

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:7113
ANSWERED ON:18.05.2012
IMPORT DUTY ON POWER EQUIPMENTS
Sivasami Shri C.

Will the Minister of POWER be pleased to state:

- (a) the details of the recommendations of the committee constituted to look into the proposal to impose import duty on power equipment of various power projects in the country;
- (b) whether the Government has taken any decision on the recommendations of the committee;
- (c) if so, the details and the present status thereof; and
- (d) the likely impact of the decision to impose import duty on power equipment on the domestic equipment manufacturers and cost of power in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) : A Committee was set up under Member (Industry), Planning Commission (Maira Committee) 'to suggest options and modalities to take care of the disadvantages suffered by the domestic industry related to power sector'. The Committee had made the following recommendations:

- (i) Immediate adoption of the proposed regulations for performance standards for power generation equipment;
- (ii) Levy of Custom Duty @10% additional custom duty - 'Nil' and Special Additional Duty (SAD) @ 4 (adding to 14%) for Mega and Ultra Mega Power Projects. Consequential adjustments in duty rates applicable for brownfield (expansion) projects to bring duty structure at par to Mega Power projects to also apply;
- (iii) If and when the general remedy proposed is applied, the prevalent price preference policy can be withdrawn; and
- (iv) Actions for safeguards/anti-dumping protection may be initiated by Indian manufacturers themselves who are affected by the trade practices of the Chinese.

(b) to (d) : One of the recommendations on early notification of performance standards for power generation equipment has been implemented. As far as imposition of import duty is concerned, the matter is under consideration.