

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4723

ANSWERED ON:07.08.2009

REFUND TO EXPORTERS

Joshi Shri Pralhad Venkatesh;Naik Shri Shripad Yesso;Sethi Shri Arjun Charan

Will the Minister of FINANCE be pleased to state:

- (a) whether in more than 90% cases the exporters do not get refund in regard to the service tax paid by them on use of the services for exports;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Government proposes to allow direct exemption instead of a refund;
- (d) if so, the details thereof; and
- (e) the steps or decision proposed to be taken by the Government or Committee constituted in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a): No, Sir.

(b): Does not arise in view of (a) above.

(c),(d)and(e): Two taxable services, namely, 'Transport of goods by road' and 'Commission paid to foreign agents' have been exempted from the levy of service tax, if the exporter is liable to pay service tax on reverse charge basis under Notification No. 18/2009-ST dated 7.7.2009.

In respect of other taxable services, a new revamped and trust –based refund scheme has already been notified by the Government vide Notification No. 17/2009-ST dated 7.7.2009.