

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

LOK SABHA  
UNSTARRED QUESTION NO. 2757  
TO BE ANSWERED ON 14<sup>TH</sup> MARCH, 2016

**EXPORT ORIENTED UNITS**

**2757. SHRI DUSHYANT SINGH:  
SHRI NISHIKANT DUBEY:**

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री ) be pleased to state:

- the total number of Export Oriented Units (EOUs) set up in the country during the last five years and the current year including those which are functional and non-functional, State/UT-wise;
- whether there has been a gradual decline in the number of functional EOUs since 2009-10;
- if so, the details thereof along with the reasons therefor and the corrective measures taken by the Government to control this decline;
- whether there is no internal audit mechanism to assist in oversight of the functioning of EOUs;
- if so, the details thereof and the measures taken by the Government to institutionalize such an internal audit system; and
- whether the Government proposes to set up more EOUs in various States including Jharkhand and if so, the details thereof, State-wise?

**ANSWER**

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण)(स्वतंत्र प्रभार )  
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(INDEPENDENT CHARGE)  
(SMT. NIRMALA SITHARAMAN)

(a) Madam, a statement of State/UT-wise number of Export Oriented Units (EOUs) set up in the country from the year 2010-2011 is at Annex.

(b) & (c) There has been a decline in the number of functional EOUs from 2485 at the end of the year 2011 to 1977 at the end of the year 2015. The primary reason for declining trend in functional units is discontinuation of Income Tax benefits on the export profits to EOUs from April 2011. Department of Commerce had constituted a Review & Revamp Committee in 2011 for suggesting steps to make the scheme of 100% EOUs more vibrant and

attractive to investors. Certain recommendations of the Committee have already been incorporated in the 5 year Foreign Trade Policy announced on 01.04.2015.

(d) & (e) Excise Audit - 2000 is regularly carried out on EOUs by the Central Excise field formations. CBEC has issued guidelines vide Circular No. 35/2001-Cus dated 15.06.2001 and Circular No. 41/2001-Cus dated 23.07.2001 regarding joint monitoring of EOUs. Apart from this, a system of internal control and Joint Monitoring has been developed. Detailed guidelines have been provided for monitoring of EOUs in Appendix 6 F of Hand Book of Procedures under the Foreign Trade Policy 2015-20. Instructions have also been issued to the jurisdictional Development Commissioners for engaging Chartered Accountants for this purpose.

(f) The scheme of 100% EOUs does not envisage setting up of EOUs by the Government. As per the scheme, the exporters who desire to avail the benefits provided under Chapter 6 of the Foreign Trade Policy 2015-2020 to 100% EOUs and willing to work under the bonded environment can apply to the jurisdictional Development Commissioner of SEZ and avail the benefits of the 100 % EOU Scheme after fulfilling all the requirements of the scheme.

## Annex

State/UT wise Details of EOUs approved/setup from the year 2010-2011 onwards.

Zone	States	Number of Functional/Non-Functional EOUs
CSEZ	Kerala	22
	Karnataka	109
FASEZ	West Bengal	08
	Bihar	0
	Jharkhand	0
	Odisha	01
	Assam	0
	Tripura	0
	Mizoram	0
	Manipur	0
	Meghalaya	0
	Nagaland	0
ISEZ	Arunachal Pradesh	01
	Sikkim	0
ISEZ	Madhya Pradesh	59
KASEZ	Gujarat	52
MEPZ	Tamil Nadu	117
	Pondichery	03

	A & N Islands	00
NSEZ	Delhi	05
	Haryana	14
	Uttar Pradesh	18
	Punjab	01
	Rajasthan	09
	Himachal Pradesh	05
	Jammu & Kashmir	01
	Chandigarh	00
	Uttarakhand	01
SEEPZ	Maharashtra	43
	Goa, Daman & Diu	11
	Dadra & Nagar Haveli	01
VSEZ	Andhra Pradesh	30
	Chhatisgarh	01
	Telangana	60
	Yanam	00

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