

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4625
ANSWERED ON:23.04.2010
TAX ON WINDFALL BENEFITS
Sudhakaran Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) whether there has been demands from various quarters including Oil Public Sector Units (PSUs) for levying the windfall profit tax on the Oil companies;
- (b) if so, the details thereof; and
- (c) the time by which it is likely be implemented?

Answer

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

- (a) Yes, Sir, demands have been received from various quarters for levying windfall profit tax on the oil companies.
- (b) It has been contended in the requests that the profits of the private sector oil companies are growing exponentially and that these companies are paying very little tax due to the various tax benefits and therefore in view of rising oil prices and the windfall profits being made by these companies there is a strong case for levy of a windfall profit tax on the profits of these companies. It has also been pointed out therein that many countries have introduced such a tax to offset disruptions due to unforeseen circumstances leading to high oil prices.
- (c) Upon due consideration of the representations, the Government has not found it feasible and economically justifiable to accept the proposal for levying any windfall or excess profit tax on oil companies.