



Ref. No. FIPI/9
July 31, 2017

Dr. Hasmukh Adhia
Revenue Secretary
Department of Revenue
Ministry of Finance
North Block, New Delhi

Sub.: Issues faced by Oil & Gas industry post GST rollout on July 1, 2017

Dear Sir,

At the outset, we would like to congratulate you on the successful rollout of GST w.e.f July 1, 2017 which, we believe, is by far the biggest tax reform in the country since independence.

As you are aware, non-inclusion of crude oil, natural gas, MS, HSD and ATF in GST has created serious concerns for the Oil & Gas Sector in terms of stranding of taxes in their hands. We have been highlighting this issue in various meetings with Government and sincerely thank you for kind understanding and appreciation of the concerns of the industry in this regard. In addition, there remain significant uncertainties on imports and movement of capital equipment to off shore locations.

The industry has been representing to the Sectoral Group formed by Ministry of Finance about the GST related issues and the challenges faced by this sector. It is understood that the sectoral group has submitted its report which provides guidance to resolve the GST related issues. We request your kind intervention and support in taking up the Oil & Gas Sectoral Committee report by the GST Council on priority in its next meeting scheduled on August 5, 2017. This will provide the required relief to the industry and will go a long way in encouraging investment and growth in this sector.

Thanking you,

Yours faithfully,

Dr. R.K. Malhotra
Director General

cc. Sh. K.D. Tripathi, Secretary, MoP&NG

Federation of Indian Petroleum Industry