



**SHIPPING AND PACKAGING INSTRUCTIONS
FOR**

**2 x 660 MW MAITREE SUPER THERMAL POWER
PROJECT, BANGLADESH**

OF

**BANGLADESH-INDIA FRIENDSHIP COMPANY (PVT.) LTD
(BIFPCL)**

Document Revision-0

Approved by	Checked by	Prepared By
Jasvindra Pal Singh/AGM	Akhilesh Kumar/DGM	Sandeep Singh/Dy. Manager
<i>Jasvindra Pal Singh</i> 12/09/17	<i>Akhilesh</i> 11/09/17	<i>Singh</i> 11/09/17

Bharat Heavy Electricals Limited
Maitree Export Project Group
International Operation Division
Integrated Office Complex, Lodhi Road
New Delhi -110003



Ref: IO/MEPG/S&P/01
Date: 12th September 2017

2x660 MW Maitree STPP, Bangladesh: Shipping and Packaging Instructions Rev-0

Following dispatch instructions for effecting supplies under the above contract are being issued for compliance by all the units/region involved in this project.

Sr. No.	Item No.	Details	Action By
A	1	<u>Purchaser's Name and Address:</u> Bangladesh-India Friendship Power Company (Pvt.) Limited (BIFPCL), Level-17, Borak Unique Height, 117, Kazi Nazrul Islam Avenue, Eskaton Garden, Dhaka-1217, Bangladesh Attention: Mr. Ujjwal Bhattacharya Managing Director, BIFPCL Tel : +8823941805 E-mail : cto@bifpcl.com ; md@bifpcl.com	For information
B	1	<u>Delivery Terms:</u> Site Incharge, 2x660 MW Maitree Super Thermal Power Project, PO-Kalekharber, Union-Rajnagar, Upajila-Rampal, Dist: Bagerhat-9343, Bangladesh Contact No.: +8801678582823	Units to ensure proper marking on the boxes so as to Identify the final destination clearly.
C	1	<u>Seller's Name and Address:</u> Bharat Heavy Electricals Limited International Operations Division Lodhi Road, Integrated Office Complex New Delhi –110003, INDIA Through Various Units/Divisions	For information
D	1	<u>Payment Terms for Equipment, Material & Plant Supply:</u> Advance - 15% of the Contract price. Sight Payment - 65 % of total CIF Value of equipment, materials and plant on submission of shipping documents Delivery Payment - 10% of total CIF cost of supply of equipment, materials and plant against receipt cum damage report. PAC - 5% on receipt of Provisional Acceptance Certificate. FAC - 5% on the receipt of Final Acceptance Certificate	All Units

Sr. No.	Item No.	Details	Action By
E	1	<u>Shipping Marks:</u> Each package or shipping unit shall be clearly marked or stenciled on at least two sides as follows: “BANGLADESH-INDIA FRIENDSHIP POWER COMPANY (Pvt.) LIMITED, 2X660 MW MAITREE SUPER THERMAL POWER PROJECT, BANGLADESH” EPC Contractor - Bharat Heavy Electricals Limited, India In addition, each package or shipping unit shall have the symbol painted in red on at least two sides of the package, covering one fourth of the area of the side.	All Units
F	1	<u>Consignee:</u> BOARD BILL/S OF LADING MADE OUT TO THE ORDER OF /OR AIRWAY BILL CONSIGNED TO AND/OR CONSIGNED NOTE FOR TRANSPORT BY TRUCK CONSIGNED TO Managing Director, Bangladesh-India Friendship Power Company (Pvt.) Limited, Level-17, Borak Unique Height, 117, Kazi Nazrul Islam Avenue, Eskaton Garden, Dhaka-1217, Bangladesh Contact No.: +8823941805 ** Any change as per LC shall be taken care of.	All Units
G	1	<u>Notifying Party :</u> DGM(C&M) Bangladesh-India Friendship Power Company (Pvt.) Limited, Level-17, Borak Unique Height, 117, Kazi Nazrul Islam Avenue, Eskaton Garden, Dhaka-1217, Bangladesh Contact No.: +8801678582831 E-Mail:epcmainplant@bifpcl.com ** Any change as per LC shall be taken care of.	All Units
H		Packing Instructions & Inspection Prior to Dispatch by Supplying Units/Sub-Vendors:	
H	1	Packing (tare) shall be part of the Equipment cost and shall not be subject to return. The packing should ensure integrity and cohesiveness of each delivery batch of Equipment during transportation. In case of Equipment assemblies and unit's delivery in the packing of glass, plastics or paper the specification of packing with the material and weight characteristics are to be indicated. Hazardous goods must be packed as per international standards/practice.	All Units/Suppliers
H	2	<u>Special instructions as per BICPCL :</u>	

Sr. No.	Item No.	Details	Action By
H	2.1	All equipment and materials and other Plant shall be suitably coated wrapped, or covered and boxed or crated for export shipment and to prevent damage during handling and storage at the Site. Cardboard containers shall be enclosed in a solid wooden container.	All Units/Suppliers
H	2.2	Equipment and process materials shall be packed and semi-knocked down, to the extent possible, to facilitate handling and storage and to protect bearings and other machine surfaces from oxidation. Each container, box, crate or bundle shall be reinforced with steel strapping In such a manner that breaking of one strap will not cause complete failure of the packaging. The packing shall be of best standard to withstand rough handling and to provide suitable protection from tropical weather while In transit and while awaiting erection at the Site.	All Units/Suppliers
H	2.3	Equipment and materials in wooden cases or crates shall be properly cushioned to withstand the abuse of handling, transportation and storage. Packing shall include preservatives suitable to tropical conditions. All machine surfaces and bearings shall be coated with oxidation preventative compounds. All parts subject to damage when in contact with water shall be coated with suitable grease and wrapped in heavy asphalt or tar impregnated paper.	All Units/Suppliers
H	2.4	Crates and packing material used for shipping will become the property of Employer, but the Contractor will be allowed to use the same for the Work as needed, but the remaining material shall be turned over to Employer upon completion of the Project. Provided however, shippers container used for transportation of material shall be returned to the Contractor.	All Units/Suppliers
H	2.5	Each part of the equipment which is to be shipped as a separate piece or smaller parts packed within the same case shall be legibly marked to show the unit of which it is part, and match marked to show its relative position in the unit, to facilitate assembly in the field. Unit marks and match marks shall be made with steel stamps and with paint.	All Units/Suppliers
H	2.6	Each case shall contain a packing list showing the detailed contents of the package. When any technical documents are supplied together with the shipment of materials no single package shall contain more than one set of such documents. Shipping papers shall clearly indicate in which packages the technical documents are contained.	All Units/Suppliers
H	2.7	The case number shall be written in the form of a fraction, the numerator of which is the serial number of the case and the denominator the total number of case in which a complete unit of equipment is packed .	All Units/Suppliers

