

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO.3265

TO BE ANSWERED ON MONDAY, DECEMBER 16, 2024

COMPENSATORY DUTY ON EXPORTERS

†3265. SHRI SHIVMANGAL SINGH TOMAR:

Will the Minister of FINANCE वित्त मंत्री be pleased to state:

- (a) the details of the system of imposition of compensatory duty on exporters;
- (b) whether the incentive schemes implemented for promotion of exports from the country are considered as subsidies by the European Union;
- (c) whether the global rules cause difficulties in encouraging exports; and
- (d) whether any measures have been taken to address the same, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The term, "compensatory duty on exporters" is unclear. Duty on exports is levied under the Customs Act, 1962 at the rates specified in the Second Schedule of Customs Tariff Act, 1975.

(b) Exports are zero rated under GST and in certain cases where exports are done on payment of integrated tax, refund can be claimed of such tax paid.

There are certain schemes like Duty Drawback, RoDTEP and RoSCTL, which are export-related schemes that provide rebates on central, state, and local duties, taxes, and levies on exports from India.

Since these schemes provide only rebate of duties, taxes and levies, the same cannot be considered as subsidies.

(c) The WTO Agreement contains the global rules on trade. These rules apply equally to all the Members, with limited exceptions. Therefore, these global rules, if adhered to, cannot be considered as causing difficulties in encouraging exports.

(d) Does not arise as per response in part (c) above.
