

Exporters Seek Quicker Refund, No GST for Merchant Traders

Exporters' apex body pushed for import charge exemption on inputs used in exports

Our Bureau

New Delhi: Exporters have sought faster refund of duties, exemption from tax payment for merchant exporters and simpler tax compliance for small exporters from the government.

In a meeting with finance minister Arun Jaitley and chief economic advisor Arvind Subramanian, exporters and industry representatives flagged the issues faced by exporters due to GST.

The apex body of exporters, Federation of Indian Export Organisations (FIEO), pushed for a complete exemption from import charges on inputs used in exports. "Indian exporters are losing out to their competitors from such



Traders Raise Concerns

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▶ **Federation of Indian Export Organisations** pushes for a complete exemption from import charges on inputs used in exports

▶ **Merchant exporters** account for over 30% of country's exports, who usually work on razor thin margins of 2-4%



▶ **FIEO asks** for refund of embedded taxes on account of taxation on the products kept out of GST

▶ **Small exporters** be allowed to file returns every quarter though they will pay tax each month



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countries. Ab initio exemption from IGST may be provided against such Advance Authorisation/EPCG and EOU Scheme," FIEO said in its presentation.

Merchant exporters account for over 30% of country's exports, who usually work on razor thin margins of 2-4%. The imposition of GST has made their costing haywire, particularly for products having higher GST rate, as they have to pay GST and seek refund after some time lag, FIEO said as it asked for timely refunds

from the government.

FIEO also asked for refund of embedded taxes on account of taxation on the products kept out of GST.

"The availability of credit and cost of credit are the biggest challenges for the MSMEs, which have become more alarming as money is borrowed for payment of GST on exports," FIEO president Ganesh Gupta said.

Filing returns is more challenging for small exporters and industry was unanimous

on the issue that such exporters be allowed to file returns every quarter though they will pay tax each month.

"The minister heard our concerns and said certain issues are still settling down. He said it is too early to say what is the impact of GST as two months is a short period of time," said an official who attended the meeting.

Representatives from CII and PHD Chambers, GST Sudvidha providers, Gems and Jewellery Export Promotion Council, Institute of Cost Accountants of India and Institute of Chartered Accountants of India were also present at the meeting. Officials from accounting software provider Tally Solutions and e-commerce major Amazon too attended the stakeholder consultation ahead of the GST Council meeting on October 6.

India's exports have remained sluggish even as global trade has picked up pace. Exports were up 8.57% between April and August as against a 26.63% rise in imports.