Sr. No.	Item No.	Details	Action By
H	2.8	Wherever necessary besides usual Inscriptions the cases shall bear special indication such as "Top", "Do not turn over", "Care", "Keep dry", etc., as well as indication of the centre of gravity (with red vertical lines) and places for attaching slings (with chain marks). For all fragile equipment , unit should take special care to pack and label with additional markings such as “ FRAGILE-HANDLE WITH CARE” , “ LIFTING POINTS” , “ THIS WAY UP” , “ DO NOT STACK” etc. to protect them from damage in transit.	All Units/Suppliers
H	2.9	Cases which cannot be marked as above shall have metal tags with the necessary markings on them. The metal tags shall be securely attached to the packages with strong steel binding wire. Each piece, skid, case or package shipped separately shall be labelled or tagged properly.	All Units/Suppliers
H	3	Each package should have the following inscriptions and signs stenciled with an indelible ink legibly and clearly: Destination: Package number: BHEL/MTR/BD/XXX/YYY/ZZZZZ where XXX stands for Unit abbreviation e.g. HWR , HYD ,EDN, PEM, RPT, PCRI, TBG, PC, JHS,TRY, EPD, ISG etc. and YYY stands for Vendor abbreviation. Following series of ZZZZZ should be used by different Units- HWR (10000), PCRI (17000), RDP(18000), HYD(20000), TBG(25000), PEM (30000), TRY(40000), PC(50000), HPVP(57000), PSER(60000), ISG(70000), BPL(80000), RPT(85000), EPD (90000), JHS(92000), EDN(95000). if first package is dispatched from HWR and vendor named as ABC then package should be numbered as : BHEL/MTR/BD/HWR/ABC/10001 Gross and Net weight: Dimensions: Lifting places: Handling marks and the following delivery marking: CONTRACT No. BIFPCL/EPC-MAIN PLANT/2016/01 PURCHASER: BIFPCL, Bangladesh	All Units/Suppliers
H	4	Completeness of Contents of each packing case:	
H	4.1	Concerned CQA/Unit QC/Third Party Inspection Agency shall verify the completeness of contents of each package w.r.t packing list both in terms of quality and quantity before authorising dispatch of the consignment.	All Units/Suppliers
H	4.2	Packing commensurate with international standards and accepted norms will be ensured by CQA/ Unit QC/Third Party Inspection Agency. Packing has to be sea-worthy and secure. As far as possible, the packing has to be rectangular in shape for optimum space utilization in the ship and economize on shipping costs. Projections on packages are prohibited.	CQA/All Units

Sr. No.	Item No.	Details	Action By
H	4.3	The packing list has to be checked and certified by the Inspection agency with due signatures. All packages shall be enclosed in suitable GI sheets on all sides.	CQA/All Units
H	4.4	No loose items / Gunny bag packing are allowed for shipment. Proper pallets and crates are to be used for packing of Oil drums and Structures.	CQA/All Units
H	5	<u>Routing of Packing Lists:</u> Packing list is an extremely important document, which forms a part of export documentation in connection with the processing of customs formalities. Packing List has to be generated by units/Unit vendors and sent to MEPG and ROD Chennai/Kolkata (both at the same time), two weeks in advance, for processing and obtaining shipping bills' clearances and avoiding any delay at Kolkata/Haldia/Chennai port.	All Units/ suppliers
H	6.1	<u>Advance intimation to ROD- Chennai/Kolkata & MEPG, New Delhi:</u> All supplying units/vendors will give at least 15 days advance intimation to ROD-Chennai/Kolkata & MEPG, New Delhi along with package details before actual dispatches to arrange for storage/shipping arrangements by ROD Chennai/Kolkata/Haldia. Information must be sent to consolidate the details and arrange for shipments in time.	All Units
H	6.2	<u>Telephonic Intimation to ROD Chennai/Kolkata of Movement of Vehicles:</u> Vehicle drivers to be instructed by the units to contact ROD regarding movement of vehicles on daily basis for heavy lifts. Especially 2 days before arrival at Kolkata/Haldia/Chennai so that suitable directives can be given to the driver of the vehicle for further transportation of the goods to either docks or godown.	All Units/suppliers
H	7	<u>Bond or Letter of Undertaking:</u> All units to ensure Corporate indirect taxation guidelines vide letter ref no. AA:Fin:Ind Tax:GST-17 date 10.07.2017 for compliance and CBEC Notification no. 16/2017-Central Tax Dated 07.07.2017 and CBEC Circular No. 4/4/2017-GST Dated 07.07.2017 (Circular/Notifications are enclosed). <u>Sealing of Container:</u> All units to ensure CBEC Circular 26/2017 and Corporate indirect taxation guidelines ref. no. AA:Fin:Ind Tax:GST-14 dated 05.07.2017 in this regard may please be followed(Circular/Notifications are enclosed). <u>Other Procedures w.r.t Export:</u> Various guidelines issued time to time from Corporate indirect taxation regarding export may please be referred and to be followed.	All Units/ suppliers

