

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2704

ANSWERED ON:04.12.2009

IMPORT DUTY ON FOREIGN POWER EQUIPMENTS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Yaskhi Shri Madhu Goud

Will the Minister of POWER be pleased to state:

- (a) whether Bharat Heavy Electricals Limited (BHEL) and Larsen & Toubro Limited (L&T) have requested the Union Government to impose a 10 per cent import duty on the foreign power equipment;
- (b) if so, the details in this regard;
- (c) the reasons given by BHEL and L&T for suggesting 10 per cent import duty; and
- (d) the response of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) to (c): While considering the proposal of Ministry of Power on modification to the Mega Power Policy, Department of Heavy Industry had inter-alia proposed that a uniform Custom Duty @ of 10% may be made applicable on the import of equipments by all the Power Projects including Mega Power Projects to compensate the domestic industry for the disadvantages suffered by them on account of higher interest rates, local taxes and infrastructure inadequacies.

(d): Government has set up a Committee in the Planning Commission under Member (Industry), with Department of Heavy Industry, Ministry of Power and Department of Revenue as members to suggest options and modalities to take care of the disadvantages being suffered by the domestic industry related to power sector keeping all factors in view.