

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:421

ANSWERED ON:12.05.2006

EXEMPTION OF CUSTOMS AND CENTRAL EXCISE DUTIES

Adhalrao Patil Shri Shivaji;Rao Shri Kavuru Samba Siva

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of itmes enjoying exemptions of central excise and customs duties;
- (b) the amount of duties lost on account of these exemptions during each of the last three years;
- (c) whether the Government proposes to withdraw all exemptions to increase its revenue collections;
- (d) if so, the details thereof;
- (e) whether the move to withdraw exemptions will adversely affect certain vital sectors of the economy like small scale, food processing industry, village industires etc.; and
- (f) if so, the details thereof?

**Answer**

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a),(b),(c),(d),(e)&(f): Sir, a statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 421 FOR 12TH MAY,2006 POSITION NO. 20

(a) Specific items enjoying exemptions of excise and custom duties are listed in the various exemption notifications available in the respective tariffs. The information is voluminous and bulky. As the details are available in the printed publication of the Department, these are not recounted here.

(b) Year wise collection of taxes lost on account of customs and excise duty exemptions is not maintained. however, in this year`s budget, an attempt has been made to furnish tax expenditure figures for the financial year 2004-05. The details are given in Annexure 12 of the Receipt Budget, 2006-07. Subject to limitations mentioned in the tax expenditure schedule statement to the Receipt Budget, 2006-07, revenue foregone on account of customs and excise duty exemptions during financial year 2004-05 was as under:

Rs. in Crore

1. Customs 92561

2. Excise 12431

(c) No, Sir. In this year`s budget, 11 customs duty exemptions and 64 excise duty exemptions were withdrawn. Further, 21 customs duty exemptions and 54 excise duty exemptions have been identified for possible withdrawal and put on the departmental website (CBEC.gov.in) seeking comments from all concerned before taking a final view.

(d) Government has been reviewing the need for continuing various exemptions, but this is an ongoing process.

(e) There is no proposal at present to withdraw the exemption for the small scale sector, food processing industry and village industry.

(f) Does not arise in view of (e) above.

