

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4427  
ANSWERED ON:07.09.2012  
IMPORT DUTY ON POWER EQUIPMENT  
Das Shri Bhakta Charan

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

- (a) whether the Union Government proposes to hike duty on the import of power equipment to provide a level-playing field to domestic manufacturers;
- (b) if so, the details thereof along with details of present duty, State-wise;
- (c) whether a meeting was held to evolve a consensus on raising the import duty on the import of power equipment;
- (d) if so, the details thereof and the time by which the final decision is likely to be taken by the Union Government in this regard; and
- (e) the steps taken by the Government to protect the interests of consumers from the resultant hike in the rates of power?

**Answer**

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

- (a) to (d) : In order to create a level playing field to the domestic power equipment manufacturing industry vis-à-vis foreign vendors and promote self-sufficiency in this vital sector, Government has decided to levy Custom Duty @5%, Countervailing Duty (CVD) @ 12% (as applicable and equal to excise duty on domestic industry from time to time) & Special Additional Duty (SAD) @ 4% to be uniformly applicable to the imported equipment of all categories of Power generation projects, viz., Mega Power Projects (including UMPPs) and non-Mega Power Projects with effect from 19.07.2012, except for those projects which have already been granted final mega/provisional mega certificates.
- (e) : All the mega projects coming up during 12th Plan have been issued final/provisional mega certificate and will get the benefit of duty exemption. Thus it will not affect the tariff structure for projects coming up during 12th Plan. In subsequent years, the competition amongst domestic manufacturers is likely to have no major impact on cost of power.