

No. 15011/33/2013-MPR  
Government of India  
Ministry of Chemicals & Fertilizers  
Department of Fertilizers

Shastri Bhawan, New Delhi  
Dated the 12<sup>th</sup> December, 2013

To,

All fertilizers Companies

Sub: - Request for alignment of import duty and excise duty provisions on Furnace Oil (FO) to be used for manufacture of fertilizers.

I am directed to forward herewith OM No. 332/12/2013-TRU dated 24.9.2013 from the Department of Revenue on the subject mentioned above and to requested you to provide the requisite information at the earliest for onward transmission of the data to the Department of Revenue.

Encl: as above

Yours faithfully,



P. B. Sahu

Under Secretary to the Govt. of India  
Tele: 23387492

Copy to: NIC for uploading on DOF's website.

E-7403/JS(59)/13  
27/9/13

F.No.332/12/2013-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
Tax Research Unit  
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Room No. 153, North Block  
New Delhi, dated 24<sup>th</sup> September, 2013

OFFICE MEMORANDUM

Subject: Request for alignment of import duty and excise duty provisions on Furnace Oil (FO) to be used for manufacture of fertilizers.

The undersigned is directed to enclose a copy of representation dated 5<sup>th</sup> September, 2013 received from M/s. Bharat Petroleum Corporation Ltd. on the above subject. In order to enable us to take a view on bringing parity in tax treatment on FO for use in the manufacture of fertilizers, either as feedstock or otherwise, it is requested to provide following data at the earliest:

- fact  
rpl  
u HEC
- i. Whether Furnace Oil is being imported for use in the manufacture of fertilizers? If so, the quantity and value of FO imported for use as (i) as feedstock or (ii) otherwise (heating feedstock) by the fertilizer companies during 2012-13.
  - ii. Whether Furnace Oil is used as feedstock in the manufacture of fertilizers? If so, the quantity and value of FO sourced domestically by the fertilizer companies during 2012-13, for use as feedstock.
  - iii. Quantity and value of Furnace Oil sourced domestically by the fertilizer companies during 2012-13 for use other than as feedstock.
  - iv. The proportion of FO per unit of fertilizer (in quantity and value terms) used as feedstock and when use for purposes other than feedstock.

2. It is requested that issues raised by M/s Bharat Petroleum Corporation Ltd. may be examined and your views/comments in the matter together with the information / data referred to in paragraph 1 above may kindly be furnished at an early date.

*com*  
(Prashant Kumar Jha)  
Technical Officer (TRU)  
Tel: 2309 4819

Enclosure: As above

To,

Sh. S. C. Gupta  
Joint Secretary (P & P)  
Department of Fertilizers  
Ministry of Chemicals & Fertilizers  
Shastri Bhawan, New Delhi- 110001

*JP*  
27/9

*DIB (P&P)*

*US (M/P) Prashant*  
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भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड  
भारत सरकार का उपक्रम

BHARAT PETROLEUM CORPORATION LTD.  
A Govt. of India Enterprise

AC.T.CON.3 (E)

5th September, 2013

The Revenue Secretary,  
Department of Revenue, Ministry of Finance,  
North Block,  
New Delhi- 110001

Sir,

Pl. en. a put up  
urgently. We need to  
solve this issue.  
Dty (Customs) 13/9

**Sub: Request for alignment of import duty and excise duty provisions on Furnace Oil (FO) to be used for manufacture of fertilizers**

We, M/s Bharat Petroleum Corporation Ltd (BPCL) are a Government of India undertaking engaged in the refining of crude oil into petroleum products and marketing thereof. We have two Refineries one at Ambalamughal, Kochi and other at Mahul, Mumbai which caters to the requirements of the petroleum products in different parts of the country.

We wish to bring to your kind notice differential treatment of 'Furnace Oil (FO) to be used for manufacture of fertilizers' from the perspective of customs duty and the excise duty.

Entry 136 Of the Customs Notification No.12/2012-Customs dated 17-03-2012 exempts both BCD and CVD on the FO imported for use in manufacture of fertilizers. The entry reads as under –

Sl. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Standard Rate	Additional duty rate	Condition No.
136	27 10 or 27 14 90	*All goods, for the manufacture of Fertilizers	Nil	Nil	5

\*goods under tariff heading 2710 include Furnace Oil (FO).

Entry 62 of the Central Excise Notification No.12/2012 – CE, dated 17-03-2012, exempts excise duty on the FO sold for use as feedstock in the manufacture of fertilizers. The entry reads as under –

Sl. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate	Condition No.
62	27	Furnace oil intended for use as feedstock in the manufacture of fertilizers	Nil	2 and 3