Central Excise Tariff (Amendment) Act, 2004

Chapter XXVII - Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes

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CHAPTER 27

MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES

NOTES

1. This Chapter does not cover:

(a) separate chemically defined organic compounds other than pure methane and propane which are to be classified in heading 2711;

(b) medicaments of heading 3003 or 3004; or

(c) mixed unsaturated hydrocarbons of heading 3301, 3302 or 3805.

2. References in heading 2710 to "petroleum oils and oils obtained from bituminous minerals" include not only petroleum oils and oils obtained from bituminous minerals but also similar oils, as well as those consisting mainly of mixed unsaturated hydrocarbons, obtained by any process, provided that the weight of the non-aromatic constituents exceeds that of the aromatic constituents.

However, the references do not include liquid synthetic polyolefins of which less than 60% by volume distils at 300C, after conversion to 1,013 millibars when a reduced-pressure distillation method is used (Chapter 39).

3. For the purposes of heading 2710, "waste oils" means waste containing mainly petroleum oils and oils obtained from bituminous minerals (as described in Note 2 to this Chapter), whether or not mixed with water. These include:

(a) such oils no longer fit for use as primary products (for example, used lubricating oils, used hydraulic oils and used transformer oils);

(b) sludge oils from the storage tanks of petroleum oils, mainly containing such oils and high concentration of additives (for example, chemicals) used in the manufacture of the primary products; and

(c) such oils in the form of emulsions in water or mixtures with water, such as those resulting from oil spills, storage tank washings, or from the use of cutting oils for machining operations.

4. In relation to lubricating oils and lubricating preprations of heading 2710, labelling or relabelling of containers and repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to 'manufacture'.

5. In relation to natural gas falling under heading 2711, the process of compression of natural gas (even if it does not involve liquefaction), for the purpose of marketing it as Compressed Natural Gas (CNG), for use as a fuel or for any other purpose, shall amount to 'manufacture'.

SUB-HEADING

NOTES

1. For the purposes of sub-heading 2701 11 "anthracite" means coal having a volatile matter limit (on a dry, mineral-matter-free basis) not exceeding 14%.

2. For the purposes of sub-heading 2701 12, "bituminous coal" means coal having a volatile matter limit (on a dry, mineral-matter-free basis) exceeding 14% and a calorific value limit (on a moist, mineral-matter-free basis) equal to or greater than 5,833 Kcal/Kg.

3. For the purposes of sub-headings 2707 10, 2707 20, 2707 30, 2707 40 and 2707 60, the terms "benzol (benzene)", "toluol (toluene)", "xylol (xylenes)", "naphthalene" or "phenols" apply to products which contain more than 50% by weight of benzene, toluene, xylene, naphthalene or phenols, respectively.

4. For the purposes of sub-heading 2710 11, "light oils and preparations" are those of which 90% or more by volume (including losses) distil at 210C (ASTM D 86 method).

SUPPLEMENTARY

NOTE

In this Chapter, the following expressions have the meanings hereby assigned to them:

(a) "motor spirit" means any hydrocarbon oil (excluding crude mineral oil) which has its flash point below 25C and which either by itself or in admixture with any other substance, is suitable for use as fuel in spark ignition engines. "Special boiling point spirits (tariff items 2710 11 11,2710 11 12 and 2710 11 13)" means light oils, as defined in Sub-heading Note 4, not containing any anti-knock preparations, and with a difference of not more than 60C between the temperatures at which 5% and 90% by volume (including losses) distil;

(b) "natural gasoline liquid (NGL)" is a low-boiling liquid petroleum product extracted from Natural Gas;

(c) "superior kerosene oil (SKO)" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS: 1459-1974 (Reaffirmed in the year 1996);

(d) "aviation turbine fuel (ATF)" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS: 1571:1992:2000;

(e) "high speed diesel (HSD)" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS: 1460:2000;

(f) "light diesel oil (LDO)" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS: 1460;

(g) "fuel oil" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS: 1593:1982 (Reaffirmed in the year 1997);

(h) "lubricating oil" means any oil, which is ordinarily used, for lubrication, excluding any hydrocarbon oil, which has its flash point below 93.3 C;

