

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

STARRED QUESTION NO:278  
ANSWERED ON:29.11.2010  
MISUSE OF CONCESSION BY EOUs  
Alagiri Shri S.

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether exports from Export Oriented Units (EOUs) vis-a-vis country's total exports have been declining during the last three years;
- (b) if so, the details thereof and the reaction of the Government in this regard;
- (c) whether cases of alleged misuse of the rebates/tax concession by EOUs have been reported;
- (d) if so, the details of such cases during the last three years and the current year; and
- (e) the details of action taken by the Government so far in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 278 FOR ANSWER ON 29TH NOVEMBER 2010 REGARDING "MISUSE OF CONCESSION BY EOUs"

(a) & (b) The details of exports made by Export Oriented Units (EOUs) vis-à-vis total export of the country during the last three years are as under.

(Value in Rupees Crore)

Years	Exports by EOUs	Total Exports of India
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2007-08	1,63,838.78	6,55,864
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2008-09	1,76,923.02	8,40,755
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2009-10	71,083.27	8,45,125
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EOUs were also affected by the global recession and their export performance came down during 2009-10. In addition, there were EOU units which exited which also had impact on the export performance.

(c) to (e): Cases of alleged misuse of the rebates/tax concession by EOUs have come to the notice of the Government. As per the information available, the number of such cases are as under:-

Year	2007-08	2008-09	2009-2010
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No. of cases 412 262 89

Instances of violation/misuse are dealt by the concerned Development Commissioner/Central Excise and Customs authorities as per the relevant provisions of law as and when detected. Steps have been taken by the Government to curb such violations which include joint monitoring of the performance of the EOU Units by officers of Customs and Central Excise and Development Commissioners on a regular basis, action against such units under the provisions of Foreign Trade (Development & Regulation) Act, 1992, Customs Act, 1962 and Central Excise Act, 1944.