

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.295  
TO BE ANSWERED ON 25.02.2016**

**CONCESSION TO GAS BASED POWER PLANTS**

**295. SHRI V. ELUMALAI:**

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

- (a) the details of specific concessions like waiver of custom duty, VAT, etc. having extended to gas based power plants;**
- (b) the details of the cost of taxing per unit of gas, coal, hydro, solar based power plants respectively; and**
- (c) the details of concessions given to power plants other than gas based plants?**

**A N S W E R**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,  
COAL AND NEW & RENEWABLE ENERGY**

**( SHRI PIYUSH GOYAL )**

**(a) : Government has exempted Customs Duty on imported LNG used for power generation. Government of India has sanctioned a scheme for importing spot RLNG in 2015-16 and 2016-17 for the stranded gas based power plants as well as for plants receiving gas upto the target PLF selected through reverse e-bidding process. The concessions provided for under the scheme are as under:**

- (i) Custom duty waiver on imported LNG;**
- (ii) Waiver of Value Added Tax, Central Sales Tax, Octroi and Entry Tax ;**
- (iii) Waiver of Service Tax on regasification and transportation;**
- (iv) Reduction in pipeline tariff charges, regasification charges and marketing margin;**
- (v) Exemption from transmission charges and losses for stranded gas based power projects.**

**(b) : There is no tax on generation of power for gas / coal / hydro / solar based power plants.**

**(c) : Concessions given to power plants other than gas based plants are given at Annex.**

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**ANNEX REFERRED TO IN REPLY TO PART (c) OF UNSTARRED QUESTION NO. 295 TO BE ANSWERED IN THE LOK SABHA ON 25.02.2016.**

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**(i) Under the Mega Power Policy, power projects are given benefits for Zero Customs Duty for import of capital equipment, Deemed Export Benefits under Chapter 8 of Foreign Trade Policy (FTP). Mega Power policy is withdrawn for new projects other than those already issued mega/provisional mega certificates before 19.07.2012.**

**(ii) A 10 year Income Tax holiday for power projects commissioned before 01.4.2017.**

**(iii) The concessions/incentives offered by the Government for solar power plants are as follows:**

**(a) Grant of subsidy on off-grid applications**

**(b) Provision of Renewable Purchase Obligation (RPO) for solar has been made in the National Tariff Policy.**

**(c) Generation Based Incentives (GBI) and facility for bundling power grid connected solar power projects through various interventions announced from time to time.**

**(d) Grant of Viability Gap Funding (VGF).**

**(e) Renewable Energy Sector has been awarded Priority Sector Lending status.**

**(f) Concessional Import duty/Excise duty exemption for setting up of solar power plants, accelerated depreciation and tax holiday.**

**(g) Roof-top Solar PV systems have been made eligible for home loans.**

**(h) Tax free green bonds of INR 5,000 crores.**

**(i) Creation of Payments Security Mechanism.**

**(j) Development of solar parks.**

**(k) Setting up of green Energy Corridors.**

**(l) Waiver of wheeling charges on Inter -State Transmission system (ISTS) network**

**(iv) The concessions / incentives offered by the Government for wind energy is as follows :**

**(a) The Govt. provides fiscal incentives such as 80% accelerated depreciation and 10 years Income Tax holiday.**

**(b) concessional custom duty on import of specified components and excise duty exemptions provided towards manufacturing of wind electric generators and parts thereof.**

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