Sr. No.	Item No.	Details	Action By
H	8	<u>Provision of Inspection Windows on Packages:</u> Unit/Vendors should provide inspection window of size 6" x 4" (glass perplex) for customs examination for all packages (above 1.5 x 1.5 x 1.5 cu m) involving panels of any kind. Care would be taken to ensure that all packages are properly sealed to avoid ingress of moisture, rodents etc. Packing slip folders shall be attached in each box.	All Units/ Suppliers
H	9	<u>Transportation Drawings for Heavy Weight/ODC consignment: For any package/item weighing above 20000 kgs and/or size greater than 12 X 2.5 X 2.5 m :</u> Detailed engineering documents (at least 4 sets) for all items of the above category shall be furnished by respective units to issue shipment enquiries in a proper manner. This would include Turbines ,Transformers, Generators etc. The drawing has to include center of gravity of the item clearly (Units to identify such items and notify MEPG as soon as the engineering documents are released).	All units
H	10	<u>Lifting Beams:</u> All heavy lifts for which safe handling is essential at the port of dispatch shall be accompanied by lifting beam on non-returnable basis	All Units
I	1	<u>Marking for Safe Handling:</u> To ensure safe handling, packing case shall be marked to show the following: • Upright position. • Sling position and Centre of Gravity position. • Storage category. • Fragile components (to be marked properly with a clear warning for safe handling).	All Units/suppliers
J	1	<u>Marine Insurance Policy:</u> Insurance Policy for 110 percent value of the contract covering all risks including war and SRCC from Port of shipment in India/Third country direct dispatches, to site shall be taken by PSER, Kolkata and it shall indicate BIFPCL as co-insured.	PSER/Corporate Insurance
K	Shipping Documentation including those covered by customs requirements:		
K	1	GST Invoice as per approved BBU. Following details to be mentioned in GST Invoice for Export – 1. Forex Bank Account no. for all type of Shipping Bill. 2. Authorized Dealer Code no. with Name of Bank for all type of Shipping Bill. 3. Duty Drawback Account no. with IFS code of Bank for Drawback Shipping Bill. As invoice will be used for export custom clearance details like HS code; CIF value, Freight value, Insurance value, FOB value in FC ; Shipper name ;Manufacturer name; Shipping bill type;	All Units/suppliers

Sr. No.	Item No.	Details	Action By
		POL; POD; DBK serial no ; Advance authorization no ; EPCG License no as applicable should appear on invoice.	
K	2	• Packing List • LR Copy • Fumigation certificate for wooden boxes • MSDS for DGR cargo • CE certificate for DEEC shipping bill cases with original import license • Warranty Certificate • Manufacturer 's Factory Test Certificate/Inspection Waiver Certificate • Quality and Quantity Certificate • Certificate of Origin • MDCC	All Units /Sub-vendors of units
K	3	• Type of Shipping Bills. • All Units have to send their DEEC & EPCG licence details to ROD Kolkata or ROD Chennai as per cargo despatches.	All Units/Region
K	4	Chartered Engineer's Certificate, applicable to be arranged by Units. Care should be taken to ensure that usage of the materials shown in C.E. certificate out of DEPB goods is not disproportionate.	All Units/ROD
K	5	Catalogues/literature/write-up in case of customs endorsement for discharging exports obligation in case of DEEC imports to be made available to ROD before arrival of goods in the city of port of dispatch.	All Units
K	6	Commercial Documents for Customs Clearance at Destination i.e. Bangladesh	MEPG/Dhaka Office
L	1	<u>Full Set of Clean Multimodal Transport Document:</u> Complete set of shipping B/L showing freight prepaid as per the rates of regular shipping lines. In case of Air Freight consignment, one original of AWB is required together with three copies of the same. In case of road transport, one original LR is required with 3 copies of the same.	ROD/ MEPG
M	1	<u>Certified Inspection Certificate Approved by Customer:</u> The certificate signed by BIFPCL inspector (if equipment tested in presence of BIFPCL representative) is to be provided to MEPG . In case the Certificate is signed by BHEL/Third Party Inspection Agency, it is to be provided by Units/ suppliers to MEPG and MEPG will get it approved from BIFPCL.	All Units/ Suppliers
N	Shipping Carrier Specification and related Requirements:		
N	1	Certificate of Freight having been pre-paid as per the regular shipping lines is required on MTDs/BLs.	ROD/ MEPG
N	2	Subject cargo would be generally shipped under the deck. Specific confirmation/clearance of MEPG is needed for shipment on deck except wherever shipment is through Barges.	ROD/ MEPG

Sr. No.	Item No.	Details	Action By
N	3	Vessel age to be restricted as per insurance policy in force. Buyer's Reference (Contract No. BIFPCL/EPC-MAIN PLANT/2016/01 Dated 12.07.2016) is required on BLs.	ROD/ MEPG
N	4	For Third Country Supplies , concerned units will ensure all the above certificates in addition to Certificate of Origin.	All Units/ Suppliers
O	Guidelines for Dispatches from Units/Indian Vendors:		
O	1	<u>All materials to be dispatched under intimation to:</u> 1. For Shipments through Chennai Consignment shall be sent to the following address - Mr Harshal Trivedi, Engineer/Docks Bharat Heavy Electricals Ltd Near Marshalling Yard, Chennai Port trust Chennai 600 001 Ph No 044 25362247/25360446 -Mob 08680850932 E-mail trivedi@bhel.in The couriers /correspondence shall be sent to the following address - Shri S S RAJAN AGM/MS, Bharat Heavy Electricals Ltd Regional Operations Division, EVR Building 6th floor No 690(Old No 474) Anna Salai, Nandanam Chennai 600 035 Mob – 09840997089 E-mail ssrajan@bhel.in 2. For Shipments through Kolkata/Haldia Consignment shall be sent to the following address - (Storage yard to be finalized by ROD Kolkata/freight forwarder and address shall be intimated soon) The couriers /correspondence shall be sent to the following address - Mr. Abhijit Chowdhury , Sr. Engineer Bharat Heavy Electricals Ltd , Regional Operations Division DJ 9/1 SECTOR II , Saltlake , Karunamoyee West Bengal 700091 Mob – 9830441607 E-mail abhijit@bhel.in	All Units/Rod
O	2	<u>Clearing Agents:</u> All materials to be dispatched to Chennai/Kolkata/Haldia on door delivery basis, freight prepaid to the address of the clearing agents(to be specified by ROD, from time to time)	All Units/Rod

