

Business Standard

Commerce Ministry raises issue of notices to exporters for GST 'violation'

The commerce ministry has stated that the 'overzealous revenue collection' move by Directorate of Revenue Intelligence was against exporters

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The commerce ministry has taken up the issue of Directorate of Revenue Intelligence (DRI) notices being sent to 1,000 exporters for alleged violation of Goods and Services Tax with its finance counterpart, an official said.

The commerce ministry has stated that the "overzealous revenue collection" move by DRI (Directorate of Revenue Intelligence) was against exporters.

The ministry has demanded integrated goods and services tax (IGST) exemption for inputs used in exports between October 2017 and January 2019, the official said.

In a letter to the Department of Revenue, the commerce ministry said that the demand of giving retrospective IGST exemption to exporters could be taken up by the GST Council, chaired by the finance minister and comprising state ministers.

"This department is of the view that enthusiasm of exporters should not be killed by overzealous revenue collection based on technicalities where revenue does not accrue in principle. You may consider placing these concerns before the GST Council for early resolution," the ministry has said.

It has also stated that as on date, imports made under the advance authorisation scheme on both pre and post export basis are exempted from payment of IGST.

Exporters have raised concerns regarding litigation and penal action by DRI with regard to pre-import condition under the scheme.

DRI had sent notices to exporters for claiming post import IGST exemption between October 2017 and January 2019. During the period, this exemption was allowed only for pre-import of inputs.

But the exemption was allowed both for pre and post import from January 15 this year. The commerce ministry is seeking implementation of this notification from October 2017 itself.