

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

UNSTARRED QUESTION NO:838

ANSWERED ON:24.07.2015

Export Oriented Units

Paswan Shri Chirag; Tanwar Shri Kanwar Singh

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

- a) the details of Export Oriented Units (EOUs) presently functional in the country, State/UT-wise along with the objectives thereof and the incentives/concessions provided by the Government to them;
- b) the quantum and value of export made from these units vis-a-vis target fixed along with its share in the total export of the country;
- c) whether the Government has received proposals from various States/UTs including Bihar for setting up of such units, if so, the number of proposals received as well as approved during the said period along with the proposals lying pending for approval, State/UT-wise;
- d) the period and reasons for these pending proposals along with the reaction of the Government for their speedy clearance;
- e) whether the Government proposes to revive such units and if so, the details thereof; and
- f) the measures taken by the Government to boost such units to enhance country's export along with the mechanism put in place to monitor and prevent the misuse of the concessions by these units?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a): The details of EOUs presently functional in the country, State/UT-wise are furnished in Annex-I.

The objectives of EOU Scheme are as follows:

- i. To boost exports and earn foreign Exchange.
- ii. To attract foreign investment and latest technology into the country.
- iii. To generate employment.
- iv. To upgrade skill and create a source of skilled man-power.
- v. To develop backward area.
- vi. To create backward and forward linkage by way of sourcing of raw material from and supply of finished goods to DTA.

The incentives/concessions provided by Government to them are as follows:

- i. Exemption from payment of Customs Duty and Central Excise Duties on goods imported/procured from DTA.
- ii. Reimbursement of Central Sales Tax (CST) on goods manufactured in India.
- iii. Reimbursement of duty paid on fuel procured from Domestic Oil Companies.
- iv. Reimbursement of additional duty of excise levied on fuel under the Finance Acts would also be admissible.

(b) : Exports made by these units for the year 2013-14 amounted to Rs. 82072.71 Cr. i.e. 4.3% of the total exports of the country in the said year. However, targets are not fixed separately for EOUs.

(c): Yes Madam, the number of proposals received as well as approved by the Government for such units during 2014-15, State/UT-wise are as per Annex-II.

(d): Receipt of applications for setting up of EOUs and their processing is a continuous process, and the same is done as per the provisions of the Foreign Trade Policy and other applicable laws. At present, there are only two proposals pending from Tamilnadu and Uttar Pradesh which relate to manufacture of defence products which require industrial license.

(e): No, Madam.

(f): To boost exports by EOUs, various incentives are being provided by the Government under Chapter 6 of Foreign Trade Policy in addition to the Central Customs and Excise Act, Rules and Regulations. These may be broadly listed as under:

- (i) Supplies by DTA manufacturer are eligible for deemed export benefits under Chapter 8 of Foreign Trade Policy.
- (ii) Central Value Added Tax (CENVAT) on service tax paid.
- (iii) DTA sale (including advance DTA Sale) upto 50% of F.O.B. value of physical Exports permitted on payment of concessional rate of duty.
- (iv) FDI upto 100% permitted as per the guidelines of Department of Industrial Policy and Promotion.

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 that any EOU found violating any norm such as non/short fulfillment 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.

Annex-I

The State/UT-wise breakup of number of functional Export Oriented Units is as under:

State/UTs	Units	State/UTs	Units	State/UTs	Units	State/UTs	Units
A & N Island	3	Goa, Daman & Diu	35	Maharashtra	225	Sikkim	0
Andhra Pradesh	80	Gujarat	203	Manipur	0	Tamil Nadu	407
Arunachal Pradesh	0	Haryana	67	Meghalaya	1	Telangana	171
Assam	0	Himachal Pradesh	4	Mizoram	1	Tripura	0
Bihar	1	Jammu & Kashmir	3	Nagaland	0	Uttar Pradesh	58
Chandigarh	3	Jharkhand	2	Orissa	10	Uttarakhand	3
Chhattisgarh	1	Karnataka	446	Pondicherry	13	West Bengal	55
Dadra & Nagar Haveli	19	Kerala	77	Punjab	11	Total	1986
Delhi	18	Madhya Pradesh	10	Rajasthan	59		

Annex-II

The details of number of proposals received as well as approved by the Government since 2014-15 is as under:

Zone	States	2014-15	Received	Approved
CSEZ	Kerala	3	3	
Karnataka	22	20		
FASEZ	West Bengal	3	0	
Bihar	0	0		
Jharkhand	0	0		
Orissa	0	0		
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		
ISEZ	Madhya Pradesh	0	1	
KASEZ	Gujarat	14	10	
MSEZ	Tamil Nadu	22	20	
Pondichery	0	0		
A & N Island	0	0		
NSEZ	Delhi	0	0	
Haryana	2	2		
Uttar Pradesh	6	2		
Punjab	2	1		
Rajasthan	1	0		
Himachal Pradesh	0	0		
Jammu & Kashmir	0	0		
Chandigarh	0	0		
Uttarakhand	0	0		

SEEPZ Maharashtra 13 7
Goa,Daman & Diu 0 1
Dadra&Nagar Haveli 1 0
VSEZ Andhra Pradesh 9 8
Chhatisgarh 0 0
Telangana 12 10
Yanam 0 0
Total
110 85
