

# **GOODS & SERVICES TAX / IDT UPDATE – 45**

## **Clarification on issues related to furnishing of Bond/Letter of Undertaking for exports**

The Central Government vide [Circular No. 40/14/2018-GST dated 6th April, 2018](#) has clarified regarding the acceptance of LUTs being submitted online in FORM GST RFD-11 by making certain modifications in [Circular no. 8/8/2017 dated 4<sup>th</sup> October, 2017](#) . Modifications made are explained below:

- a) **Form for LUT:** Earlier the (exporters) were required to download the FORM GST RFD-11 from the website of the Central Board of Excise and Customs ([www.cbec.gov.in](http://www.cbec.gov.in)) and furnish the duly filled form to the jurisdictional Deputy/Assistant Commissioner Now, the registered person (exporters) shall fill and submit FORM GST RFD-11 on the common portal and the LUT shall be deemed to be accepted as soon as an acknowledgement for the same, bearing the Application Reference Number (ARN), is generated online.
- b) **Documents for LUT:** Earlier, self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purposes of Notification No. 37/2017- Central Tax dated 4<sup>th</sup> October, 2017. Now, by this circular it has been clarified that no such document needs to be physically submitted to the jurisdictional office for acceptance of LUT.
- c) **Acceptance of LUT/bond:** Earlier, LUT/bond should be accepted within a period of 3 working days of its receipt along with the self-declaration and if not accepted within a period of 3 working days from the date of submission, it shall be deemed to be accepted. Now the LUT shall be deemed to have been accepted as soon as an acknowledgement for the same, bearing the Application Reference Number (ARN), is generated online. If it is discovered that an exporter whose LUT has been so accepted, was ineligible to furnish an LUT in place of bond as per Notification No. 37/2017-Central Tax, then the exporter's LUT will be liable for rejection. In case of rejection, the LUT shall be deemed to have been rejected ab initio."

*Comment: Much needed clarity comes from this circular both to trade and administration. This extent of clarity was sought by local tax administration as much as trade bodies.*

[\[Circular No. 40/14/2018-GST dated 6th April, 2018\]](#)

## **Roll-out of e-Way Bill system for Intra-State movement of goods in the States of Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh from 15th April, 2018.**

As per the decision of GST Council, e-Way Bill system for all inter-State movement of goods has been rolled-out from 01<sup>st</sup>April, 2018. E-way Bill system for Intra-State movement of goods in the State of Karnataka is also operational from the said date. E-Way Bills are getting generated successfully and till 09<sup>th</sup>April, 2018 more than 63 lacs e-Way Bills have been successfully generated.

It is hereby informed that e-Way Bill system for Intra-State movement of goods would be implemented from 15th April, 2018 in the following States:-

- (i) Andhra Pradesh

- (ii) Gujarat
- (iii) Kerala
- (iv) Telangana
- (v) Uttar Pradesh

With the roll-out of e-Way Bill system in these States, it is expected that trade and industry will be further facilitated in so far as the transport of goods is concerned, thereby eventually paving the way for a nation-wide single e-Way Bill system. Trade and industry and transporters located in these States may obtain registration/ enrolment on e-Way Bill portal namely <https://www.ewaybillgst.gov.in> at the earliest without waiting for the last date.

*Comment: This form of roll-out is expected to cover the entire country and then be linked with Tax Invoice reported in GST Returns. Please take care to correctly and completely comply with ewaybill requirements.*

(Release ID :178548)

**Clarification regarding GST on supply of food and drinks in educational institutions.**

With a view to remove any doubt or uncertainty regarding rate of GST applicable on supply of food and drinks in educational institutions, it is clarified that: -

- i. GST rate on supply of food and drinks in a mess or canteen in an educational institution attracts GST at 5% without INPUT Tax Credit (ITC).
- ii. If schools up to higher secondary level supply food directly to students, then the same are exempt from GST."

*Comment: Please note that this clarification does not subvert the exemption available in case of food and drink supplied to all students without a separate charge.*

(Release ID :178603)

[\[http://pib.nic.in/newsite/erelease.aspx\]](http://pib.nic.in/newsite/erelease.aspx)

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