



DEPARTMENT-RELATED PARLIAMENTARY STANDING  
COMMITTEE ON COMMERCE

**One Hundred and Thirty-Ninth Report on 'Impact of Goods and Services Tax (GST) on Exports'**

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The Department Related Parliamentary Standing Committee on Commerce, under the Chairmanship of **Shri Naresh Gujral, MP, Rajya Sabha** presented the **One Hundred and Thirty-Ninth Report on 'Impact of Goods and Services Tax (GST) on Exports'** to the Rajya Sabha on 19<sup>th</sup> December, 2017. The Report has simultaneously also been laid on the Table of Lok Sabha. The full Report is available on the website [www.rajyasabha.nic.in](http://www.rajyasabha.nic.in). Gist of main recommendations of the Committee is given below:-

**REFUND MECHANISM UNDER GST**

- The Committee notes that refunds has started to trickle only from the month of November, 2017 and the intervening period of four months from July to October, 2017 has been extremely trying for the exporters. The significant time lag in providing refunds has supposedly eroded the competitiveness of exporters by around 1.2 per cent to 2 per cent. It is felt that if the stuck up capital reaches a figure of 20-25 per cent of the working capital then it will result in a steep downward spiral of our exports. (Para 2.8)
- The Committee notes several operational issues existing in the refund mechanism making the refund procedure tardy and cumbersome. The Committee feels that the optimal functioning of refund mechanism in the GST regime is of utmost importance to ensure smooth functioning of exports. (Para 2.15)
- The refunds are being disallowed on slightest pretext. The Committee appreciates that due diligence is *sine qua non* for granting refunds but this cannot be overplayed inasmuch as that one cannot see the wood for the trees. (Para 2.16)
- The Committee desires that a formal mechanism for grievance redressal of exporters must be put in place. It is of the view that a dedicated office/unit may be established for continuous interaction with exporters and act as a single window for their grievance redressal. (Para 2.23)