(i) "jute batching oil" and "textile oil" are hydrocarbon oils which have their flash point at or above 93.3C, and is ordinarily used for the batching of jute or other textile fibres;

(j) the expression "petroleum jelly crude" (tariff item 2712 10 10) shall be taken to apply to petroleum jelly of a natural colour higher than 4.5 by the ASTM D 1500 method;

(k) for the purposes of these additional notes, the tests prescribed have the meaning hereby assigned to them:

(1) "Flash Point" shall be determined in accordance with the test prescribed in this behalf in the rules made under the Petroleum Act, 1934 (30 of 1934);

(2) "Smoke Point" shall be determined in the apparatus known as the Smoke Point Lamp in the manner indicated in the Indian Standards Institution specification IS: 1448 (p. 31)-1967 as for the time being in force;

(3) "Final Boiling Point" shall be determined in the manner indicated in the Indian Standards Institution specification IS: 1448 (p. 18)-1967 as for the time being in force;

(4) "Carbon Residue" shall be determined in the apparatus known as Ramsbottom Carbon Residue Apparatus in the manner indicated in the Indian Standards Institution specification IS: 1448 (p. 8)-1967 as for the time being in force;

(5) "Colour Comparison Test" shall be done in the following manner, namely:

(i) first prepare a five per cent. weight by volume solution of Potassium Iodine (analytical reagent quality) in distilled water;

(ii) to this, add Iodine (analytical reagent quality) in requisite amount to prepare an exactly 0.04 normal Iodine solution;

(iii) thereafter, compare the colour of the mineral oil under test with the Iodine solution so prepared.

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
2701	COAL; BRIQUETTES, OVOIDS AND SIMILAR SOLID FUELS MANUFACTURED FROM COAL		
	Coal, whether or not pulverised, but not agglomerated:		
2701 1100	-- -Anthracite	kg.	Nil
2701 12 00	-- -Bituminous coal	kg.	Nil
270119	--Other coal:		
2701 19 10	--Coking coal	kg.	Nil

2701 1920	--Steam coal	kg.	Nil
2701 19 90	--Other	kg.	Nil
270120	- Briquettes, ovoids and similar solid fuels manufactured from coal:		
2701 20 10	-- --Anthracite agglomerated	kg.	Nil
270120 90	-- --Other	kg.	Nil
2702	LIGNITE, WHETHER OR NOT AGGLOMERATED, EXCLUDING JET		
2702 10 00	- Lignite, whether or not pulverised, but not agglomerated	kg.	Nil
2702 20 00	- Agglomerated lignite	kg.	Nil
2703	PEAT (INCLUDING PEAT LITTER), WHETHER OR NOT AGGLOMERATED		
2703 00	- Peat (including peat litter), whether or not agglomerated:		
2703 00 10	--Peat whether or not compressed into bales, but not agglomerated	kg.	Nil
2703 00 90	--Other	kg.	Nil
2704	COKE AND SEMI-COKE OF COAL, OF LIGNITE OR OF PEAT, WHETHER OR NOT AGGLOMERATED; RETORT CARBON		
2704 00	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon:		
2704 0010	-- --Retort carbon (gas carbon)	kg.	Nil
2704 0020	-- --Coke and semi-coke of lignite or of peat	kg.	Nil
2704 00 30	-- --Hard coke of coal	kg.	Nil
2704 0040	-- --Soft coke of coal	kg.	Nil
2704 00 90	-- --Other	kg.	Nil
2705 00 00	COAL GAS, WATER GAS, PRODUCER GAS AND	kg.	Nil

