

Appendices

Appendix 1

Audit Report No.	Paragraph No.	Topics
CA 20 of 2009-10	15.1. 2, 15.1.3	Incorrect availing of exemption
	15.1.5	Irregular DTA Sale
No. 14 of 2009-10 (CA)	2.1.1, 2.1.2 and 2.1.3	Short/Non-levy of education cess on DTA clearance
	2.1.5	Incorrect reimbursement of Central Sales Tax
	2.1.7 and 2.1.9	Non-achievement of net foreign exchange earning/non-fulfilment of export obligation
	2.1.11	Irregular DTA Sale
	2.1.15	Incorrect grant of exemption
24 of 2010-11 (CA)	4.2.1	Adoption of incorrect assessable value
	4.2.3	Incorrect reimbursement of CST
31 of 2011-12 (CA)	2.1.1	Export proceeds realization
	2.1.3 and 2.1.4	Incorrect reimbursement of CST
	2.1.6	Ineligible DTA Sale
	2.1.9	Anti-dumping duty not collected on DTA sale
14 of 2013 (CA)	2.35 to 2.39	Incorrect exemption allowed against DFIA licence
	2.41 to 2.44	Excess DTA clearances of the export product.
	2.45 to 2.47	Excess DTA clearance of export produce

Appendix 2

List of files not produced to audit

Sl. No.	Name of the SEZ Unit/Developer/co-developer
1	Kandla SEZ
2	Adani Port and SEZ limited (formerly MPSEZ)
3	Diamond and Gems Development Corporation (SURSEZ)
4	Jubilant Infrastructure Ltd.
5	Essar Hazira Ltd.
6	MIDC
7	SEEPZ-SEZ
8	Hari Fertilizers Ltd
9	DLF Commercial
10	State Industrial Development Corporation Uttaranchal Ltd
11	Moser Baer India Ltd Greater Noida
12	Aachiya Softech Noida/IT/ITES
13	Arshiya Northern FTWZ, Khurja
14	Moradabad SEZ/Handicrafts
15	NOIDA SEZ, Noida/multi-Product
16	Electronics Technologies Sriperumbudur
17	Synerfra Engineering construction Ltd, Coimbatore
18	Mahindra Worldcity, Chengalpattu
19	MEPZ, Chennai
20	Global Village SEZ
21	Infosys Mysore SEZ
22	Infosys Mangalore SEZ
23	Suzlon SEZ
24	Infosys, Bangalore
25	Jubliant Infrastructure Ltd
26	Bagamane Builders
27	KIADB Shimoga
28	M/s Poornimadevi Tech. Park Pvt Ltd, Karnataka (Incomplete File)
29	M/s Gokaldas Images Infrastructure Pvt Ltd (Incomplete File)
30	Rajiv Gandhi Chandigarh Technology Park Phase-I, Chandigarh
31	Ranbaxy Laboratories Ltd. Mohali
32	Gurgaon Infospace Ltd. Gurgaon
33	AKVN Indore/Indore SEZ
34	M/s Parsvanath SEZ Ltd, Village Lasudia Parmar, Indore
35	FALTA Special Economic Zone
36	Manikanchan Special Economic Zone
37	Wipro Special Economic Zone
38	Bengal Shapoorji Infrastructure Development Pvt. Ltd.
39	Enfield Energy Ltd
40	FAB City SPV India Ltd
41	L & T Hi-Tech City
42	SRI City/Satyavedu Reserve Infracity Pvt. Ltd.
43	Wipro Ltd/Gipannapalli
44	DLF Commercial
45	GMR Hyderabad International Airport Ltd
46	Kakinada Sea Portal Ltd
47	M/s Poppalaguda Village Ranga Reddy District, Hyderabad (AP), huda (Incomplete file)

Appendix 3

No. of Operational SEZ

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (as on 31-12-2013)
Number of formal approval accorded*	453	577	578	585	589	577	572
Number of notified SEZs (as on date)*	207	325	353	381	389	389	390
Number of In-Principle approvals accorded*	136	146	149	42	48	49	45
Unit approved in SEZs*	-	2263	2850	3290	3400	3589	3861
Operational SEZs (as on date)*	-	87	111	133	153	170	181
Land for SEZs	SEZ notified before SEZ Act, 2005	Notified under SEZ Act		Formally approved SEZs		Total Area	
	2900.34 Ha	44,914.28 Ha	14,750.40 Ha	62,565 Ha			

INVESTMENT

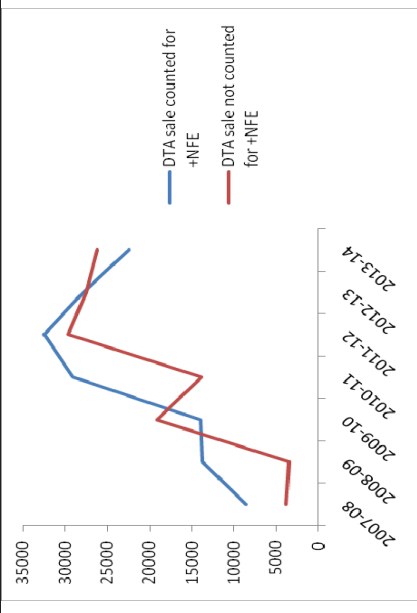
Investment (as on February 2006) (₹ in crore)	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14 (as on 31.12.2013)	
	Incremental Investment	Total Investment	Incremental Investment	Total Investment	Incremental Investment	Total Investment	Incremental Investment	Total Investment	Incremental Investment	Total Investment	Incremental Investment	Total Investment	Incremental Investment	Total Investment
Central Govt. SEZs	₹ 1,620.29 cr.	₹ 3,899.49 cr.	₹ 2,591.88 cr.	₹ 4,871.08 cr.	₹ 4,707.75 cr.	₹ 6,986.95 cr.	₹ 8,173.39 cr.	₹ 10,452.59 cr.	₹ 9,207.21 cr.	₹ 11,486.41 cr.	₹ 9,640.52 cr.	₹ 11,919.72 cr.	₹ 10,619.46 cr.	₹ 12,898.66 cr.
State/Pvt. SEZ set up before 2006	₹ 2,204.13 cr.	₹ 3,960.44 cr.	₹ 3,777.67 cr.	₹ 5,533.98 cr.	₹ 5,250.6 cr.	₹ 7,006.91 cr.	₹ 5,960 cr.	₹ 7,716.31 cr.	₹ 5,881.30 cr.	₹ 7,637.61 cr.	₹ 6,993.42 cr.	₹ 8,749.73 cr.	₹ 8,453.63 cr.	₹ 10,209.94 cr.
SEZ notified under the Act	₹ 69,349.573 cr.	₹ 69,349.57 cr.	₹ 98,498 cr.	₹ 98,498 cr.	₹ 1,34,494.76 cr.	₹ 1,34,494.76 cr.	₹ 1,84,640.64 cr.	₹ 1,84,640.64 cr.	₹ 1,82,750.74 cr.	₹ 1,82,750.74 cr.	₹ 2,16,047.20 cr.	₹ 2,16,047.20 cr.	₹ 2,65,368.38 cr.	₹ 2,65,368.38 cr.
Total	₹ 73,173.993 cr.	₹ 77,209.50 cr.	₹ 1,04,867.48 cr.	₹ 1,08,903 cr.	₹ 1,44,453.11 cr.	₹ 1,48,488.62 cr.	₹ 1,98,774.03 cr.	₹ 2,02,809.54 cr.	₹ 1,97,839.25 cr.	₹ 2,01,874.76 cr.	₹ 2,32,681.14 cr.	₹ 2,36,716.65 cr.	₹ 2,84,441.47 cr.	₹ 2,88,476.98 cr.

