) under the sub-section (5) of the Section 3 of the Customs Tariff Act, 1975, on import of Liquefied Petroleum Gas mixture classifiable under Tariff entry 2711.1900. LPG for domestic supply is exempted from payment of basic customs duty and additional customs duty under sub-section (3) and (5) of section 3 of the Customs Tariff Act, 1975. LPG other than domestic supply attracts effective rate of 5% basic customs duty and 8% CVD. Specified goods of chapter 27 have also been exempted from payment of 4% special CVD. This includes petroleum gases and fuels of chapter 27 in general and LPG for domestic household consumers, specifically.

- 2. ������The issue was examined by the Board.� The exemption entry at serial no. 2 to notification no. 20/2006-Customs dated 01.03.2006, state as follows:
  - ♦ Petroleum crude, kerosene for Public Distribution Scheme, liquefied pertroleum gas for domestic household consumers, petrol, diesel, coal, coke and petroleum gases and fuels falling under chapter 27♦

Petroleum gases and other gaseous hydrocarbons both in liquefied state and in gaseous state are covered under heading 27.11. LPG is covered specifically under the tariff entry 2711 19 00 as other liquefied petroleum gases. There is no distinction in the tariff entries in respect of LPG supplied for domestic household consumers and for other category. It is only for the purpose of concession/ exemption, specific end user description has been used.

- 3. ������From the scope of the notification and the above examination, it is clear that all goods covered under chapter 27 are not covered under the scope of exemption entry serial no. 2.� However, all petroleum gases covered under chapter 27 are exempted from payment of 4% special CVD.� The wording of the entry �petroleum gases� of chapter 27 in the notification itself covers the LPG supplied to domestic consumers and LPG supplied to other category of consumers, irrespective of whether they are used for fuel or feedstock or otherwise.� The wording �liquefied petroleum gas for domestic household consumers� is specifically given, as an abundantly cautious step to ensure that such domestic household stated either in the notification or in the tariff entry, for restricting the 4% CVD exemption to LPG supplied to any specific use.
- 4. ������In view of the above, the Board has clarified that the LPG imported for supply to domestic consumers as well as LPG supplied in other category, would be eligible for exemption from payment of 4% special CVD as per the serial no. 2 of Notification No. 20/2006-Customs dated 01.03.2006.
- 5. �����All the field formations are hereby instructed to take note of the above and finalise the pending provisional assessments of LPG import and also to assess live imports accordingly.



## Copy to :

All Commissioners of Customs, in Mumbai Zone II

All Additional/ Joint Commissioners

All Gr. ♦A♦ Officers/ Section Heads in Zone II