

# Allow MSMEs to pay liabilities in tranches: Exporters to govt

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Exporters have urged the government to allow small businesses availing themselves of the amnesty scheme to pay liabilities in instalments over a period of time instead of making the entire payment by September 30.

The amnesty scheme is aimed at the one-time settlement of defaults in export obligations under the Advance Authorization and Export Promotion Capital Goods (EPCG) schemes.

This is mainly because liquidity for micro, small, and medium enterprises (MSME) units is a big concern, especially at a time when interest rates are rising.

Moreover, making payments in one go will affect the working capital of small businesses to run the enterprise.

As a result, while a large number of MSMEs want to avail themselves of the amnesty scheme, they are concerned about paying the entire liability in one go until the time the amnesty scheme is valid (September 30).

If the government accedes to the industry's request, then small businesses will pay the first instalment before September 30.

The timeline for paying the residual amount can then be decided by the government, as the Federation of Indian Export Organisations (FIEO) has requested.

The apex exporters' body has also urged the Directorate General of Foreign Trade (DGFT) to take up the matter with the Ministry of Finance's Department of Revenue.

According to the amnesty

scheme, all cases where traders failed to meet the export obligations under Advance Authorization and EPCG may be regularised by paying Customs duties and interest, subject to a ceiling of 100 per cent.

However, cases under investigation or adjudication involving fraud, misdeclaration, or unauthorised diversion of capital goods will not be covered by the scheme.

In addition, the Central Value Added Tax (CENVAT) credit or refund cannot be claimed. In the case of calculation mistakes, they will be dealt with on merit.

The scheme was announced by DGFT in the Foreign Trade Policy (FTP) on March 31 and is set to benefit 2,500–3,000 exporters.

FIEO also urged the government to expand the coverage of the scheme to cover all authorisations issued during the pre-goods and services tax regime — authorisations issued during FTP 2009–15 until June 30, 2017. It also requested that the present scheme cover all advance authorisations and EPCG authorisations issued during FTP 2004–09 or earlier without further conditions.