EMPLOYMENT

	Employment (as on February 2006)	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14 (as on 31.12.2013)	
		Incremental Employment	Total Employment	Incremental Employment	Total Employment	Incremental Employment	Total Employment	Incremental Employment	Total Employment	Incremental Employment	Total Employment	Incremental Employment	Total Employment	Incremental Employment	Total Employment
Central Govt. SEZs	1,22,236 Persons	71,238 Persons	1,93,474 Persons	74,686 Persons	1,96,922 Persons	71,592 Persons	1,93,828 Persons	88,198 Persons	2,10,434 Persons	91,617 Persons	2,13,853 Persons	97,160 Persons	2,19,396 Persons	96,306 Persons	2,18,542 Persons
State/Pvt. SEZ set up before 2006	12,468 Persons	32,300 Persons	44,768 Persons	43,422 Persons	55,890 Persons	45,723 Persons	58,191 Persons	53,563 Persons	66,031 Persons	66,547 Persons	79,015 Persons	77,469 Persons	89,937 Persons	65,496 Persons	77,964 Persons
SEZ notified under the Act	0 Persons	97,993 Persons	97,993 Persons	1,34,627 Persons	1,34,627 Persons	2,51,592 Persons	2,51,592 Persons	4,00,143 Persons	4,00,143 Persons	5,52,048 Persons	5,52,048 Persons	7,65,571 Persons	7,65,571 Persons	9,43,339 Persons	9,43,339 Persons
Total	1,34,704 Persons	2,01,531 Persons	3,36,235 Persons	2,52,735 Persons	3,87,439 Persons	3,68,907 Persons	5,03,611 Persons	5,41,904 Persons	6,76,608 Persons	7,10,212 Persons	8,44,916 Persons	9,40,200 Persons	10,74,904 Persons	11,05,141 Persons	12,39,845 Persons

EXPORTS

Exports in 2007-08	₹ 66,638 Crore (Growth of 93% over 2006-07) DTA sale (counted for + ve NFE) DTA as % Exports: 19% DTA sale (Not counted for + ve NFE) ₹ 8,560.86 Crore ₹ 3,842.615 Crore
Exports in 2008-09	₹ 99,688.87 Crore (Growth of 50% over 2007-08) DTA sale (counted for + ve NFE) DTA as % Exports: 17% DTA sale (Not counted for + ve NFE) ₹ 13,708.67 Crore ₹ 3,472.556 Crore
Exports in 2009-10	₹ 2,20,711.39 Crore (Growth of 121% over 2008-09) DTA sale (counted for + ve NFE) DTA as % Exports: 15% DTA sale (Not counted for + ve NFE) ₹ 13,937.04 Crore ₹ 19,200.92 Crore
Exports in 2010-11	₹ 3,15,867.85 Crore (Growth of 43.11% over 2009-10) DTA sale (counted for + ve NFE) DTA as % Exports: 14% DTA sale (Not counted for + ve NFE) ₹ 29,093.02 Crore ₹ 13,881.20 Crore
Exports in 2011-12	₹ 3,64,477.73 Crore (Growth of 15.39% over 2010-11) DTA sale (counted for + ve NFE) DTA as % Exports: 17% DTA sale (Not counted for + ve NFE) ₹ 32,472.70 Crore ₹ 29,664.83 Crore
Exports in 2012-13	₹ 4,76,159 crore (Growth of 31% over 2011-12) DTA sale (counted for + ve NFE) DTA as % Exports: 12% DTA sale (Not counted for + ve NFE) ₹ 27,884.80 Crore ₹ 27,545.46 Crore
Exports in 2013-14	₹ 3,77,283.22 Crore (Growth of 7% over the exports of the corresponding period of FY 2012-13) (As on 31.12.2013) DTA sale (counted for + ve NFE) DTA as % Exports: 13% DTA sale (Not counted for + ve NFE) ₹ 22,440.24 Crore ₹ 26,217.02 Crore



Average DTA sale as a percentage of Exports: 15%

*Source: DoC

** Calculated on cumulative basis.

Note: The Data includes FTWZ SEZs.

Appendix 4

1. Economic Activity

A. GDP by Economic Activity (Constant Prices)

	Agriculture, for & Fishing		Industry		Services	
	₹ Crore	% to GDP	₹ Crore	% to GDP	₹ Crore	% to GDP
Series with bases Year 2004 - 05						
1950-51	145052	51.9	45277	16.2	82591	29.5
1960-61	195482	47.6	82413	20.1	123872	30.2
1970-71	245699	41.7	139321	23.6	196158	33.3
1980-81	285015	35.7	204861	25.7	300614	37.6
1990-91	397971	29.5	372360	27.6	573465	42.5
2000-01	522755	22.3	640043	27.3	1007138	48.2
2010-11	709103	14.5	1358726	27.8	2818125	57.7
2004-05	565426	19.0	829783	27.9	1576255	53.0
2005-06	594487	18.3	910413	28.0	1748173	53.7
2006-07	619190	17.4	1021204	28.7	1923970	54.0
2007-08	655080	16.8	1119995	28.7	2121561	54.4
2008-09	655689	15.8	1169736	28.1	2333251	56.1
2009-10	662509	14.7	1267936	28.1	2577192	57.2
2010-11QE	709103	14.5	1358726	27.8	2818125	57.7
2011-12 RE	728667	14.0	1404659	27.0	3069189	59.0

Notes: (i) Industry includes mining and quarrying manufacturing, electricity and construction.

