



Workshop on impact of GST on the Oil & Gas Sector held

Ministry of Petroleum and Natural Gas apprised of concerns on GST by Industry Representatives

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Shri Dharmendra Pradhan assures Industry to convey concerns to Finance Minister for agreeable solutions

Petroleum Minister also asks Industry Players to raise concerns with Oil and Gas producing States, to make changes in provisions which impact new investments and employment generation

Minister of State (I/C) for Petroleum and Natural Gas, Shri Dharmendra Pradhan reviewed the impact of GST on the Oil & Gas Sector. A workshop was organized by the Ministry after various public and private sector stakeholders from upstream, downstream and midstream segment raised several concerns on the likely impact of GST on the Oil and Gas Industry. Secretary for Petroleum and Natural Gas, Shri K D Tripathi was also present during the review.

While welcoming GST as a progressive form of taxation, the Industry representatives referred to several provisions in the GST which could have adverse impact on upstream, midstream and downstream sectors. Several petroleum products namely Crude Oil, Petrol, Diesel, ATF and Natural Gas have been kept out of the GST. It was brought to the notice of the Ministry by the Industry representatives during the workshop, that, this exclusion will result in huge stranded taxes in the hands of oil industry due to non-availability of Input Tax Credit towards non-GST products.

The Industry representatives highlighted that GST in its present form needs few amendments and clarifications as it may have negative impact on the Domestic Oil and Gas production, manufacturing, capital investment, pipeline expansion plans etc. It was also brought to the notice of the Ministry that exclusion of pipeline network from the definition of Plant & Machinery may adversely affect long term capital investment in the pipeline infrastructure projects. A suggestion was made that Green fuels like Natural Gas, CNG, Bio-Diesel and Ethanol Blended Petrol should be zero rated to promote environment friendly fuels.

The Petroleum Minister, Shri Dharmendra Pradhan noted the concerns raised by the Industry and assured them to convey this to Hon'ble Finance Minister for agreeable resolution of the issues involved. Minister also asked the representatives of the industry to raise their concerns with respective state governments particularly oil and gas producing states to agree to make changes in those provisions pertaining to Oil & Gas Sector which may affect the new investments and employment generation.

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