

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3691  
ANSWERED ON:27.04.2012  
FISCAL INCENTIVES .  
Annayagari Shri Sai Prathap

**Will the Minister of FINANCE be pleased to state:**

- (a) whether cement producers in the country are seeking simplification and rationalization of Excise Duty, Duty-Free fuel and raw-material importation and correction of skewed import policies relating to cement;
- (b) if so, the details thereof; and
- (c) the measures being taken by the Government in rationalization of Excise Duty and remove import hindrances?

**Answer**

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

(a): Yes, Madam.

(b): Representations were received as part of pre-budget memoranda seeking simplification of excise duty to convert the existing composite rate to fully specific or ad valorem without reference to MRP, reduction of basic customs duty on coal and withdrawal of exemption from basic customs duty on import of cement.

(c): The following relief/rationalization measures have been taken in the Budget for 2012-13:

(i) Instead of differential rates of excise duty depending on the Retail Sale Price of packaged cement, uniform rates without reference to Retail Sale Price have been prescribed;

(ii) Full exemption from basic customs duty with concessional Countervailing duty of 1% has been provided in respect of steam coal. There appear to be no import hindrances as imports of cement are fully exempt from basic customs duty and are free under the Foreign Trade Policy subject to conformity with BIS specifications.