(ii) Services include trade, hotels and communication, financing, insurance, real estate and business service and community, social & personal Services.

RE: Revised Estimates

QE: Quick Estimates

Source: Central Statistics Office.

B. Factor Income by Economic Activity: Current Prices

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Agriculture, etc.						
CE	82903	95520	109340	126389	141183	164149
OS/MI	444387	500167	565998	655562	724417	849360
CFC	38136	42085	47646	54567	63343	75788
GDP	565426	637772	722984	836518	928943	1089297
Industry						
CE	314127	350530	399245	476939	581170	629208
OS/MI	355132	419028	530365	606363	626719	695050
CFC	160524	184314	213587	246974	282555	329611
GDP	829783	953872	1140197	1330276	1490444	1653869
Services						
CE	515504	55856	613315	689364	865431	1073831
OS/MI	939521	1102077	1318368	1542247	1779876	2065957
CFC	121230	137314	157378	183017	217392	250275
GDP	1576255	1797977	2089061	2414628	2862699	3390063

CE – Compensation of Employees;

OS – Operating surplus;

MI – Mixed income;

CFC – Consumption of fixed capital;

C. Gross State Domestic Product

State	2004-05		Constant (2004-05) Prices 2011-12		Current Prices 2011-12	
	GSDP (Crore)	₹ Per Capita (₹)	GSDP (Crore)	₹ Per Capita (₹)	GSDP (Crore)	Per Capita (₹)
All India	2971464	27056	5202514	42790	8232652	67713
Andhra Pradesh	224713	28265	407611	47849	675798	79331
Arunachal Pradesh	3488	30355	5899	4227	9397	66980
Assam	53398	18993	80465	26133	115408	37481
Bihar	76574	8637	151866	15417	252694	25653
Chhattisgarh	47862	21463	87723	34401	135536	53151
Goa	12636	88424	23151	128688	44460	247137
Gujarat	203373	37803	NA	NA	NA	NA
Haryana	95319	41978	179482	69875	308943	120277
Himachal Pradesh	24077	37001	24032	60907	63331	91770
Jammu & Kashmir	27005	25198	40970	34702	63589	53860
Jharkhan	59766	20850	91421	28815	130505	41134
Karnataka	166306	30059	291661	48789	326693	54649
Kerala	119264	36278	208468	60063	315387	90869
Madhya Pradesh	112927	17449	202971	27850	135536	18597
Maharashtra	413826	40347	805031	72885	1248453	109929
Manipur	5131	20775	7632	27032	10188	36085
Meghalaya	6526	26887	11215	42497	15895	60231
Mizoram	2682	27564	NA	NA	NA	NA
Nagaland	5204	21919	9357	46903	12134	60823
Odisha	76579	19980	137585	32584	226236	53579
Punjab	96694	37173	156483	52918	248301	83968
Rajasthan	127745	21056	215454	312468	368320	53794
Sikkim	1739	30730	5148	83568	8400	136358
Tamil Nadu	219234	34034	416549	61531	639025	94394
Tripura	8904	26586	15463	42469	19731	54191
Uttar Pradesh	258653	14490	420017	20708	687836	33912
Uttarakhand	24821	27536	60898	60734	95201	94945
West Bengal	208857	24893	333583	37070	541586	60185
Union Territories						
A & N Islands	1813	45029	3684	73095	5026	99722
Chandigarh	8404	82887	15959	106322	23368	155683
Delhi	100325	65205	213429	125984	313934	185310
Puducherry	5754	55218	11448	90734	13724	108773

D. Industrial Production
Index of Industrial Production (Base 2004-05=100):

Year	Index of Industrial Production	Mining & Quarrying	Manufacturing	Electricity
Weight Indices	100.0	14.2	75.5	10.3
2005-06	108.6	102.3	110.3	105.2
2006-07	122.6	107.5	126.8	112.8
2007-08	141.7	112.5	150.1	120.0
2008-09	145.2	115.4	153.8	123.3
2009-10	152.9	124.5	161.3	130.8
2010-11	165.5	131.0	175.7	138.0
2011-12	170.2	128.4	180.8	149.3
Growth Rates (Year-on-Year)				
2005-06	8.6	2.3	10.3	5.2
2006-07	12.9	5.1	15.0	7.2
2007-08	15.6	4.7	18.4	6.4
2008-09	2.5	2.6	2.5	2.8
2009-10	5.3	7.9	4.9	6.1
2010-11	8.2	5.2	8.9	5.5
2011-12	2.8	2.0	2.9	8.2

Note: IIP with new base 2004-05=100 introduced with effect from June 10, 2011.

Source : Central Statistics Office.

E. Industrial Production: Use –Based Classification

Year	Basic Industries	Capital Goods Industries	Intermediate Goods Industries	Consumer Goods Industries
Weight	45.7	8.8	15.7	29.8
Indices				
2005-06	106.1	118.1	106.6	110.7
2006-07	115.6	145.6	118.8	128.6
2007-08	125.9	216.2	127.5	151.2
2008-09	128.1	240.6	127.6	152.6
2009-10	134.1	243	135.3	164.3
2010-11	142.2	278.9	145.3	178.3
2011-12	150.0	267.5	143.9	186.1
Growth Rates (year-on-year)				
2005-06	6.1	18.1	6.6	10.7
2006-07	8.9	23.3	11.4	16.2
2007-08	8.9	48.5	7.3	17.6
2008-09	1.7	11.3	0.1	0.9
2009-10	4.8	1.0	6	7.7
2010-11	6.0	14.8	7.4	8.5
2011-12	5.5	(4.1)	(1.0)	4.4

Source : Central Statistics Office.

