

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3942  
ANSWERED ON:31.07.2009  
TAXES ON INFRASTRUCTURAL PROJECTS  
Khair Shri Chandrakant Bhaurao;Pradhan Shri Nityananda

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

- (a) the sector-wise details of taxes levied in infrastructure projects including power sector;
- (b) whether Government proposes to remove such taxes; and
- (c) if not, the details thereof and reasons therefor?

**Answer**

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

(a): The details of Direct taxes levied in infrastructural projects are indicated at ANNEXURE-I. The Indirect taxes and duties attracted on various infrastructure projects under the project imports scheme are indicated at ANNEXURE-II. Although there is no corresponding category for goods cleared for projects on the Central Excise side, the currently applicable rate of Central Excise duty on items of machinery (electrical and mechanical); equipment and their parts and components has been indicated in the last column of the table in ANNEXURE-II.

(b): At present there is no proposal to remove such taxes and duties on these projects.

(c): Government has provided a concessional Customs duty of 5% in general on all project imports. However, sectors like power generation, drinking water supply, nuclear power etc which need extra support have been provided with a nil duty regime.