

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:549
ANSWERED ON:24.11.2006
DUTIES ON CEMENT
Ahir Shri Hansraj Gangaram

Will the Minister of FINANCE be pleased to state:

- (a) : Whether due to increase in excise duty on cement the price of cement is rising continuously; (
- (b) : If so, the details of taxes imposed on cement as on date ;
- (c) : Whether the Government proposes to introduce quota system to make the cement available to the consumers at cheaper rates in proportion to the rising demand;
- (d) : If so, the details thereof; and
- (e) : If not, the reasons therefor ?

Answer

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

(a) & (b): There has been no change in the rate of basic excise duty on cement since 1.3.2003, except for imposition of education cess at the rate of 2% of basic excise duty. As such, the reported increase in price of cement cannot be attributed to increase in excise duty.

At present, the general rate of basic excise duty on cement is Rs.400 per metric tone (PMT).

(c), (d) & (e) : Cement is a decontrolled commodity and the prices are determined by market forces depending upon factors like local demand and supply, distance from manufacturing unit, local taxes imposed by the State Governments etc.