F. Electronic Goods Production					(₹ Crore)
year	Consumer Electronics	Commercial Broadcasting Equipments	& Computers, Industrial & Strategic Electronics	Components	Total Electronic Production
Production					
2000-01	11950	4500	9150	5500	31100
2004-05	16800	4800	20100	8800	50500
2005-06	18000	7000	22800	8800	56600
2006-07	20000	9500	27700	8800	66000
2007-08	22600	18700	33480	9630	84410
2008-09	25550	26600	33070	12040	97260
2009-10	29000	31000	37110	13610	110720
2010-11	32000	35400	39670	21800	128870
2011-12	34300	40500	43700	24800	143300
Growth Rates (year-on-year)					
2005-06	7.1	45.8	13.4	0.0	12.1
2006-07	11.1	35.7	21.5	0.0	16.6
2007-08	13.0	96.8	20.9	9.4	27.9
2008-09	13.1	42.2	-1.2	25.0	15.2
2009-10	13.5	16.5	12.2	13.0	13.8
2010-11	10.3	14.2	6.9	60.2	16.4
2011-12	7.2	14.4	10.2	13.8	11.2

Source: Department of Information Technology.

2. Employment

A. Labour Force and Labour Force Participation Rate (LFPR)

Usual Status (PS+SS)						
	Labour Force (In millions)			Labour Force Participation Rate (%)		
	Rural	Urban	Total	Rural	Urban	Total
<i>Total</i>						
1972-73	199.6	40.6	240.2	43.9	34.5	42.0
1977-78	228.1	53.5	281.6	54.8	37.5	44.0
1983	247.2	63.2	310.4	45.2	36.2	43.0
1987-88	260.1	74.3	334.4	44.3	35.6	42.1
1993-94	293.0	85.7	378.7	44.9	36.3	42.7
1999-2000	305.2	100.7	405.9	42.3	35.4	40.4
2004-05	348.7	120.3	469.0	44.6	38.2	43.0
2009-10	341.9	126.9	468.8	41.4	36.2	40.0
<i>Male</i>						
1972-73	128.7	32.9	161.6	55.1	52.1	54.5
1977-78	144.5	41.4	185.9	56.5	54.3	56.0
1983	155.9	50.2	206.1	55.5	54.0	55.1
1987-88	165.0	58.5	223.5	54.9	53.4	54.5
1993-94	189.3	67.3	256.6	56.1	54.3	55.6
1999-2000	200.2	80.7	280.8	54.0	54.2	54.1
2004-05	222.5	93.9	316.4	55.5	57.0	55.9
2009-10	235.7	102.7	338.4	55.6	55.9	55.7
<i>Female</i>						
1972-73	70.9	7.7	78.6	32.1	14.2	28.6
1977-78	83.6	12.1	95.7	34.5	18.3	31.0
1983	91.3	13.0	104.3	34.2	15.9	29.9
1987-88	95.1	15.8	110.9	33.1	16.2	28.8
1993-94	104.7	18.4	123.1	33.0	16.5	28.7
1999-2000	105.0	20.0	125.1	30.2	14.7	25.8
2004-05	126.2	26.4	152.6	33.3	17.8	29.4
2009-10	106.2	24.2	130.4	26.5	14.6	23.3

Note: Usual Status = Principal Status + Subsidiary Status

Data relate to usual status of individuals.

Labour force covers those involved in gainful activity regularly, those involved in gainful activity occasionally and those unemployed.

Labour force participation rate represents size of labour force as per cent of population.

Source: National sample Survey Organization (NSSO), various reports.

B. Estimates of Unemployment

Usual Status (PS+SS)						
	Labour Force (In millions)			Labour Force Participation Rate (%)		
	Rural	Urban	Total	Rural	Urban	Total
<i>Total</i>						
1972-73	1.8	2.1	3.9	0.9	5.2	1.6
1977-78	6.6	4.3	10.9	2.9	8.0	3.9
1983	4.1	3.6	7.7	1.7	5.7	2.5
1987-88	7.6	4.8	12.4	2.9	6.5	3.7
1993-94	4.7	4.8	7.5	1.6	5.6	2.5
1999-2000	4.2	3.8	8.0	1.4	3.8	2.0
2004-05	5.9	5.4	11.3	1.7	4.5	2.3
2009-10	5.5	4.3	9.8	1.6	3.4	2.0
<i>Male</i>						
1972-73	1.5	1.6	3.1	1.2	4.8	1.9
1977-78	3.1	2.6	5.7	2.2	6.5	3.1
1983	3.2	2.9	6.1	2.1	5.9	3.0
1987-88	4.5	3.5	8.0	2.8	6.1	3.6
1993-94	3.7	3.6	7.3	2.0	5.4	2.8
1999-2000	3.2	2.9	6.1	2.1	4.8	2.2
2004-05	3.6	3.6	7.2	1.6	3.8	2.2
2009-10	3.8	2.9	6.7	1.6	2.8	2.0
<i>Female</i>						
1972-73	0.3	0.5	0.8	0.5	6.0	1.0
1977-78	3.5	1.7	5.2	5.5	17.8	5.4
1983	0.9	0.7	1.6	1.4	6.9	1.5
1987-88	3.1	1.3	4.4	3.5	8.5	4.0
1993-94	1.0	1.2	2.2	1.4	8.3	1.8
1999-2000	1.0	0.9	1.9	1.5	1.7	1.5
2004-05	2.3	1.8	5.1	1.8	6.9	2.6
2009-10	1.7	1.4	3.1	1.6	5.7	2.3

Note : Unemployment rate is the number of unemployed as percentage of labour force. PS : Principal Status, SS: Subsidiary Status.

Source: National Sample Survey Organisation (NSSO), various reports.

3. Investment

A. Gross Capital Formation (Unadjusted) at Current Prices

Year	GCF (₹ Crore)	Rate (% to GDP)	Agriculture (₹ Crore)	Manufacturing Registered (₹Crore)	Services
1950-51	1133	10.89	221	242	157
1960-61	2618	14.59	325	836	421
1970-71	7297	15.32	1154	1968	1385
1980-81	27003	18.05	4074	4544	6276
1990-91	146018	24.91	17112	33948	29901
2000-01	510354	23.53	48391	104490	70974
2004-05	1011178	31.19	69148	245984	140563
2005-06	1224682	33.16	81886	352958	179966
2006-07	1490876	34.71	91902	408585	206972
2007-08	1843208	36.96	113199	583237	249193
2008-09	1927890	34.24	148574	441919	285756
2009-10	2216069	34.32	168378	606435	306078
2010-11	2586353	33.70	196435	685507	335139

Notes: (i) Share is percentage to total GCF (ii) Services includes mining & quarrying, electricity, gas & water supply, railways and transport by other means.

Source: Central Statistics Office.

