

My Supplier Can't Export. Who Handles Clearance in India?



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You can't clear an Indian export yourself, and nor can a logistics provider in its own right. An Indian firm with an IEC has to be the exporter of record and file the shipping bill, usually through a customs broker. If your maker can't do it, the realistic choices are that it registers and uses a broker, or that a merchant exporter or service provider buys the goods and exports them in its own name. Agree which before you pay, because it decides who you pay and who can sign for origin.

The Short Version

- A customs broker or forwarder files on an exporter's IEC. It does not replace the exporter.
- Small makers often can't export because they have no IEC, sit in GST composition, or don't want the per-bill bank paperwork.
- Your payment should go to whoever is exporter of record, in its own name.
- A preferential certificate of origin follows the exporter, so the maker's cost records must reach it.
- Settle who the exporter is before the deposit, not after the goods are packed.

Someone in India has to, because you can't. Indian customs only accepts a shipping bill from an exporter holding an Importer Exporter Code (IEC), so when your maker says "you arrange the export", what it really means is "find an Indian firm to be the exporter of record". That firm files the shipping bill, usually through a customs broker, receives your payment and applies for any certificate of origin.

This is one of the most common surprises in our review of importer forum threads. A UK buyer put it in one line in 2024: "Vendor in india, they have no

idea on exports and they'll just handover to logistics provider and rest i've to take care" ([r/smallbusinessuk, 2024](#)). Why that is really an Ex Works deal in disguise is told on our [EXW page](#), and buying from a market shop that never exports is on [shopping an Indian wholesale market for export](#). This page answers the next question - who should the exporter be, and what changes for you with each choice. The caveat is that no one publishes how often small makers hand exports to someone else, so the practice comes from forum voices, while the rules are read at source.

SourcingFrom Intelligence

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- 01 **The exporter files, and needs an IEC.** Customs Act section 50(1) puts the shipping bill on "the exporter", and DGFT says nobody exports without an IEC "unless specifically exempted". (*[Customs Act 1962](#), [CBIC text](#), [DGFT IEC page](#), as read on our [wholesale-markets article](#), 18 October 2026*)
- 02 **A GST composition registrant can't export under its own registration.** An export counts as an inter-State supply, which composition taxpayers can't make. (*[CGST s.10\(2\)\(c\)](#) and [IGST s.7\(5\)\(a\)](#), from our [supplier-signals reading](#) · rule Verified, our reading Indicative*)
- 03 **Every shipping bill has to be closed with the exporter's bank.** One Indian exporter reported paying the bank per bill to close them, and called closing thousands of small ones "a nightmare". (*Our forum signal [FS-SUP-054](#), 2025*)

1. Why Can't My Supplier Just Export?

Usually for one of three ordinary reasons, and none of them makes it a bad maker.

It has no IEC. Plenty of good workshops sell only inside India. An IEC is quick to get, and the steps are on our [IEC and RCMC guide](#), but a maker that has never exported may not want to start on your order.

Its GST registration doesn't allow it. Small firms often register under GST's composition scheme, which keeps their tax simple. GST law treats an export as an inter-State supply, which a composition registrant can't make, so it can't be the exporter under that registration. Ask whether the supplier is "regular" or "composition". The check is on [what an Indian GST number tells you](#).

The paperwork after shipment puts it off. An export isn't finished when the ship sails. The exporter's bank has to match your payment to its shipping bill and close it. An Indian handicraft exporter wrote that the bank first quoted a fee per bill and that clearing a backlog of 2,000-plus small bills "is a nightmare" (our forum signal FS-SUP-054, 2025). For a maker selling you one small order, that is a real cost. It's why some say "you arrange it".

2. Can a Logistics Provider Be the Exporter?

Not by moving the goods. This is the point buyers miss. When a maker says it will "hand over to logistics", the forwarder or customs broker it means files the shipping bill on someone's IEC. A broker acts for an exporter. It doesn't become one by trucking your cartons to the port. Our [exporting from India](#) section sets out the filing on ICEGATE and the Let Export Order that comes back.