	SIMILAR GASES, OTHER THAN PETROLEUM GASES AND OTHER GASEOUS HYDROCARBONS		
2706	TAR DISTILLED FROM COAL, FROM LIGNITE OR FROM PEAT AND OTHER MINERAL TARS, WHETHER OR NOT DEHYDRATED OR PARTIALLY DISTILLED, INCLUDING RECONSTITUTED TARS		
2706 00	Tar distilled from coal, from lignite or from peat and other mineral tars, whether or not dehydrated or partially distilled, including reconstituted tars:		
2706 0010	-- --Coal tar	kg.	Nil
2706 00 90	-- --Other	kg.	Nil
2707	OILS AND OTHER PRODUCTS OF THE DISTILLATION OF HIGH TEMPERATURE COAL TAR SIMILAR PRODUCTS IN WHICH THE WEIGHT OF THE AROMATIC CONSTITUENTS EXCEEDS THAT OF THE NON-AROMATIC CONSTITUENTS		
270710 00	- Benzol (benzene)	kg.	16%
270720 00	- Toluol (toluene)	kg.	16%
2707 30 00	- Xylol (xylenes)	kg.	16%
270740 00	- Naphthelene	kg.	16%
2707 50 00	- Other aromatic hydrocarbon mixtures of which 65% or more by volume (including losses) distils at 250OC by the ASTM D 86 method	kg.	16%
2707 60 00	- Phenols	kg.	16%
	- Other:		
2707 9100	-- -Creosote oils	kg.	16%
2707 99 00	- -Other	kg.	16%

2708	PITCH AND PITCH COKE, OBTAINED FROM COAL TAR OR FROM OTHER MINERAL TARS		
270810	- Pitch:		
2708 10 10	-- --Obtained by blending with creosote oil or other coal tar distillates	kg.	16%
2708 10 90	-- --Other	kg.	16%
2708 20 00	- Pitch coke	kg.	16%
2709 00 00	PETROLEUM OILS AND OILS OBTAINED FROM BITUMINOUS MINERALS, CRUDE	kg.	Nil
2710	PETROLEUM OILS AND OILS OBTAINED FROM BITUMINOUS MINERALS, OTHER THAN CRUDE; PREPARATIONS NOT ELSEWHERE SPECIFIED OR INCLUDED, CONTAINING BY WEIGHT 70% OR MORE OF PETROLEUM OILS OR OF OILS OBTAINED FROM BITUMINOUS MINERALS, THESE OILS BEING THE BASIC CONSTITUENTS OF THE PREPARATIONS; WASTE OILS - Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than waste oils:		

271011	-- -Light oils and preparations:		
	-- Motor Spirit:		
2710 11 11	----Special boiling point spirits (other than benzene, toluol) with nominal boiling point range 55-115C	kg.	16% + Rs. 15.00 per litre
2710 11 12	-----Special boiling point spirits (other than benzene, benzol, toluene and toluol) with nominal boiling point range 63-70C	kg.	16% + Rs. 15.00 per litre
271011 13	-- Other special boiling point spirits (other than benzene, benzol, toluene and toluol)	kg.	16%+Rs. 15.00per litre
271011 19	-- Other	kg.	16%+Rs. 15.00per litre
27101120	-- --Natural gasoline liquid (NGL)	kg..	16%+Rs. 15.00per litre
27101190	-- --Other	kg.	16%+Rs. 15.00per litre
271019	- -Other:		
27101910	-- --Superior kerosene oil (SKO)	kg.	16%
27101920	-- --Aviation turbine fuel (ATF)	kg.	16%
271019 30	-- --High speed diesel (HSD)	kg.	16%+Rs. 5.00per litre
27101940	-- --Light diesel oil (LDO)	kg.	16%+Rs. 5.00per litre
271019 50	-- --Fuel oil	kg.	16%
271019 60	-- --Base oil	kg.	16%
271019 70	-- --Jute batching oil and textile oil	kg.	16%
271019 80	-- --Lubricating oil	kg.	16%
271019 90	-- --Other	kg.	16%
	- Waste oil:		
2710 91 00	- -Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	kg.	
2710 99 00	- -Other	kg.	
2711	PETROLEUM GASES AND OTHER GASEOUS HYDROCARBONS		
	- Liquefied:		
2711 1100	- -Natural gas	kg.	16%