B. Net Capital Stock (Series with Base year 2004-05)

End March	Net Capital Stock (₹Crore)	Average capital output Ratio (ACOR)**	Incremental Capital Output Ratio (ICOR)	
			Net Capital Stock to Output	NDCF to output* NFCF to output***
At 2004-05 Prices				
2001	7271744	3.37	4.76	4.29
2002	7705843	3.39	3.52	3.72
2003	8113468	3.44	5.11	4.76
2004	8609784	3.36	2.79	2.43
2005	9325629	3.38	4.52	3.71
2006	10162674	3.36	3.54	2.92
2007	11158662	3.35	3.68	3.06
2008	12323856	3.38	4.23	3.45
2009	13514747	3.50	4.99	4.46
2010	14700599	3.54	4.43	3.50
At Current Prices				
2001	6101181	3.27	2.6	2.3
2002	6703508	3.30	2.2	2.3
2003	7220873	3.33	2.5	2.3
2004	8027105	3.24	1.9	1.6
2005	9325629	3.27	2.5	2.0
2006	10529765	3.28	2.4	2.0
2007	12256314	3.22	2.2	1.8
2008	14338731	3.25	2.5	2.1
2009	16958893	3.30	2.1	1.9
2010	19402011	3.35	2.5	2.0

Notes : *Average of beginning and year-end capital stock as ratio of the year's NDP at factor cost.

**ACOR data for 2001 pertains to 2001-02 and so on.

***Based on increase in NDP at Factor Cost.

Source : Central Statistics Office.

C. Foreign Investment Inflows (Incl: Advance)

	Foreign Direct Investment		Portfolio Investment	
	(₹)Crore	US \$ mn	(₹)Crore	US \$ mn
1990-91	174	97	11	6
2000-01	18406	4029	12609	2760
2001-02	29235	6130	9639	2021
2002-03	24367	5035	4738	979
2003-04	19860	4322	52279	11377
2004-05	27188	6051	41854	9315
2005-06	39674	8961	55307	12492
2006-07	103367	22826	31713	7003
2007-08	140180	34835	109741	27271
2008-09	100100	22372	-65000	-14030
2009-10	86000	17966	154000	32396
2010-11	42900	9360	139400	30293
2011-12	103200	22061	-27700	17170

Source : RBI Bulletin.

4. Trade

A. Foreign Trade							(US \$ million)	
Year	DGCI&S Data					RBI BoP Data		
	Exports	Growth (%)	Imports	Growth (%)	Trade Balance	Exports	Imports	
1950-51	1016		1292		(276)	1355	1366	
1960-61	1346	2.9	2353	6.1	(1007)	1326	2324	
1970-71	2031	4.2	2162	(0.1)	(131)	1876	2416	
1980-81	8485	15.4	15867	22.1	(7382)	8429	16284	
1990-91	18145	7.9	24073	4.3	(5927)	18477	27915	
2000-01	44560	9.4	50537	7.7	(5976)	45452	57912	
2010-11	251136	18.9	369769	22.0	(118633)	250468	381061	
2004-05	83536	30.8	111517	42.7	(27982)	85206	118908	
2005-06	103091	23.4	149166	33.8	(46075)	105152	157056	
2006-07	126414	22.6	185735	24.5	(59321)	128888	190670	
2007-08	162904	28.9	251439	35.4	(88535)	166162	257629	
2008-09	185295	13.7	303696	20.8	(118401)	189001	308521	
2009-10	178751	(3.5)	288373	(5.0)	(109622)	182235	300609	
2010-11	251136	40.5	369769	28.2	(118633)	250468	381061	
2011-12	304624	21.3	489417	32.4	(1847940)	309774	499533	

Note: Growth for decades from 1950-51 to 2010-11 is CAGR that from 2000-01 onwards is the annual growth rate.

Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S), Calcutta, RBI for BoP data.

B. Index Numbers and Terms of Foreign Trade							
Year	Unit Value Index		Quantum Index		Terms of Trade		
	Exports	Imports	Exports	Imports	Gross	Net	Income
Base: 1999-2000 =100							
2000-01	102	109	125	99	79	94	118
2001-02	103	112	126	103	82	92	116
2002-03	106	128	150	109	73	83	125
2003-04	114	132	161	128	80	86	138
2004-05	131	157	179	150	84	83	149
2005-06	139	179	206	174	84	78	161
2006-07	158	206	227	191	84	77	175
2007-08	166	210	245	218	89	79	194
2008-09	194	239	267	262	98	81	216
2009-10	196	215	264	288	109	91	240
2010-11	223	243	304	311	85	113	279

Note: Index of foreign trade of country is instrument which indicate the temporal fluctuations in export/import in terms of volume and unit price. It may be defined as a measure of average change in a group of related variables over two different situations.

1. Gross terms of trade are the ratio of overall import quantum index to similar export index.
2. Net Terms of Trade is the ratio of overall export unit value index to similar import index.
3. Income Terms of Trade = (NTTXQEI)/100

Source: Economic Survey, Handbook of Statistics on Indian economy.

Appendix 5
Other compliance issues

S. No	Issue	State(s)	No. of unit/SEZ/Cases	Amount (₹ in lakh)	Statutes	Remarks
1	DTA sales made prior to the commencement of Production	Andhra Pradesh	1Unit	246	-	Commercial production of the unit in April 2010; however, DTA sales shown from 2006 onwards
2	Lease deed not entered	Andhra Pradesh, Odisha and Gujarat	65Units	0	Rule 18 (2) (ii) of SEZ Rules 2006	Developer needs to enter into lease agreement which needs to be registered and furnished to the DC concerned within six months from the issuance of the LOA
3	Non registration of Lease deeds	Andhra Pradesh, Maharashtra, and Gujarat	373 Units	0		
4	Non fulfilment of Minimum Built up Area	Andhra Pradesh, Maharashtra, Gujarat, West Bengal and Uttar Pradesh	10 SEZ	0	Rule 5(7) read with 5(2)(b) of SEZ Rules 2006	IT/ITES SEZs needs to construct minimum Built up area of 1 lakh Square metres within a period of 10 years from the date of notification of the SEZ in which at least 50 % of such area is to be constructed within 5 years
5	Non utilization of material procured for authorised operation	Uttar Pradesh	1 SEZ	25.18	Rule 37 of SEZ Rules 2006	Goods admitted in SEZ shall be utilized within a period of one year
6	Non-levy of duty on failure to bring back goods removed for job-work/sub-contracting within the stipulated period	West Bengal and Karnataka	5 Unit	40	Rule 41(1) of SEZ Rules 2006	Sub-contracting is permitted with prior permission of the Specified Officer (SO) provided the finished goods are required to be brought back to the Unit within 120 days
7	Incorrect extension of benefit of Job-work	West Bengal	1Unit	13.04	Rule 42(2) of SEZ Rules 2006	SEZ Units are permitted to export finished goods directly from the sub-contractor's premises provided it is a direct export and identity of the goods exported is established with the goods sent on sub-contract.
8	Non-recovery of duty on goods removed for re-warehousing (Inter-Unit transfer), but not re-warehoused	West Bengal	69 Consignments	65.38	Rule 46 (12) and (13) of SEZ Rules	Transfer of goods from one SEZ Unit to other SEZ/EOU/EHTP is allowed provided the Unit submits re-warehousing certificate within forty-five days, failing which applicable duty is to be demanded from the receiving unit