So ask the forwarder one plain question: "Whose IEC goes on the shipping bill?" If the answer is the maker's, the maker is the exporter after all and just doesn't want the work, which is fine. If the maker has no IEC and the forwarder says it will "manage", ask what that means in writing. A firm that puts its own name on goods it never bought is taking a risk with Indian customs, and that risk can land on your shipment.

3. What Are My Real Options?

Three, in practice.

The maker registers and uses a broker. It gets an IEC (and moves to regular GST if it needs to), and a customs broker does the filing. This is cleanest for you. The maker is the exporter, you pay the maker, and the maker's own records back any origin claim. It suits a supplier you plan to buy from for years. Expect a slower first shipment.

A merchant exporter buys and exports. An Indian trading firm buys the goods from your maker on its own invoice and exports them in its own name. That is a normal Indian model, explained on [trading companies and merchant exporters](#). The exporter adds a margin and becomes the party you contract with, so quality claims now run through it as well as the maker. Pick one that will name the maker to you.

An exporter-of-record service. A specialist does the same job as a merchant exporter but works for you, with your maker and your price. It buys from the maker, files the export, gets the certificates and receives your payment. [SourcingSync](#) can act as exporter of record and run the export clearance for buyers whose maker can't export, so you keep the maker you chose.

One option isn't on the list. You, as a foreign company without an Indian entity, can't be the exporter.

4. Who Do I Pay When Someone Else Exports?

The exporter of record, in its own name. Indian export rules track your money against the exporter's shipping bill through its bank, and the bank closes the bill once the money arrives. If you pay the maker while a different firm is the exporter, that firm's bill sits open and its bank asks questions. The

registrations involved, from the bank's AD code to the e-BRC, are listed on [exporting from India](#).

So the shape is simple. You pay the exporter of record. It pays the maker. The commercial invoice, the packing list, the shipping bill and your bank transfer all carry the same name. A request to split payment between two Indian firms is worth a careful question before you agree to it.

5. What Happens to My Certificate of Origin?

It follows the exporter, and this is where a hand-off can quietly cost you a 0% rate. A preferential certificate is applied for by the Indian exporter, and it needs origin working behind it - a cost sheet showing how the goods meet the agreement's rule, with the source of each input ([certificate of origin guide](#)). If the exporter didn't make the goods, it has to get that working from the maker.

Makers are sometimes reluctant to show a trader their costs, and that's understandable. So agree it at the start. The maker shares its bill of materials with the exporter of record, under confidentiality if needed, and the exporter applies for the certificate against the final invoice. If nobody does this, plan on the full duty rate, which is our reading of how these hand-offs go (Indicative). What the paper does at your border is on [certificate of origin](#).

6. What Should I Agree Before I Pay a Deposit?

Five lines, in writing:

1. The exporter of record's legal name, IEC and GST number, checked on DGFT and the GST portal.
2. Who buys from the maker, and whose name is on each invoice.

3. The Incoterm, usually FOB or FCA, with the exporter of record as seller.
4. Which certificate of origin you need, and who gives the cost working to whom.
5. Where your payment goes. One bank account, in the exporter of record's name.

Questions Buyers Ask

Can my freight forwarder be the exporter of record? 

Only if it buys the goods and exports them in its own name with its own IEC. Filing the shipping bill for someone else doesn't make it the exporter.

Is a supplier that can't export a red flag? 

Can I pay the maker directly and let a forwarder export? 

Will I lose my FTA duty rate? 

7. Back to "Rest I've to Take Care"

The UK buyer's vendor wasn't refusing to help. It was telling him, in its own words, that it had never been an exporter. The fix isn't to take care of it yourself, because you can't. It's to decide who the Indian exporter will be while you are still choosing the supplier, so the payment, the paperwork and the origin proof all point at the same name.