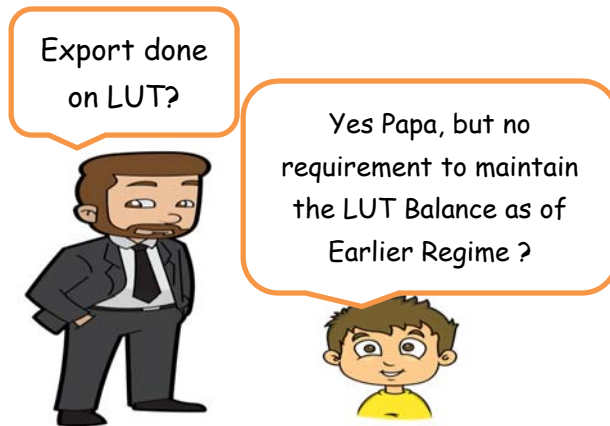
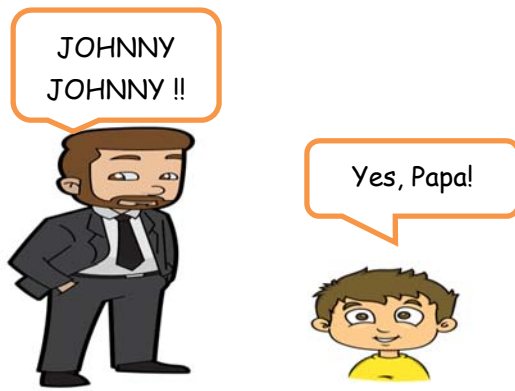


GST and JOHNNY- UPDATE No.40



This papa: - In erstwhile Excise regime, export under bond or LUT, there was requirement to maintain the balances. The amount is debited as soon as export goods are cleared from factory and afterwards credit is granted as and when the proof of export is submitted in Annexure 19. A proper account was maintained.

However, under the current GST Regime, there is no such requirement to submit the proof of export and to maintain the LUT Balance. Even errors are removed in export consignment done on payment of IGST.

In earlier regime, there was a specified time limit to submit the proof of export, whereas now there is no such time limit to submit the proof of export under LUT in the GST Regime.

In case export is reported under GSTR-1 and there is no cross ponding shipping bill is shown in GSTR-1 or there is error message in custom portal then there is no mechanism of recovery of GST duty from the exporter. Now, the condition of realisation of export proceeds has been prescribed for export of goods. But whether it will be online system of matching like that of drawback or new system will be prescribed. The details of realisation of export proceeds should be taken from custom department only.

A full proof system of export proof should be prescribed. Otherwise, audit party will come and ask to pay IGST of certain consignments exported under LUT.

CA Pradeep Jain