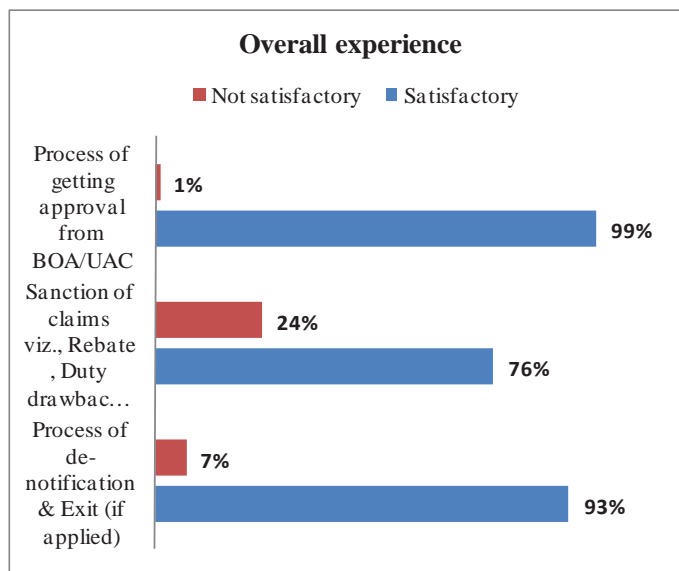
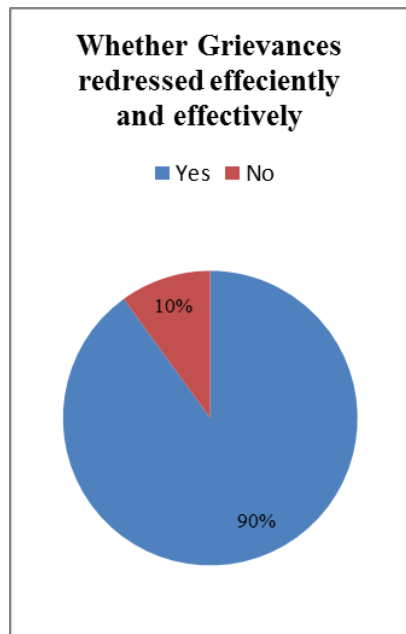
9	Non-levy of Antidumping Duty	West Bengal	1 Unit	5.37	Customs Notification No.05/2009	Anti-Dumping Duty on mulberry raw silk (not thrown) 2A grade and below when imported from the People's Republic of China
10	Incorrect determination of assessable value	West Bengal and Tamil nadu	5241 consignments and 1 Unit	115.09	Rule 47(4) of SEZ rules r.w. Rule 10(2) of customs valuation Rules 2007	Non adoption of 1% landing charges in arriving at assessable value for calculation of Duty liability for clearances made to DTA and non inclusion of pattern cost collected in the AV
11	Export of goods not covered in LOP	Rajasthan	4 Units	17.36	Rule 34 r.w 19(2) of SEZ Rules	Units manufactured goods which were not covered in the LOP
12	Refund of Cenvat Credit for supplies made to SEZs	Gujarat	3 units	39.64	Rule 5 of Cenvat Credit Rules 2004	Supplies made to SEZs are not exports out of India and hence refund of Cenvat credit is not allowed.
13	Short Payment of Duty on Debonding	Gujarat, Rajasthan, West Bengal and Tamilnadu	11	319.01	Rule 74 of SEZ Rules	Short/non Payment of Duties on de-bonding
14	Short Payment of Entry Tax and VAT on de-bonding	Gujarat, Madhya Pradesh and Tamilnadu	6 units	451.46	Rule 74 (1)	Entry Tax and VAT short paid
15	Non maintenance of Separate set of accounts for SEZ Units	Tamilnadu	3 units	0	Rule 19(7) of SEZ Rules	Combined annual accounts produced to audits
16	Irregular payment of DEPB and Duty Drawback on supplies made to SEZs	Tamilnadu	1 Developer	458.62	Section 2 (18) of the Customs Act, 1962 read with Drawback rules	DEPB and Duty Drawback on supplies made to SEZs
17	Improper maintenance of files	MOC&I (Director SEZ - DOC)	-	0		Deficiencies noticed in maintenance of files Important documents i.e., State Government Recommendations, Environmental Clearance etc., were not available in the files Documents found in torn condition Noting portion not been placed in the files Files not page number

Appendix 6

Responses by Developers/Units and DCs are presented below;

A. Developers/Units

1. Overall experience



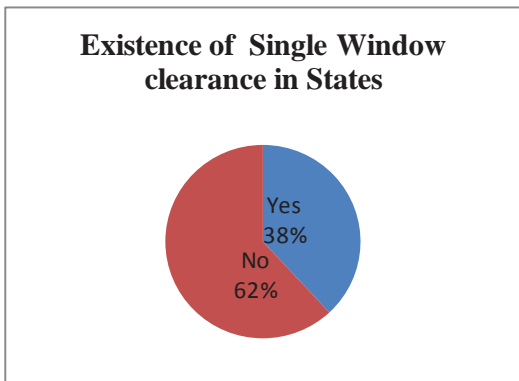
Timelines between 15 days to 6 months were prescribed to authorities, viz., Development Commissioner, State Government and Government of India for processing at various stages. However, no such time limit has been prescribed for BoA to grant the approvals. Nevertheless, majority of the stakeholders expressed satisfaction in obtaining approvals from BoA/UAC, sanction of claims/concession, and process of de-notification and exit from SEZ, including grievances redressal.

