



## Petroleum Ministry To Take Up Matters Relating To Tax Relief, Reduction In Oil Cess With FinMin: Secy

**New Delhi,** With a view to provide much-needed relief to the Indian oil and gas sector, the Union Petroleum and Natural Gas Ministry is looking at extending tax concessions along with reduction in oil cess and will soon take up the matter with Union Finance Ministry, a top official said at an ASSOCHAM webinar held. Besides, the Petroleum Ministry will also provide whatever relief such as extending timelines, try and reduce penalties wherever possible and take other such measures, stated Mr. Tarun Kapoor, Secretary, Ministry of Petroleum and Natural Gas at a webinar on “AtmaNirbhar Bharat - Role of Oil and Gas Sector” hosted by The Associated Chambers of Commerce and Industry of India (ASSOCHAM). On opening up the gas and fuel retailing, Mr Kapoor said that the Centre is keen to issue license to the new players and the government has tweaked its policy wherein the net worth of the organization is brought down to INR 250 crore for fuel retailing business. “As far as gas is concerned, the Petroleum and Natural Gas Regulatory Board (PNGRB) is coming out with policy wherein the new players can enter and use 25 per cent of the infrastructure in areas from supplying to commercial and industrial where the market exclusivity has ended,” said Mr Kapoor.

He also noted that there is plenty of scope in the upstream sector as a lot of good data and surveying is done which makes it easier for the new organization to use this data and analyse it, which reduces the risk and helps make informed decisions. On the issue of shortage of skilled manpower in the domestic oil and gas sector, Mr Kapoor informed that the Petroleum Ministry is working on strengthening the skill council and has sought support from private sector in this behalf. Talking about the inclusion of natural gas in the Goods and Services Tax (GST), the Petroleum



secretary said that while the Government is looking at bringing natural gas under the GST at the earliest, it needs the support of states before placing the matter to the GST council. On the current scenario, he lamented that the sector is a bit stressed due to the low oil price and the pricing formulae at various stages are linked to international prices, so be it upstream, midstream and downstream, all the sectors are bit tight.

He added that while it is difficult to predict how the market will behave in future. “The prices in India are linked to global markets and if we try to change the formulae drastically then we would move away from the free pricing which is not good for the sector.” Talking about the theme of the webinar the secretary said, “We want the country to move forward with Aatma Nirbhar Bharat so that more manufacturing comes into the country and we should look at areas where we can reduce imports and create more business opportunities in India.” Sharing his views, Mr Darshan Hiranandani, Chairman, ASSOCHAM National Council on Hydrocarbon and Petrochemical and CEO, H-Energy listed out few issues such

as the need for regulatory assistance in managing volatility from RBI and Finance Ministry. Highlighting the huge shortage of skilled manpower in the oil and gas sector, Mr Hiranandani suggested the government to involve private sector in the skill council for oil and gas sector set up by the PSU. He further said, “We are encouraged by the government’s signal on opening up of gas and fuel retailing and large numbers of measures being taken for the new downstream retail outlets like creating new CGD players and opening of gas marketing.” The ASSOCHAM council chief also said that specific measures on tax and hedging are also required. Amid others who addressed the ASSOCHAM webinar included – Mr Sunil Kumar, Joint Secretary, MoPNG; Mr Rajeev Mathur, ED (Business Development & Corporate Affairs), GAIL (India) Ltd.; Mr Prabh Das, MD & CEO, HMEL; Mr Debasish Mishra, Partner-Consulting, Deloitte Touche Tohmatsu India LLP and Mr Rakesh Agiwal, head-joint venture management, Cairn Oil and Gas, Vedanta Ltd and Mr Manu Sehgal, Vice President, Strategy and Feedstock supply group, HMEL.