Sr. No.	Item No.	Details	Action By
O	3	<u>Customs formalities Period:</u> Packages arriving at the port shall have a minimum time of 3 working days for customs examination and other related formalities in respect of the cargo under shipment. The goods received after arrival of the ship may not be loaded if either sufficient time does not exist or space available in the ship is booked by the carrier for other exporters due to lack of availability of the goods at the port in time for shipment from BHEL. In case, where the committed cargo to the carrier based upon information received from all the units does not reach in time of scheduled shipment at the port of dispatch, MEPG would be within its right to decide the priority of loading as per the project schedule requirements given the condition that adequate space in the ship is not available to accommodate the cargo.	For information
P	1	• <u>Shipping Procedures and ROD Responsibilities:</u> Consolidation of Packages and Storage in Warehouse: ROD Chennai/Kolkata either themselves or through their CHA would ensure following: • Proper storage of goods at an elevated level if store is in open to avoid damages to the consignment during rainy season (All the packages to be covered with a proper tarpaulin in open storage). • All Electrical and C&I items to be stored indoors. • Consolidation of the goods as per summary packing lists. • Check marks and numbers on packages. Carry out the corrections, if necessary. • Label the packages linking to the proposed shipping carrier to ensure that package does not get left out.	ROD

Note:

1. Units/Regions are also requested to refer shipping and packaging instructions provided with Internal Orders and GCC Clause no 65 at contract book no. 6 for compliance.
2. Units/Regions are advised to take necessary actions for compliance of GST related issues and refer information available at GST portal of Corporate Finance.

BHARAT HEAVY ELECTRICALS LIMITED
Corporate Finance
BHEL House, Siri Fort, new Delhi-110049

From:	Suraj Prakash GM (Fin) Corporate Office	To :	All Heads of Units
-------	---	------	--------------------

Ref No.: AA: Fin: Ind.Tax: GST-17
Dated 10.07.17

Subject: Export procedure under GST

This is in continuation to our GST Circulars No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,14,15,16, dated 3rd, 5th, 8th, 9th, 17th, 19th, 21st, 23rd, 27th, 30th June 2017 & 5th & 7th July 2017 respectively regarding transitory credit, job work, invoicing, GST Credit, ISD registrations, IGST on imports, exports without payment of IGST and other provisions as per GST law.

As per GST law provisions, goods or services can be exported under bond or Letter of Undertaking without payment of integrated tax. CBEC vide notification no. 16/2017 dated 07th July 2017 and Circular No.4/4/2017-GST dated 07th July 2017 have notified certain conditions and issued certain clarifications regarding modalities w.r.t. export of goods or services under bond or Letter of Undertaking without payment of IGST, which are as follows:

1. Guidelines for furnishing Letter of Undertaking (LUT)

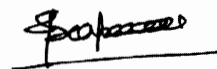
1.1. **Eligibility for issuance of LUT:** As per the notification, following registered person shall be eligible for submission of Letter of Undertaking in place of a bond: -

- (a) a status holder as per the Foreign Trade Policy 2015-2020; or
- (b) who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year,

and he has not been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.

1.2. **Validity of LUT:** It has been clarified that LUT shall be **valid for twelve months**. In case, BHEL exporting Unit fails to comply with the conditions of the LUT, BHEL may be asked to furnish a bond. Further, Govt. has clarified that exports may be allowed under existing LUTs/Bonds till 31st July 2017. LUTs/bond in the revised format is required to be submitted latest by 31st July, 2017.

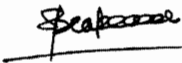
Page 1 of 2



- 1.3. **Authority to accept LUT:** It has been clarified that LUT shall be accepted by the Jurisdictional Deputy /Assistant Commissioner having jurisdiction over the principal place of business of the exporting BHEL Unit. However, till the time administrative mechanism for assigning taxpayer to Centre/State authority is implemented, the LUT can be furnished by BHEL Units either before Central Tax Authority or State Tax Authority. Further, it has been provided that, on the directions/ instructions of Commissioner of State tax, the LUT can be furnished before Central Tax Officer till the time jurisdiction is assigned.
2. Further, vide the enclosed CBEC circular (No.4/4/2017-GST dated 07th July 2017), certain clarifications have been issued by CBEC regarding furnishing of bond, amount of bond, bank guarantee to be furnished along with bond etc. and sealing of containers, which may be referred to.

The above instructions shall apply to exports on or after 1st July, 2017.

The matter may be given wide circulation so that all concerned departments can take necessary action to ensure compliances


(Suraj Prakash)

Copy to:

Heads of MM/Heads of Commercial/ Heads of Finance

ED (COM)

GM(I) (Corp. Accounts)/ED (Fin)

D(F)/D(E R&D)/D(IS&P)/D(HR)/D(Power)—for kind information please

CMD Secretariat: for kind information of CMD please

Circular No. 4/4/2017-GST

**F. No. 349/82/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
(GST Policy Wing)**

New Delhi, the 7th July, 2017

To,

**The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners/
Commissioners of Central Tax (All)**

Madam/Sir,

**Subject: Issues related to Bond/Letter of Undertaking for exports without payment
of integrated tax – Reg.**

Various communications have been received from the field formations and exporters that difficulties are being faced in complying with the procedure prescribed for making exports of goods and services without payment of integrated tax with respect to furnishing of bonds/Letter of Undertaking. Therefore, in exercise of powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, these issues are being clarified hereunder.

2. As per rule 96A of the Central Goods and Services Tax Rules, 2017 (The CGST Rules), any registered person exporting goods or services without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in FORM GST RFD-11.
3. Attention is invited to notification No. 16/2017-Central Tax dated 01-07-2017 vide which the category of exporters who are eligible to export under LUT has been specified along with the conditions and safeguards. All exporters, not covered by the said notification, would submit bond. The procedure for submission and acceptance of bond has already been prescribed vide circular No. 2/2/2017-GST dated 4th July, 2017. The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.

