

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

UNSTARRED QUESTION NO:60
ANSWERED ON:19.11.2009
REVENUE LOSS ON GAS PRODUCTION DUE TO TAX BREAKS
Balram Shri P.

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

- (a) whether the Government has lost a huge amount on tax breaks for gas production;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government to avoid such revenue loss?

Answer

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

(a) No, Madam. The Government has provided the benefit of deduction in respect of profits and gains, under section 80-IB of IT Act, 1961 for commercial production of natural gas in the blocks licensed under the VIII round of bidding for award of exploration contracts (NELP-VIII) and fourth round of bidding for award of exploration contracts for Coal Bed Methane (CBM- IV) . The Production Sharing Contracts (PSC) for NELP VIII and contracts for CBM-IV are yet to be signed. Any commercial production will commence only after commercial discoveries in these blocks.

(b) and (c) Does not arise in view of (a) above.