

Tax Hotline

November 27, 2001

NO TO TONNAGE TAX ON LNG IMPORTS

The Finance Ministry of India has not considered a proposal for tonnage tax on liquefied natural gas (**LNG**) imports in place of the existing taxation regime on the shipping industry. They are however considering a tax holiday for a period of 10 years for the LNG business. The Petroleum Ministry has proposed that the rate of custom duty on import of capital equipment for the construction of LNG terminals be brought down to 22.38 per cent as against 52.82 per cent applicable on other industrial units. The Finance Ministry did not support that the customs duty on the import of capital goods for the construction of LNG terminals, should be at par with the power projects.

Further, the Petroleum Ministry' noted that all LNG imports be on freight-on-board (**FOB**) basis with a mandatory 26 per cent minimum participation by Indian shipping companies during the entire LNG contract period. The note proposes "The Indian shipping partner either on its own or with an Indian company/investors as collaborator will have 50 per cent equity participation."

Source: Asia Plus, November 27, 2001.

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

New Age of Franchising

June 20, 2025

Life Sciences 2025

June 11, 2025

The Tour d'Horizon of Data Law Implications of Digital Twins

May 29, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025