2711 12 00	- -Propane	kg.	16%
271113 00	- -Butane	kg.	16%
2711 14 00	- -Ethylene, propylene, butylene and butadiene	kg.	16%
271119 00	- -Other	kg.	16%
	- In gaseous state:		
27112100	- -Natural gas	kg.	16%
271129 00	- -Other	kg.	16%
2712	PETROLEUM JELLY, PARAFFIN WAX, MICROCRYSTALLINE PETROLEUM WAX, SLACK WAX, OZOKERITE, LIGNITE WAX, PEAT WAX, OTHER MINERAL WAXES, AND SIMILAR PRODUCTS OBTAINED BY SYNTHESIS OR BY OTHER PROCESSES, WHETHER OR NOT COLOURED		
271210	- Petroleum jelly:		
2712 1010	-- --Crude	kg.	16%
2712 10 90	-- --Other	kg.	16%
271220	- Paraffin wax containing by weight less than 0.75% of oil:		
2712 2010	-- --Chlorinated paraffin wax	kg.	16%
2712 20 90	-- --Other	kg.	16%
2712 90	- Other:		
2712 9010	-- --Micro-crystalline petroleum wax	kg.	16%
2712 9020	-- --Lignite wax	kg.	16%
2712 90 30	-- --Slack wax	kg.	16%
2712 90 90	-- --Other	kg.	16%
2713	PETROLEUM COKE, PETROLEUM BITUMEN AND OTHER RESIDUES OF PETROLEUM OILS OR OF OILS OBTAINED FROM BITUMINOUS MINERALS		
	- Petroleum coke:		
2713 1100	- -Not calcined	kg.	16%
2713 12 00	- -Calcined	kg.	16%
2713 20 00	- Petroleum bitumen	kg.	16%

2713 90 00	- Other residues of petroleum oils or of oils	kg.	16%
	obtained from bituminous minerals		
2714	BITUMEN AND ASPHALT, NATURAL; BITUMINOUS OR OIL SHALE AND TAR SANDS; ASPHALTITES AND ASPHALTIC ROCKS		
2714 10 00	Bituminous or oil shale and tar sands	kg.	16%
2714 90	- Other:		
2714 90 10	-- - Asphalt, natural	kg.	16%
2714 90 20	--- Bitumen, natural	kg.	16%
2714 90 30	--- Gilsonete	kg.	16%
2714 90 90	--- Other	kg.	16%
2715	BITUMINOUS MIXTURES BASED ON NATURAL ASPHALT, ON NATURAL BITUMEN, ON PETROLEUM BITUMEN, ON MINERAL TAR OR ON MINERAL TAR PITCH (FOR EXAMPLE, BITUMINOUS MASTICS, CUT BACKS)		
2715 00	- Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut backs):		
2715 00 10	-- - Cut backs, bituminous or asphalt	kg.	16%
2715 00 90	--- Other	kg.	16%
2716 00 00	ELECTRICAL ENERGY 1000 kWh		

* For rates of special duty of excise and notification(s) giving effective rates of special duty of excise on specified goods of this Chapter - please see the second Schedule to this tariff.

* For rates of National Calamity Contingent duty on specified goods of this Chapter - please see Appendix III.

* For effective rates of Cess on the specified goods of this Chapter - please see Appendix IV.

* The specified goods falling under this Chapter are assessable to duty w.r.t. Maximum Retail Price. For percentage of abatement - please see Appendix V.

SPECIAL ADDITIONAL EXCISE DUTY

[Section 140 of Finance Act, 2002]

140. (1) In the case of goods specified in the Eight Schedule, being goods manufactured, there shall be levied, and collected, for purposes of the Union, by surcharge, a duty of excise, to be called the Special Additional Excise Duty, at the rates specified in the said Schedule.

(2) The Special Additional Excise Duty chargeable on goods specified in the Eighth Schedule shall be additional to any other duties of excise chargeable on such goods under the Central Excise Act, 1944 or any other law for the time being in force.

(3) The provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to refunds and exemptions from duties and imposition of penalty, shall, as far as may be, apply in relation to the levy and collection of the Special Additional Excise Duty leviable under this section in respect of the goods specified in the Eighth Schedule, as they apply in relation to the levy and collection of the duties of excise on such goods under that Act, or those rules, as the case may be.

THE EIGHTH SCHEDULE

Item No. (1)	Description of goods (2)	Rate of duty (3)
1.	Motor spirit, commonly known as	Rs. seven per litre Re.
2.	petrol High speed diesel oil	one per litre

*Inserted vide section 140 of Finance Bill, 2002.

