

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

LOK SABHA
UNSTARRED QUESTION NO. 2300
TO BE ANSWERED ON 24th DECEMBER, 2018

COMPETITIVENESS OF EXPORTERS

2300. SHRI OM BIRLA:

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

- (a) whether the Government has taken note of the fact that significant time lag in providing refunds has supposedly eroded the competitiveness of exporters in the country;
- (b) if so, the reaction of the Government in this regard;
- (c) whether the Government has also taken note of the fact that an estimated 15-20 per cent of the working capital is already stuck up with the Government for refunds; and
- (d) if so, the details of the Government's plan to release stuck up capital expeditiously so that the situation does not deteriorate any further?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) & (b):

- (i) Initially there was delay in the Refunds of Input Tax Credit (ITC) and Integrated Goods & Services Tax (IGST). However, the process has now been largely streamlined. Overall disposal rate of refunds is 93.44%. The refund of IGST paid on goods exported out of India is fully automated. In nearly 75% cases, the IGST refund is sanctioned within 5 days of filing of relevant GST Returns by exporters. As on 18th December, 2018, total GST refunds disposed of are as under:

(Amount Rs. in Crore)

	Received	Disposed	Rate of Disposal
ITC refunds	51,417	46,873	91.16%
IGST refunds	51,410	49,211	95.72%
Total refunds	1,02,827	96,084	93.44%

(ii) Refunds of the Drawback, Terminal Excise Duty and Central Sales Tax on Deemed Exports are made as per the budgetary allocations received in the Department of Commerce. In case of any delay in making refund, there is a provision of payment of applicable interest.

(c) and (d): There is blockage of working capital due to delays in refunds. Government has taken following initiatives in this regard to expedite refund process:

- (i) Three special refund drives have been carried out for assisting exporters in correct filing of application for refund and expediting disposal of the refund applications.
- (ii) Some refund claims get struck up due to errors like incorrect information filed by exporters for which necessary mechanism has been provided. The officers have been directed to pro-actively and expeditiously process such claims stuck due to various errors.
- (iii) The refund of IGST paid on goods exported out of India has been made fully automated.