4. A clarification has been sought as to whether bond to be furnished for exports is a running bond (with debit / credit facility) or a one-time bond (separate bond for each consignment / export). It is observed consignment wise bond would be a significant compliance burden on the exporters. It is directed that the exporters shall furnish a running bond, in case he is required to furnish a bond, in FORM GST RFD -11. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

5. FORM RFD -11 under rule 96A of the CGST Rules requires furnishing a bank guarantee with bond. Field formations have requested for clarity on the amount of bank guarantee as a security for the bond. In this regard it is directed that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15% of the bond amount.

6. As regards LUT, it is clarified that it shall be valid for twelve months. If the exporter fails to comply with the conditions of the LUT he may be asked to furnish a bond. Exports may be allowed under existing LUTs/Bonds till 31st July 2017. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.

7. It is further stated that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayer to respective authority is implemented. However, if in a State, the Commissioner of State Tax so directs, by general instruction, to exporter, the Bond/LUT in all cases be accepted by Central tax officer till such time the said administrative mechanism is implemented. Central Tax officers are directed to take every step to facilitate the exporters.

8. Attention is further invited to circular No. 26/2017 – Customs dated 1st July 2017, vide which it has been clarified that the existing practice of sealing the container with a bottle seal

under Central Excise supervision or otherwise would continue till 01st September, 2017. Such sealing shall be done under the supervision of the officer having physical jurisdiction over the place of business where the sealing is being done. A copy of the sealing report would be forwarded to the Deputy/Assistant Commissioner having jurisdiction over the principal place of business.

9. These instructions shall apply to exports on or after 1st July, 2017. It is requested that suitable trade notices may be issued to publicize the contents of this circular. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

-sd-
(Upender Gupta)
Commissioner (GST)

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUBSECTION (i)]**

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs**

Notification No. 16/2017 – Central Tax

New Delhi, the 7th July, 2017

G.S.R... ()E.- In exercise of the powers conferred by sub-rule (5) of rule 96A of the Central Goods and Services Tax Rules, 2017, the Central Board of Excise and Customs hereby specifies the conditions and safeguards for the registered person who intends to supply goods or services for export without payment of integrated tax, for furnishing a Letter of Undertaking in place of a Bond.

i. The following registered person shall be eligible for submission of Letter of Undertaking in place of a bond:-

- (a) a status holder as specified in paragraph 5 of the Foreign Trade Policy 2015-2020; or
- (b) who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year,

and he has not been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.

ii. The Letter of Undertaking shall be furnished in duplicate for a financial year in the annexure to FORM GST RFD – 11 referred to in sub-rule (1) of rule 96A of the Central Goods and Services Tax Rules, 2017 and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor on the letter head of the registered person.

[F. No. 349/74/2017 – GST]

(Dr. Sreeparvathy S. L.)
Under Secretary to the Government of India

BHARAT HEAVY ELECTRICALS LIMITED
Corporate Finance
BHEL House, Siri Fort, new Delhi-110049

From:	Suraj Prakash GM (Fin) Corporate Office	To :	All Heads of Units
--------------	--	-------------	---------------------------

Ref No: AA: Fin:Ind.Tax:GST-14
Dated 05.07.17

Subject: Export without payment of IGST and sealing of containers - regarding

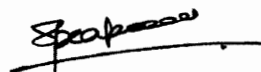
This is in continuation to our GST Circulars No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 & 13 dated 3rd, 5th, 8th, 9th, 17th, 19th, 21st, 23rd, 27th 30th Jun & 5th July 2017 respectively regarding transitory credit, job work, invoicing, GST Credit, ISD registrations, IGST on imports and other provisions as per GST law.

As per GST law provisions, goods or services can be exported under bond or Letter of Undertaking without payment of integrated tax or with payment of IGST and refund of such IGST paid can be claimed.

CBEC vide notification no. 15/2017 dated 01st July 2017 (as clarified vide Circular dated 04th July 2017) has inserted a new rule 96A in CGST Rules prescribing conditions and other modalities w.r.t. export of goods or services under bond or Letter of Undertaking (LUT) without payment of IGST, gist of key points whereof is as follows:

1. Conditions, modalities & other requirements for Exports

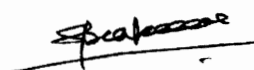
- 1.1. As per the Rules, a bond or a Letter of Undertaking in FORM GST RFD-11, is required to be submitted by BHEL **prior to export**, to the Jurisdictional Deputy/Assistant Commissioner. Though such Bond/LUT is required to be furnished electronically on the GSTN portal, however facility for furnishing the same manually till the module for furnishing of FORM RFD-11 is available on the common portal has been provided.
- 1.2. In case goods are not exported by BHEL within the prescribed period of 3 months from the date of issue of invoice for export of goods or payment in convertible foreign exchange is not realized within prescribed period of one year from the date of issue of invoice for export of service, BHEL would be required to pay IGST along with the interest as follows:



- (a) within a period of 15 days after the expiry of 3 months from the date of issue of the invoice for export of goods.
 - (b) Within a period of 15 days after the expiry of period of 1 year period from the date of issue of the invoice (or such further period as may be allowed by the Commissioner) for export of services.
- 1.3 It may be noted that for export of goods, invoice for export is required to be issued by concerned BHEL Unit/Region on or before dispatch of goods and hence time limit of 3 months for export shall be reckoned from that date.
- 1.4 Further it is provided that in case the goods are **not exported** within the time limit of 3 months from the date of invoice and the **amount of IGST and interest thereon is not paid as** specified above in Para 1.2 above, **the export as allowed** under bond or LUT **shall be withdrawn forthwith** and the said amount shall be recovered from BHEL u/s 79 of CGST law. **It is further provided that the export shall be restored ONLY when such amount is paid.**
- 1.5 Above provisions apply mutatis mutandis in respect of zero rated supply of goods/services to SEZ units/developer without payment of IGST.
- 1.6 CBEC would specify the conditions and safeguards under which LUT may be furnished in place of a bond.