Audit observed that the redressal mechanism for grievances is not efficient. A fixed time period may be prescribed for getting approval from BoA, submission of documents and setting up of single window clearance mechanism in each State.

2. Single window clearance mechanism

SEZ Act provides for creation of Single window clearance mechanism. However, sixty two per cent of Developers/Units stated that there was no single window clearance facility.

Only 11 states have framed their respective SEZ Act/Policy (Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal). Rest of the 17 states could not enact SEZ Act which led to lack of coordination across departments at the Central and State Government level resulting in delay in according necessary approvals (Paragraph 3.2).



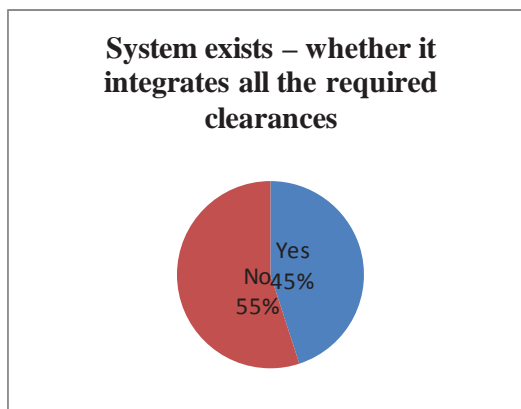
Though 38 per cent have expressed the existence of single window mechanism, majority (55 per cent) have stated about non integration of required clearances.

Equal per cent of Developers/Units have expressed about delivery of timely clearances through single window mechanism.

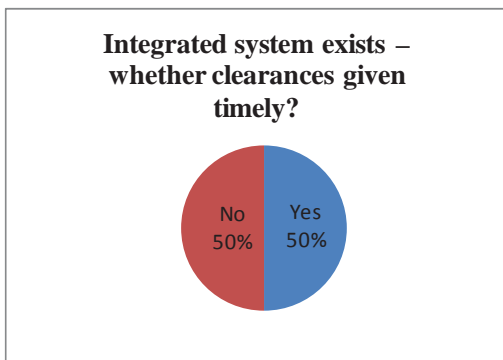
Non-existence of single window clearance facility entailed 62 per cent of

Developers/Units to seek various clearances, for developing and setting up of SEZ/Units, from authorities' viz., Pollution Control Board, Fire Department, Central Excise/Service Tax and others.

This defeated the purpose of providing the intended facilities of various clearances in a single counter, and proved to be a major bottleneck in development of SEZ and establishment of Units. To conclude, the

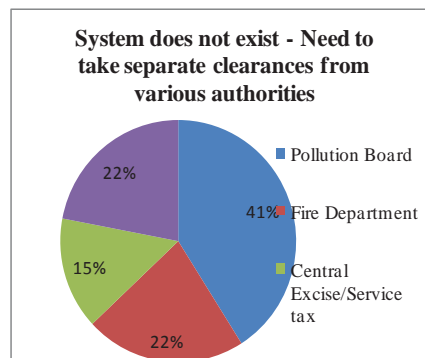


reason for ineffective single window mechanism is either its absence or has not worked as per its intended objectives.



DoC may intimate the average time taken by the respective authorities to give clearances /sanction

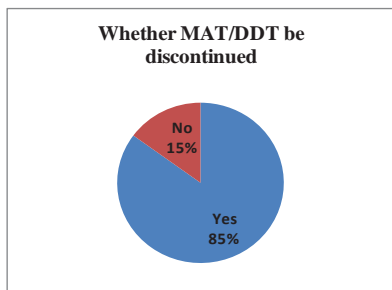
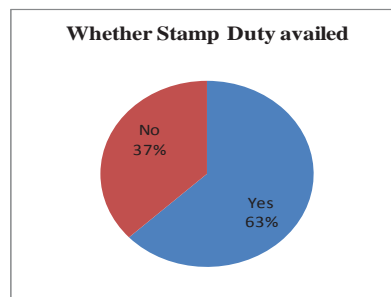
for electricity, water supply, effluent disposal, environment clearances, land related matters, licence, NOC from local authorities, police station, poison licence, licence related to prohibition and excise etc



3. Stamp Duty, MAT and DDT

The Indian Stamp Act, 1899 as amended through Section 57 of the SEZ Act 2005 stipulates that no duty shall be chargeable in respect of any instrument executed by or on behalf of or in favour of the Developer or Unit or in connection with the carrying out of purposes of the Special Economic Zone

Around 63 per cent of Developers/Units availed Stamp duty exemption.



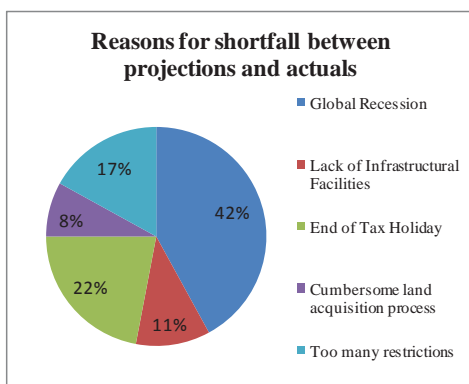
However, on de-notification the stamp duty exemption availed while registering the lease deed need to be recovered. We observed in 8 cases Andhra Pradesh, Gujarat, Odisha and Uttar Pradesh that on de-notification the stamp duty exemption of ₹ 8.56 crore was not recovered.

Eighty five per cent of Developers/Units opined for discontinuance of MAT/DDT. It is pertinent to refer here that 85 per cent of the respondents felt that introduction of MAT/DDT was one of the main reasons for de-notification and exit from the SEZ which is followed by global recession (42 per cent).

Audit observed that SEZ units felt that operating in DTA has become more beneficial as compared to operating in SEZs after withdrawal of exemption for MAT and DDT for the SEZs. Signing of more Free Trade Agreements by India enabled Indian exporters outside the SEZs to import duty free inputs which acted as a disincentive for exporters operating within SEZs. Export benefits to the SEZ units have considerably reduced vis-a-vis DTA units.

4. Why there are shortfalls?

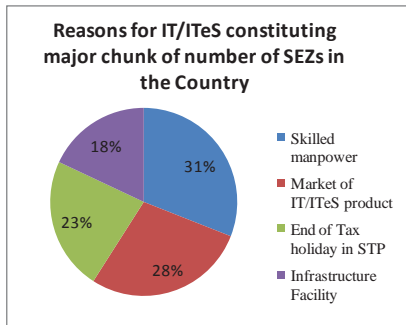
Global recession and End of tax holiday were attributed to be the main causes for shortfall



between projections and actual. This was followed by the reasons like too many restrictions, lack of infrastructural facilities and cumbersome land acquisition processes were negated the projections.

