

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:5033
ANSWERED ON:26.08.2010
EXCISE DUTY ON STEEL PROJECTS
Meghwal Shri Arjun Ram

Will the Minister of STEEL be pleased to state:

- (a) whether the increased excise duty on steel products has led to increase in prices of steel products in the international and domestic markets;
- (b) if so, the details thereof;
- (c) whether the Government is considering to give rebate in excise duty to steel units functioning under the small industrial sector; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a)&(b): Excise Duty is leviable and it has no effect on the base price of domestic steel products, although it may affect the cost of procurement for the end consumer.

Excise Duty on steel items was reduced from 14% to 10% on 7.12.2008. It was later reduced to 8% on 24.2.2009, as an economic stimulus measure during the global economic crisis. The current rate of Excise Duty on Steel products is 10%.

(c)&(d): No, Madam. There is no proposal in the Ministry of Steel to give rebate on Excise Duty, to steel units functioning under the small industries sector.