ADDITIONAL DUTY ON MOTOR SPIRIT (PETROL)

[See S.111 of Finance (No.2) Act, 1998 (21 of 1998), as amended by Section 159 of the Finance Bill, 2003 and Section 119 of the Finance Bill, 2005]

111. (1) In the case of goods specified in the Second Schedule, being goods manufactured in India, there shall be levied and collected as an additional duty of excise an amount calculated at the rate set forth in the said Schedule.

(2) The additional duty of excise referred to in sub-section (1) shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, or any other law for the time being in force.

(3) The provisions of the Central Excise Act and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the additional duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules and regulations, as the case may be.

(4) The additional duty of excise leviable under sub-section (1) shall be for the purposes of the Union and the proceeds thereof shall not be distributed among the States.

THE SECOND SCHEDULE

[See sections 103(1) and 111(1)]

Item No. (1)	Description of goods (2)	Rate of duty (3)
1	Motor spirit commonly known as petrol	Rupee two per litre

ADDITIONAL DUTY ON HIGH SPEED DIESEL OIL

(Section 133 of Finance Act, 1999, as amended by Section 160 of the Finance Bill, 2003. and Section 120 of Finance Bill, 2005)

133. (1) In the case of goods specified in the Second Schedule, being goods manufactured in India, there shall be levied and collected as an additional duty of excise an amount calculated at the rate set forth in the said Schedule.

(2) The additional duty of excise referred to in sub-section (1), shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, or any other law for the time being in force.

(3) The provisions of the Central Excise Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the additional duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

(4) The additional duty of excise leviable under sub-section (1), shall be for the purposes of the Union and the proceeds thereof shall not be distributed among the States.

THE SECOND SCHEDULE

[See sections 116(1) and 133(1)]

Item No. (1)	Description of goods (2)	Rate of duty (3)
1	High speed diesel oil	Rupee two per litre

EXEMPTION NOTIFICATIONS

Effective rates of special additional duty on motor spirit and high speed diesel.

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of section 147 of the Finance Act, 2002 (20 of 2002), and in supersession of the notification of the Government of India in the Ministry of Finance(Department of Revenue) No 19/2002-Central Excise, dated the 1st March , 2002 [G.S.R 140(E), dated the 1st March, 2002], the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods falling within the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) and specified in column(2) of the Table hereto annexed, from so much of the special additional excise duty leviable thereon under sub-section (1) of section 147 of the said Finance Act, as is in excess of the amount indicated in the corresponding entry in column (3) of the said Table, namely:-

TABLE

S.No	Description of goods	Rate
(1)	(2)	(3)
1.	Motor spirit, commonly known as petrol	Rupees six per litre
2.	High speed diesel oil	Nil
3.	5% ethanol blended petrol that is a blend.-(a) consisting, by volume, of 95% Motor spirit, (commonly known as petrol) on which the appropriate duties of excise have been paid and, of 5% ethanol on which the appropriate duties of excise have been paid, and b) conforming to Bureau of Indian Standards specification 2796. Explanation: For the purposes of thus exemption "appropriate duties of excise" shall mean the duties of excise leviable under the First Schedule and Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) the additional duty of excise of excise leviable under section 111 of the Finance (No. 2) Act, 1998 (21 of 1998) and the special additional excise duty leviable under section 147 of the Finance Act, 2002 (20 of 2002), read with any relevant exemption notification for the time being in force	Nil

[Notfn.No. 28/02-CE, dt. 13.5.02 as amended by Notfn. Nos.62/02,16/03,12/04 and 40/04]

Exemption to Motor Spirit falling under Heading No. 27.10, intended for use in ethanol blended petrol:

In exercise of the powers conferred by sub-section (1) of section 5 A of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby exempts Motor Spirit (commonly known as petrol) (hereinafter referred to as said goods), falling under heading No. 27.10 of the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) (hereinafter referred to as said Schedules), manufactured in and cleared from an oil refinery or cleared from a registered warehouse, intended for use in ethanol blended petrol, that is, a blend,

a) consisting, by volume, of 95% Motor spirit, (commonly known as petrol) and of 5% ethanol; and

b) conforming to Bureau of Indian Standards specification 2796 from so much of the duty of excise leviable thereon under the said Schedules, as is in excess of the duty that would have been leviable on such goods under the said Schedules, if sold by the manufacturer for delivery at the time of removal of such goods or at any other time