

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4201
ANSWERED ON:04.05.2007
CONCESSIONS ON OIL EXPLORATION
Rana Shri Rabindra Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to give tax concessions to the companies to promote the exploration of oil and natural gas in the country;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a), (b) & (c) Section 42 of the Income-tax Act provides for special deductions to any person engaged in the business of prospecting and exploration of mineral oil, petroleum and natural gas subject to fulfillment of specified conditions.

Further, section 80-IB(9) provides tax holiday for 7 years to undertakings engaged in the business of production of mineral oil.

Therefore, there is no case for any change in law to provide any further incentive.