

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3729
ANSWERED ON:30.07.2009
TAXES ON INFRASTRUCTURE PROJECTS
Khairi Shri Chandrakant Bhaurao;Pradhan Shri Nityananda

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government proposes to remove the various taxes levied on infrastructural projects under the Ministry of Petroleum and Natural Gas;
- (b) if so, the details of such percentage of taxes so levied;
- (c) if not, the reasons therefor; and
- (d) whether the Government proposes to make such infrastructural projects more economical and friendly to the investors?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (d): The Government has given fiscal concessions to various projects under the purview of Ministry of Petroleum and Natural Gas. Some of these projects enjoy a nil customs duty regime while others attract a concessional 5% basic customs duty. As per Finance Bill 2009, tax holiday under the Income Tax Act will be extended to natural gas from blocks which are licensed under the VIII Round of bidding for award of exploration contracts under the New Exploration Licencing Policy (NELP) and begin commercial production of natural gas on or after the 1st day of April 2009. This benefit will also be available for profits from natural gas produced in blocks awarded under the IVth round of bidding for coal bed methane blocks.

As the oil and gas projects have been given concessions in customs duty rates and income tax, there is no proposal to remove the various taxes on these projects at present.