

# Govt in firefighting mode to ease export consignments pile-up

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The government is moving fast on combating growing cases of export consignments stuck nationwide, owing to operational difficulties post the implementa-

tion of the goods and service tax (GST) regime.

Reports have poured in over the past few days of export consignments across the country remaining stuck at port or factory gates because of confusion among traders as well as tax authorities regarding treatment of exports under the GST.

Both the commerce department and the Central Board of Excise and Customs (CBEC), under the revenue department of the finance ministry, have met export bodies over the last two days and also appointed two senior officers as nodal officers dealing with exporters concerns regarding the new tax regime.

The CBEC had also come out with a notification pointing out certain changes to the tax norms



with another notification expected soon, a senior government official said. He added regional tax offices have been directed to bring their officers up to speed with latest norms.

Clearance of exports goods got stuck as input tax credit is not available to pay the

Integrated GST (IGST) levied on exports and the procedure of exemption from the IGST against bonds is not yet clear at the field level, Director General of Federation of Indian Export Organizations (FIEO), Ajay Sahai said. It's also not clear how exporters are to submit these

bonds, he added.

On the issue of claiming input credit, the worst hit are merchant exporters, who do not have any carry-over of input credit balance, Bhaskar Sarkar, executive director of Engineering Exports Promotion Council of India said. "Even if they pay the input tax on their purchase and export under bond or LUT (letter of undertaking), their input credit will be refunded only after the end of the financial year," he added. Exporters have to furnish a bond or LUT for Customs officials to release export consignments.

Also, bonds furnished by exporters are now required to be accompanied by a bank guarantee, Sarkar said, which adds to the cost of exports.