

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:620

ANSWERED ON:18.05.2012

REVENUE LOSS IN SEZS

Bhoi Shri Sanjay;Paranjpe Shri Anand Prakash

Will the Minister of FINANCE be pleased to state:

- (a) the cumulative revenue implications on account of the various concessions given to the Special Economic Zones (SEZs) between 2004-05 and 2009-10;
- (b) whether the Government has directed the Central Board of Excise and Customs(CBEC) and Central Board of Direct Taxes (CBDT) to furnish a report on the possible violations by entities operating in SEZs;
- (c) if so, whether CBEC and CBDT have submitted their reports to the Government;
- (d) if so, the details thereof; and
- (e) the action taken by the Government on the recommendations contained in the said report?

Answer

FINANCE MINISTER (SHRI PRANAB MUKHERJEE)

(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. 620 for answer on 18th May, 2012

(a): The revenue implications on account of various tax concessions are maintained in the form of the Revenue Foregone statement ("Revenue foregone under the Central Tax System") in the Receipts Budget, which is a part of the Annual Budget. The estimates of revenue foregone on account of direct tax deductions given to the Special Economic Zones (SEZs) between 2004-05 to 2009-10 are as under:-

(Rs. In crore)	
Financial Year	Revenue Foregone on SEZs
2004-05	1340
2005-06	6902
2006-07	866
2007-08	3000
2008-09	4466
2009-10	5518

The revenue foregone in Central Excise and Customs on account of SEZ Scheme between 2004-05 to 2009-10 are as under:

(Rs. In crore)		
Financial Year	Central Excise	Customs
2004-05	20.19	1057.12
2005-06	23.31	1047.49
2006-07	220.92	1642.35
2007-08	851.76	1803.95
2008-09	804.73	2324.29
2009-10	1547.04	3987.06

(b): In a meeting of the Economic Intelligence Council held on 28-2-2012, the issue of past violations by entities operating in SEZ was discussed, according to which the CBEC and CBDT were required to furnish a report on the findings and views of the Ministry of Commerce on the violations notified to them against the units operating in the SEZs.

(c): No, Madam.

(d) & (e): In view of reply to part (c), questions do not arise.