Key Actions required

1. In view of above, to avoid any financial implications on BHEL, it is imperative for all concerned Units including IO and RODs to ensure that whenever goods or services are exported under bond or Letter of Undertaking, the prescribed timelines as mentioned above for export of goods or realization of foreign currency in case of export of services, are strictly complied with. Failure to meet these timelines will entail cash outgo towards IGST and interest thereon.
2. Further, all concerned Units including IO and RODs to ensure that all export related operational procedures and formalities including transportation upto port of export, documentation, arranging ship liner are completed timely and promptly to enable export of goods within the prescribed time lines. This would necessitate proper coordination among concerned Units/ROD/IO.
3. It may be seen that as per provisions of GST law, the export as allowed under bond or Letter of Undertaking shall be withdrawn forthwith in case IGST with interest thereon is not paid within time indicated above. Although no specific clarity on this aspect has been provided, however there is possibility that future export of BHEL under such bond



or Letter of Undertaking may be restricted or BHEL may be asked to pay IGST for each export thus entailing blockage of IGST till refund.

4. Moreover, said amendment does not specifically provide for refund of IGST in such cases where IGST is paid due to non-adherence to timelines indicated above and goods are subsequently exported or payment towards services realized after expiry of timelines indicated above and thus may result in permanent loss of IGST to BHEL. Hence all concerned Units/ROD/IO to ensure that prescribed timeline for export of goods are strictly complied with so as to avoid any financial implications on BHEL.

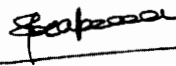
2. Procedure for Sealing of Containers

Vide circular No. 26/2017-Customs issued by CBEC (Copy enclosed), the revised procedure for Sealing of containers has been prescribed which shall be effective from 01.09.2017.

As per the procedure, the exporter shall self-seal the container with a tamper proof electronic-seal of standard specification. Units are advised to refer to the said circular for detailed guidelines and modalities in this regard for necessary compliance.

The above are some of key provisions of amendments/provisions in this regard. Units are requested to go thru detailed circulars/amendments and ensure compliance in toto.

The matter may be given wide circulation so that all concerned departments can take necessary action to ensure compliance in this regard.


(Suraj Prakash)

Copy to:

1. Heads of MM/Heads of Commercial/ Heads of Finance
2. ED (COM)
3. GM(I) (Corp. Accounts)/ED (Fin)
4. D(F)/D(E R&D)/D(IS&P)/D(HR)/D(Power): - for kind information please
5. CMD Secretariat : for kind information of CMD please

Circular No. 26/2017-Customs

F. No. 450/08/2015-Cus.IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Excise and Customs)

New Delhi dated the 1st July, 2017

To

All Principal Chief Commissioner/Chief Commissioner of Customs & Central Excise
All Principal Commissioner/Commissioner of Customs & Central Excise
All Principal Chief Commissioner/Chief Commissioner of Customs/Customs (Preventive)
All Principal Commissioner/Commissioner of Customs / Customs (Preventive)

Sir/ Madam,

Subject: Export procedure and sealing of containerized cargo-regarding.

Goods and Service Tax has become operational from 01-07-2017. In the GST regime, the governing provisions related to exports are contained in section 16 of the Integrated Goods and Service Tax Act, 2017 (IGST Act). Supplies of goods and services for exports have been categorized as 'Zero Rated Supply' implying that goods could be exported under bond or Letter of Undertaking without payment of integrated tax followed by claim of refund of unutilized input tax credit or on payment of integrated tax with provision for refund of the tax paid.

2. With the onset of GST, extant procedures relating to export of goods viz. claim of rebate/refund, stuffing of containers at the factory, warehouse or any other place from where the goods are intended to be exported etc. would require review of the existing procedures. In this regard, attention is drawn to notification No's 42/2001-CE (N.T.) to 45/2001-CE (N.T.) both dated 26.6.2001 detailing the procedure to be followed for the export of goods on payment of terminal excise duty and 19/2004-CE (N.T.) and 20/2004-CE (N.T.), both dated 06.09.04, without payment thereof.

A. Procedure of Export

3. Any person making zero rated supply (i.e. any exporter) shall be eligible to claim refund under either of the following options, namely: –

(a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilized input tax credit; or

(b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 (Refunds) of the Central Goods and Services Tax Act or the rules made there under (i.e. the Central Goods and Service Tax Rules, 2017).

4. For the option (a) above, procedure to file refund has been outlined in the Central Goods and Service Tax Rules, 2017. The exporter claiming refund of unutilized input tax credit will file an application electronically through the Common Portal, either directly or through a Facilitation Centre notified by the GST Commissioner. The application shall be accompanied by documents as prescribed in the said rules. Application for refund shall be filed only after the export manifest or an export report, as the case may be, is delivered under section 41 of the Customs Act, 1962 in respect of such goods. The formats for furnishing bond or LUT for export of goods have been separately notified under CGST Rules, 2017. The said formats are attached herewith for easy reference.

5. For the option (b), broadly the procedure is that a registered person shall not be required to file any application for refund of *integrated goods and services tax* paid on supply of goods for exports. The shipping bill, having inter-alia GST invoice details, filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export and the applicant has furnished a valid return in FORM GSTR-3. The details of the relevant export invoices contained in FORM GSTR-1 shall be transmitted electronically by the common portal to the Customs system and the said system shall in turn electronically transmit back to the common portal a confirmation that the goods covered by the said invoices have been exported out of India. Upon receipt of information regarding furnishing of valid return in FORM GSTR-3 from the common portal, the Customs system shall process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill or bill of export shall be electronically credited to the bank account of the applicant mentioned in his registration particulars. Government has allowed a grace period to the registrants to file returns under the new GST Law. Therefore, this refund procedure shall as a consequence come into operation only when the registrants file the above mentioned returns. Further, the exporters are free to avail option (a) or option (b). The refund shall be governed by the provisions of the section 16 of the IGST Act.

