

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

STARRED QUESTION NO *564

**TO BE ANSWERED ON FRIDAY THE 6TH APRIL, 2018
CHAITRA 16, 1940 (SAKA)**

TAX REBATE FOR PROMOTION OF EXPORTS

***564. SHRI. RADHESHYAM BISWAS:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made any provisions for tax rebate for promotion of exports;
- (b) if so, the details thereof;
- (c) the value of rebate provided during the last three years along with the role of the said rebate in increasing the exports; and
- (d) the monitoring system in place to ensure proper utilization of the said rebate?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a), (b), (c) and (d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. *564 RAISED BY SHRI RADHESHYAM BISWAS FOR 6TH APRIL, 2018 REGARDING TAX REBATE FOR PROMOTION OF EXPORTS

(a): Yes, Madam. To ensure the competitiveness of goods and services and promote exports, Government had made provisions for rebate of duty under Central Excise law and now for zero rating of exports under GST law. The essence is to make Indian goods and services competitive in the international market by ensuring that taxes do not get added to the cost of exports and taxes are not exported out of India.

(b): The Government has made provisions for rebate of duty for promotion of Exports under Central Excise law. After the roll out of GST from 1st of July, 2017, provisions of rebate under Central Excise are applicable on the following commodities which are currently under Central Excise, namely, Crude, Motor Spirit, Diesel, ATF & Natural gas and tobacco and tobacco products.

Under GST, Exports and supplies to SEZ are zero rated as per section 16 of the IGST Act, 2017. By zero rating it is meant that there is no burden of tax either on the input side or output side on exported goods/services. Zero rating of exports and supplies to SEZ is sought to be achieved through the refund mechanism which can be refund of IGST paid on exported goods or accumulated input tax credit, when exported without payment of duty.

(c): Central Excise: The value of rebate provided during the last three years is as follows,

Central Excise and Service Tax Rebate for Years from 2015-16 to 2017-18 (upto Feb., 2018)

(in Rs Crore)

| S.No. | Years | Central Excise Rebate | Service Tax Rebate |
|-------|-----------|-----------------------|--------------------|
| 1 | 2015-16 | 23042.19 | 137.00 |
| 2. | 2016-17 | 20596.99 | 96.40 |
| 3. | 2017-18 * | 11223.82 * | 176.41 * |

**Note: Figures are provisional.*

GST: Refund sanctioned upto the end of 31st March, 2018

(in Rs Crore)

| Total No. of Shipping Bills (upto 31 st January, 2018) | Total IGST refund (upto 31 st March, 2018) | Total ITC refund by Centre (upto 31 st March, 2018) | Total ITC refund by States (upto 31 st March, 2018) |
|---|---|--|--|
| 2,73,017 | Rs 9,604 | Rs. 5,510 | Rs 2,502 |

Thus, in all, Rs 9,604 crore (IGST refunds), Rs. 5,510 crore (ITC refund by Centre) and Rs 2,502 crore (ITC refund by States) all totalling to **Rs 17,616 crore** has been sanctioned.

(d): Rebate is given only of the duty paid on exported goods and as such no further monitoring on utilization of rebate is required as taxes stand paid before sanction of rebate. The event of tax payment is verified before sanction of rebate.