

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

UNSTARRED QUESTION NO:571

ANSWERED ON:13.08.2012

CONCESSIONS TO EOUS

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

- (a) the number of large and small Export Oriented Units (EOUs) set up in the country along with the number of proposals received as well as approved by the Government for setting up of further such units during each of the last three years, State-wise;
- (b) the details regarding exports made from these units along with the amount of concessions provided by the Government to these EOUs during the said period;
- (c) the target fixed for exports from the EOUs during the Twelfth Five Year Plan period;
- (d) whether there is any mechanism to monitor and prevent the misuse of the concessions granted to the EOUs and if so, the details thereof;
- (e) whether cases of violation of norms or prescribed guidelines by EOUs have come to the notice of the Government; and
- (f) if so, the details thereof along with the punitive action taken against the defaulters during the above period?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) The States/UTs wise details of number of EOUs alongwith number of applications received and approved for setting up further such units during the last three years is as given below:

States/UTs	2008-09	2009-10	2010-11
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	Received	Approved	Received	Approved	Received	Approved
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Andhra Pradesh	43	36	-	-	-	-
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Chhattisgarh	0	0	-	-	-	-
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West Bengal	10	6	9	9	7	7
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Bihar	0	0	-	-	-	-
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Jharkhand	0	0	-	-	-	-
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Orissa 3 2 - - - -

Assam 0 0 - - - -

Tripura 0 0 - - - -

Mizoram 0 0 - - - -

Manipur 0 0 - - - -

Meghalaya 0 0 - - - -

Nagaland 0 0 - - - -

Arunachal Pradesh 0 0 - - - -

Sikkim 0 0 - - - -

Gujarat 26 21 15 12 13 7

Kerala 6 6 8 8 6 6

Karnataka 50 50 26 26 28 28

Tamil Nadu 41 33 34 28 35 32

Pondicherry 1 1 - - - -

A&N Island 0 0 - - - -

Maharashtra 34 27 24 21 12 8

Goa, Daman & Diu 9 9 2 2 2 1

Dadra & Nagar Haveli 0 0 3 2 2 1

Delhi 2 2 2 1 0 0

Haryana 4 2 3 3 7 3

Uttar Pradesh 6 3 8 4 8 4

Punjab 2 1 1 0 1 1

Rajasthan 4 2 5 2 2 1

Himachal Pradesh 2 1 0 0 0 0

Jammu & Kashmir 0 0 1 1 0 0

Chandigarh 0 0 0 0 0 0

Uttarakhand 2 1 0 0 1 1

Madhya Pradesh 3 2 1 1 1 0

Total 269 221 172 141 146 119

The State-wise breakup of number of functional Export Oriented Units, as on 31.3.2011 is under:

States/UTs Units States/UTs Units

Andhra Pradesh 258 Tamil Nadu 427

Chhattisgarh 1 Pondicherry 26

West Bengal 63 A&N Island 4

Bihar 1 Maharashtra 395

Jharkhand 2 Goa, Daman & Diu 61

Orissa 20 Dadra & Nagar Haveli 23

Assam - Delhi 48

Tripura - Haryana 95

Mizoram - Uttar Pradesh 92

Manipur - Punjab 21

Meghalaya 1 Rajasthan 73

Nagaland - Himachal Pradesh 5

Arunachal Pradesh - Jammu & Kashmir 3

Sikkim - Chandigarh 3

Gujarat 266 Uttarakhand 3

Kerala 77 Madhya Pradesh 15

Karnataka 463 Total 2446

(b) The benefits extended under EOU Scheme are broadly exemptions from direct and indirect taxes and CST. It is estimated that the value of duty foregone of indirect taxes under EOU /STP/EHTP Scheme (not including the concession extended for DTA sale and deemed export benefits) since FY 2008-09 are as under:

Year Exports from EOUs Concession (Rs. in crores)
(Rs.In crores)

Duty foregone CST/DBK reimbursement

2008-09 176923.02 13399.09 527.10

2009-10 84135.66 8076.46 304.93

2010-11 76031.13 8579.87 305.51

(c) No targets are fixed for exports from EOUs in the Twelfth Five Year Plan period.

(d) to (f) Yes, there is a mechanism to monitor and prevent the misuse of the concession granted to the EOUs which is implemented through a joint control by the Ministry of Commerce (represented by the Development Commissioner) and the Ministry of Finance (represented by the Commissioner, Central Excise, Customs & Service Tax). There is statutory framework to monitor and prevent misuse of the EOU scheme through legal provisions made under the provisions of Foreign Trade (Development & Regulation) Act 1992, Customs Act 1962, Central Excise Act 1944 and Rules made thereunder. In the event of any EOU found violating any norm such as non/short fulfilment of export obligation, excess and inadmissible imports, irregular and unauthorized DTA sales, excess reimbursement of CST, drawback on DTA sales, non-realization of export proceeds, irregular de-bonding, non receipt of re-warehousing certificates, etc, duty exemptions are withdrawn and necessary recoveries are made after following due process of law in addition to imposition of penalties etc as per provisions of Foreign Trade (Development & Regulation) Act 1992, Customs Act 1962, Central Excise Act 1944 and Rules made there under.