6. In order to ensure smooth transition from the earlier export procedure to the procedure being laid down for export of goods under the GST regime, the existing Shipping Bill formats (both manual/ electronic) have been modified to make them compliant with the IGST law. New formats of the Shipping Bill have been made applicable already. ARE-1 procedure which was being followed is dispensed with except in respect of commodities to which provisions of Central Excise Act would continue to be applicable.

B. Sealing of Containers

7. Board has in the past issued various circulars both on the Excise and Customs side on the issue of sealing of containers. A gist of these Circulars and the subject matter dealt in them is given in the annexure to this circular. At present, there are three categories of containers which arrive at the port/ICD:

- a. Containers stuffed at factory premises or warehouse under self-sealing procedure.
- b. Containers stuffed / sealed at factory premises or warehouse under supervision of central excise officer.
- c. Containers stuffed and sealed at Container Freight Stations/ Inland Container Depot.

8. For the sake of uniformity and ease of doing business, Board has decided to simplify the procedure relating to factory stuffing hitherto carried out under the supervision of the Central Excise officers. It is the endeavor of the Board to create a trust based environment where compliance in accordance with the extant laws is ensured by strengthening Risk Management System and Intelligence setup of the department. Accordingly, Board has decided to lay down a simplified procedure for stuffing and sealing of export goods in containers.

9. It has been decided to do away with the sealing of containers with export goods by CBEC officials. Instead, self-sealing procedure shall be followed subject to the following:

- i. The exporter shall be under an obligation to inform the details of the premises whether a factory or warehouse or any other place where container stuffing is to be carried out, to the jurisdictional customs officer.
- ii. The exporter should be registered under the GST and should be filing GSTR1 and GSTR2. Where exporter is not a GST registrant, he shall bring the export goods to a Container Freight Station/Inland Container Depot for stuffing and sealing of container. However, in certain situations, an exporter may follow the self-sealing procedure even if he is not required to be

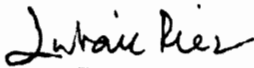
registered under GST Laws. Such an exception is available to the Status Holders recognized by DGFT under a valid status holder certificate issued in this regard.

- iii. Any exporter desirous of availing this procedure shall inform the jurisdictional Custom Officer of the rank of Superintendent or Appraiser of Customs, at least 15 days before the first planned movement of a consignment from his/her factory/ premises, about the intention to follow self- sealing procedure to export goods from the factory premises or warehouse. The jurisdictional Superintendent or an Appraiser or an Inspector of Customs shall visit the premises from where the export goods will be stuffed & sealed for export. The jurisdictional Superintendent or Inspector of Customs shall inspect the premises with regard to viability of stuffing of container in the premises and submit a report to the jurisdictional Deputy Commissioner of Customs or as the case may be the Assistant Commissioner of Customs within 48 hours. The jurisdictional Deputy Commissioner of Customs or as the case may be the Assistant Commissioner of Customs shall forward the proposal, in this regard to the Principal Commissioner/Commissioner of Customs who would grant permission for self-sealing at the approved premises. Once the permission is granted, the exporter shall furnish only intimation to the jurisdictional Superintendent or Customs each time self-sealing is carried out at approved premises. The intimation, in this regard shall clearly mention the place and address of the approved premises, description of export goods and whether or not any incentive is being claimed.
- iv. Where the visit report of the Superintendent or an Appraiser or an Inspector of Customs regarding viability of the stuffing at the factory/ premises is not favorable, the exporter shall bring the goods to the Container Freight Station /Inland Container Depot/Port for sealing purposes.
- v. Self-Sealing permission once given by a Principal Commissioner/Commissioner of Customs shall be valid for export at all the customs stations. The customs formation granting the self-sealing permission shall circulate the permission along with GSTIN of the exporter to all Custom Houses/Station concerned.
- vi. Transport document for movement of self-sealed container by an exporter from factory or warehouse shall be same as the transport document prescribed under the GST Laws. In the case of an exporter who is not a GST registrant, way bill or transport challan or lorry receipt shall be the transport document.
- vii. The exporter shall seal the container with the tamper proof electronic-seal of standard specification. The electronic seal should have a unique number which should be declared in the Shipping Bill. Before sealing the container, the exporter shall feed the data such as name of the exporter, IEC code, GSTIN number, description of the goods, tax invoice number,

name of the authorized signatory (for affixing the e-seal) and Shipping Bill number in the electronic seal. Thereafter, container shall be sealed with the same electronic seal before leaving the premises.

- viii. The exporter intending to clear export goods on self-clearance (without employing a Customs Broker) shall file the Shipping Bill under digital signature.
 - ix. All consignments in self-sealed containers shall be subject to risk based criteria and intelligence, if any, for examination / inspection at the port of export. At the port/ICD as the case may be, the customs officer would verify the integrity of the electronic seals to check for tampering if any enroute. The Risk Management System (RMS) is being suitably revamped to improvise the interdiction/ examination norms. However, random or intelligence based selection of such containers for examination/scanning would continue.
10. Board has decided that the above revised procedure regarding sealing of containers shall be effective from 01.09.2017. A future date has been prescribed since the returns under GST have been permitted to be filed by 10.09.17 and also with the purpose to give enough time to the stakeholders to adapt to the new procedures. Therefore, as a measure of facilitation, the existing practice of sealing the container with a bottle seal under Central Excise supervision or otherwise would continue. The extant circulars shall stand modified on 01.09.2017 to the extent the earlier procedure is contrary to the revised instructions given in this circular.
11. Suitable public Notices may be issued in this regard. Difficulty faced, if any, may be brought to the notice of the Board.
12. Hindi version will follow.

