

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2615  
ANSWERED ON:18.08.2006  
IMPORT DUTY ON LNG  
Ahir Shri Hansraj Gangaram

**Will the Minister of FINANCE be pleased to state:**

- (a) Whether the Government have withdrawn the import duty on the import of Liquefied Natural Gas (LNG);
- (b) If so, the reasons behind the withdrawal of import duty on LNG; and
- (c) The loss of revenue likely to be incurred by the government as a result of withdrawal of import duty on LNG?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)&(b) LNG attracts a basic customs duty of 5%. However, Government have extended customs duty exemption on LNG imported by M/S. Ratnagiri Gas and power Private Limited for the purpose of generating power at their power project at Cabhol for a period of five years from 1.10.2005.

(c) Estimated revenue loss on account of this exemption is about Rs.500 crore.