

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:1808

ANSWERED ON:01.12.2011

ARUN MAIRA COMMITTEE RECOMMENDATIONS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Owaisi Shri Asaduddin; Ramkishun Shri  
;Yadav Shri Dharmendra

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether the Union Government had set up Arun Maira Committee to check the cheap import of Chinese power equipment;
- (b) if so, whether the aforesaid Committee has submitted its report;
- (c) if so, the details thereof;
- (d) whether the domestic players have requested the Central Government to impose customs duty to check cheap imports of Chinese power equipment in line with the Arun Maira Committee recommendations;
- (e) if so, the steps taken by the Union Government in this regard; and
- (f) the other steps taken by the Government to boost the domestic, Public and private sector?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a): Arun Maira Committee was constituted to suggest options and modalities to take care of disadvantages suffered by the domestic industry relating to power sector keeping all factors in view. The factors, inter alia, included the concern relating to supply of power equipment from China.

(b): The Committee submitted its report in February 2010.

(c): Details at Annexure.

(d): Yes, Madam.

(e): The recommendations of the Maira Committee were considered by the Committee of Secretaries (COS) in their meeting held on 12.07.2010. Accordingly, Ministry of Power circulated a draft Note for the Cabinet on 13.08.2010 for implementing the COS recommendations with suitable exemptions to mega certified and other eligible projects to the concerned Departments/organizations. On the opinion of Ministry of Finance that the proposal should be deliberated upon only after the XI Five Year Plan, Ministry of Power decided not to move any proposal for changing the duty structure for mega power projects till the end of the 11th Plan. Ministry of Power has recently circulated a draft Note for Cabinet on altering the duty structure on power plant equipment for inter-ministrial consultation.

(f): Customs and Excise duty rates and duty exemptions are reviewed and revised from time to time with a view to provide a level playing field to the domestic industry.

Annexure

Recommendations of the Arun Maira Committee

1. Immediate notification of standards/ regulations for power generation equipment to be installed in the country to ensure efficiency as well as environmental protection.

2. The extent of disadvantage that needs to be bridged is about 14% and this should be for both the projects covered under mega power projects/ Ultra Mega Power Projects (UMPPs). This can be achieved by the levy of Custom duty @ 10%, additional custom duty- 'Nil' and (Special additional duty) SAD @ 4%. Consequential adjustments in duty rates applicable for brownfield (expansion) projects to bring duty structure at par to Mega Power projects will also apply.

3. If and when the general remedy proposed at item 2 above is applied, the prevalent price preference policy can be withdrawn.

4. The actions for safeguards/anti-dumping protection may be initiated by Indian manufacturers themselves who are affected by the

trade practices of the Chinese.