

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1327**  
**TO BE ANSWERED ON 25.11.2019**  
**Gas Trading Hub**

1327. SHRI BENNY BEHANAN:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government is planning to build a gas trading hub, if so, the details thereof;
- (b) whether the Government is planning for inclusion of natural gas in the goods and services tax regime, if so, the details thereof; and
- (c) whether the Government is planning in pricing freedom for all domestic gas, if so, the details thereof?

**ANSWER**

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मेन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI DHARMENDRA PRADHAN)**

(a) Creation of free gas market is highly desirable to unleash competition in the gas sector and move forward on the realization of a gas-based economy. In this regard, it has been conceptually agreed to establish the gas trading hub(s)/exchange(s) in the country wherein the natural gas can be freely traded and supplied through a market mechanism and need to create enabling environment for developing the free gas market.

(b) Article 279 A (5) of the Constitution provides that Goods and Service Tax Council shall recommend the date on which goods and services tax shall be levied on petroleum products. Thus while, petroleum products are constitutionally included under GST, the date and rate of GST which shall be levied on such goods, shall be as per the decision of the GST Council, which has representations of Ministers-in-charge of Finance or Taxation or any other Minister nominated by each of the States and Union Territories with legislature.

(c) Government is progressively moving towards a pricing and marketing freedom regime and has granted Marketing and price freedom for domestic gas under various policies/discoveries which include:

- (i) Discovered Small Field Policy

- (ii) Hydrocarbon Exploration and Licensing Policy
- (iii) Deepwater, Ultra Deepwater and High Pressure High Temperature areas.
- (iv) Coal Bed Methane (CBM) Contracts.
- (v) North East Region (NER).
- (vi) Reforms in Exploration & Production to increase domestic production.

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