

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1057
ANSWERED ON:28.07.2000
REFUND OF CUSTOMS DUTY AND CESS
SHEESH RAM SINGH RAVI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government are aware that the Spices Board has refunded the customs duty and cess to the exporters during 1996-97;
- (b) if so, the details thereof;
- (c) the reasons for making the refunds; and
- (d) the corrective measures taken by the Government in this regard?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b): Yes, Sir. Spices Board had refunded the cess collected on export of pepper (except green pepper in brine), Saffron, Spice oils and oleoresins and cardamom from 1.4.1996 to 31.7.1996 amounting to Rs. 1.91 crore to the exporters of spices from its budgetary resources using non plan assistance received from Government of India.

(c): A Notification issued by the Government of India exempted pepper (except green pepper in brine), saffron, spice oils & oleoresins and cardamom from levy of cess (imposed under Spices Board Cess Act 1986) for the period 16.10.1992 to 31.3.1996 with a view to make the commodities competitive in the world market, and a notification issued on 1.8.1996, the period of suspension of the export cess on the aforementioned spices was extended from 1.8.1996, the period of suspension of the export cess on the aforementioned spices was extended from 1.8.1996. A gap was therefore left between 1.4.1996 and 31.7.1996 during which the Custom authorities had collected the export cess on these items. On receiving representations from the exporters for refund of export cess collected on the above items during the gap period, Spices Board refunded the cess collected between 1.4.96 to 31.7.96 after obtaining approval of Ministry of Commerce and Ministry of Finance.

(d): To simplify the matters, Government has now decided to impose a uniform cess of 0.5% on the FOB value of all spices exported and no exemption for any spice from the levy of cess is permitted.