5. Why IT/ITES rules the roost?

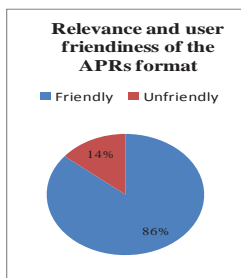
Availability of skilled manpower, better market for IT/ITES products/services, end of tax holiday in STPI to avail incentives provided in SEZ were attributed to be the reasons for establishment of too many IT/ITES units in SEZ.



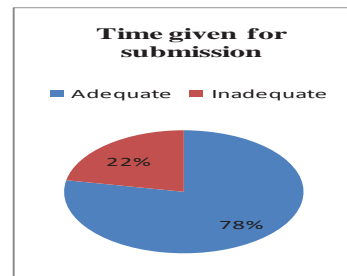
Some respondents also attributed the reasons to availability of infrastructural facilities and lesser requirement of area.

6. Adequacy of monitoring and control - APRs

Performance of Units / Developers is monitored annually through Annual Performance Reports (APRs) in case of Units and Half-yearly/Quarterly



returns in case of Developers. Majority of the respondents opined that the two key aspects of monitoring and control – Relevance and user friendliness and time given for submission were adequate. However, the reported findings at

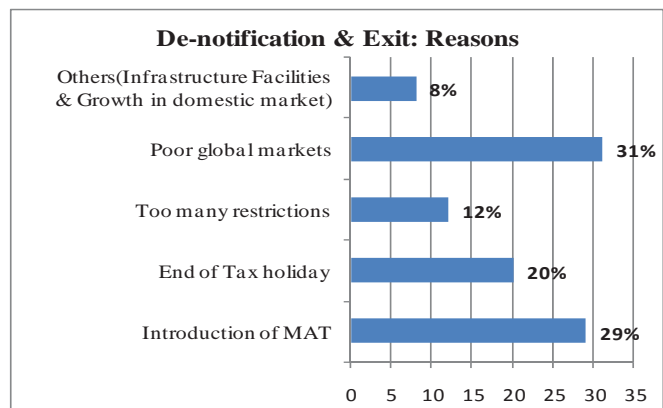


paragraphs 6.1.1 and 6.1.2 illustrates that the APRs do not provide for capturing all vital information such as uncertified APR's, non/short reporting of DTA sales in APRs, No action initiated against Units with negative NFE and there were serious delays (1–72 months) in their submission.

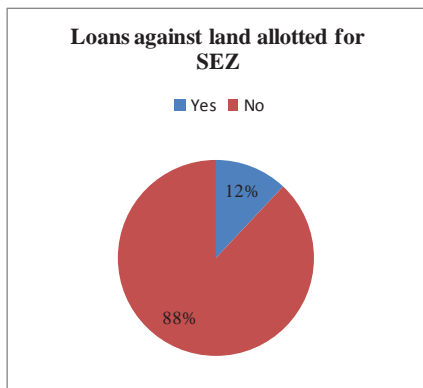
7. Why do they want to exit?

A developer, who is not interested in continuing with scheme, has an option to exit by de-notifying with an undertaking to pay back the concessions availed.

As already reported at paragraph 4.9 out of 230 notified SEZs in Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Odisha and West Bengal 52 zones were de-notified mainly because infrastructure facilities and growth in domestic market, poor global market, excessive restrictions, end of tax holiday and introduction of MAT.



8. Raising loans against SEZs land



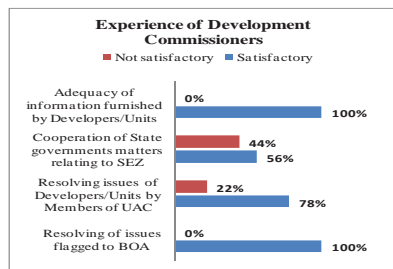
Rule 11(9) read with Rule 11(6) of SEZ Rules, 2006, a developer shall not sell the land in a Special Economic Zone, and shall assign lease hold rights to the entrepreneur holding valid letter of approval.

Twelve per cent of Developers accepted that loans were raised mortgaging the notified SEZ lands. Though the magnitude is limited, as pointed at paragraph 4.10 in absence of a system to monitor this aspect, this is fraught with the risk of capital raised not being ploughed back into SEZ and the land meant for

SEZs may remain idle without any economic activity. This holds good for government transferred lands.

B. Development Commissioners

9. Overall experience



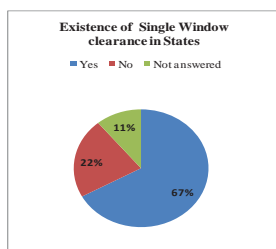
The experience of Development Commissioners in respect of issues flagged to BoA, addressing of issues relating to Developers/Units by members of UAC and adequacy of information furnished by Developers/Units in the returns (APRs/QPRs) for an effective performance of Units are satisfactory.

However, with regard to co-operation of State Governments in matters relating to SEZ was trifle low.

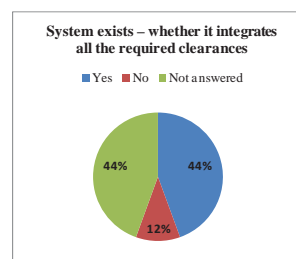
10. Single window clearance

Sixty seven per cent of DCs accepted the existence of single window clearance at State level. However, 22 per cent expressed non-existence of single window clearance mechanism. Eleven per cent did not answer.

It is pertinent to mention that in response to this question, 62 percent of the developers/units replied in negative.



Forty four per cent of DCs accepted that the single window clearance mechanism integrates all the required clearance from various authorities to Developers/Units. However, 12 per cent disagreed. Forty four per cent did



not answer.

11. Concessions/exemptions

Fifty six per cent of the DCs opined that the concessions/exemptions granted to SEZs are sufficient, which is a shade above the disagreement expressed by 12 per cent.

12. Bottlenecks in functioning of SEZ

Thirty seven per cent of DCs stated there were no state level SEZ Acts and in 25 per cent frequent changes in fiscal policies of SEZ were attributed to be the major bottle necks in functioning of SEZ apart from other reasons viz., lack of interest, contiguity norms, non-recognition of SEZ as public utility etc.