Yours faithfully,


(Zubair Riaz)
Director (Customs)

Annexure

Sr. No	Reference Number	Date	Subject
1	952/1 3/2011 -CX.	08-09-11	Stuffing of export containers - Procedure
2	892/1 2/2009-CX	23-07-09	Exports - Self-sealing/certification facility extended for export of non-excisable agricultural products
3	860/1 8/20,07-CX	22-11-07	Exports under Free Shipping Bills - Mandatory self-sealing of containers
4	741/57/2003-CX.	02-09-03	Exports to Nepal and Bhutan - Self-sealing and self-certification facility not applicable
5	736/52/2003-CX.	11-08-03	Exports - Self-certification and self-sealing facility extended to all categories of Manufacturer-Exporters-Extension of facility of self-sealing to all categories of manufacturer exporters.
6	481/47/99-CX	23-08-99	Containers Sealing of packages/Containers procedure Relaxed-modifies 426/59/98-CX in so far as furnishing tentative date and time of export plan by manufacturer exporter is concerned.
7	445/11/99-CX	17-03-99	Exports Special facility of self-certification and self-sealing to large manufacturer Exporter Further instructions. Para 7 (duty of customs officers at the place of export) of 426/59/98-CX is deleted in view of Circular 6/2002-Cus. [90/98-cus. was rescinded vide 31/2002-cus].
8	426/59/98-CX	12-10-98	Introduction of facility of self-sealing to manufacturers who have paid Central Excise duty exceeding Rs. 10 crores in the preceding financial year in cash or by debit in current account or manufacturer-exporters who have been accorded the status of Super Star Trading House, Star Trading House, Trading House or Export House under the provisions of the Export - Import Policy announced by the Government from time to time.
9	6/2002-Cus	23.1.2002	Export- procedure, as also norms for examination of self-sealed containers at the port of export.
10	83/99-Cus	14-12-99	Export Simplification in procedure for movement of export goods on the basis of. Self-certification and reduced percentage of physical examination-Dispensing off with routine examination at gateway ports.

FORM GST RFD-11

Furnishing of bond or Letter of Undertaking for export of goods or services

1. GSTIN				
2. Name				
3. Indicate the type of document furnished		Bond: ☐ Letter of Undertaking ☐		
4. Details of bond furnished				
Sr. No.	Reference no. of the bank guarantee	Date	Amount	Name of bank and branch
1	2	3	4	5

Note – Hard copy of the bank guarantee and bond shall be furnished to the jurisdictional officer.

5. Declaration -

- (i) The above-mentioned bank guarantee is submitted to secure the integrated tax payable on export of goods or services.
- (ii) I undertake to renew the bank guarantee well before its expiry. In case I/We fail to do so the department will be at liberty to get the payment from the bank against the bank guarantee.
- (iii) The department will be at liberty to invoke the bank guarantee provided by us to cover the amount of integrated tax payable in respect of export of goods or services.

Signature of Authorized Signatory

Name

Designation / Status -----

Date -----

Bond for export of goods or services without payment of integrated tax
(See rule 96)

I/We.....of.....,hereinafter called "obligor(s)", am/are held and firmly bound to the President of India (hereinafter called "the President") in the sum of.....rupees to be paid to the President for which payment will and truly to be made.

I/We jointly and severally bind myself/ourselves and my/our respective heirs/ executors/ administrators/ legal representatives/successors and assigns by these presents; Dated this.....day of.....;

WHEREAS the above bounden obligor has been permitted from time to time to supply goods or services for export out of India without payment of integrated tax;
and whereas the obligor desires to export goods or services in accordance with the provisions of clause (a) of sub-section (3) of section 16;

AND WHEREAS the Commissioner has required the obligor to furnish bank guarantee for an amount of..... rupees endorsed in favour of the President and whereas the obligor has furnished such guarantee by depositing with the Commissioner the bank guarantee as afore mentioned;

The condition of this bond is that the obligor and his representative observe all the provisions of the Act in respect of export of goods or services, and rules made thereunder;

AND if the relevant and specific goods or services are duly exported;

AND if all dues of Integrated tax and all other lawful charges, are duly paid to the Government along with interest, if any, within fifteen days of the date of demand thereof being made in writing by the said officer, this obligation shall be void;

OTHERWISE and on breach or failure in the performance of any part of this condition, the same shall be in full force and virtue:

AND the President shall, at his option, be competent to make good all the loss and damages, from the amount of bank guarantee or by endorsing his rights under the above-written bond or both;

I/We further declare that this bond is given under the orders of the Government for the performance of an act in which the public are interested;

IN THE WITNESS THEREOF these presents have been signed the day hereinbefore written by the obligor(s).

Signature(s) of obligor(s).

Date :

Place :

Witnesses

(1) Name and Address

Occupation

(2) Name and Address

Occupation

Accepted by me this.....day of (month).....
(year)

.....of
(Designation)

for and on behalf of the President of India."

Letter of Undertaking for export of goods or services without payment of integrated tax

(See rule 96)

To

The President of India (hereinafter called the "President"), acting through the proper officer

I/We of..... (address of the registered person)
having Goods & Services Tax Identification Number
No....., hereinafter called "the undertaker(s) including
my/our respective heirs, executors/ administrators, legal representatives/successors and assigns
by these presents, hereby jointly and severally undertake on this day of
..... to the President

(a) to export the goods or services supplied without payment of integrated tax within time
specified in sub-rule (9) of rule 96 ;

(b) to observe all the provisions of the Goods and Services Tax Act and rules made thereunder,
in respect of export of goods or services;

(c) pay the integrated tax, thereon in the event of failure to export the goods or services, along
with an amount equal to eighteen percent interest per annum on the amount of tax not paid, from
the date of invoice till the date of payment.

I/We declare that this undertaking is given under the orders of the proper officer for the
performance of enacts in which the public are interested.

IN THE WITNESS THEREOF these presents have been signed the day hereinbefore written
by the undertaker(s)

Signature(s) of undertaker(s).

Date :

Place :

Witnesses

(1) Name and Address

Occupation

(2) Name and Address

Occupation

Date

Place

Accepted by me this.....day of (month).....
(year)

.....of
..... (Designation)
for and on behalf of the President of India

Circular No. 2/2/2017-GST

**F. No. 349/82/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
GST Policy Wing**

New Delhi, Dated the 4th July, 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/
Commissioners of Central Tax (All)

Madam/Sir,

Subject: Issues related to furnishing of Bond/ Letter of Undertaking for Exports–Reg.

Various communications have been received from the field formations and exporters on the issue of difficulties being faced while supplying the goods or services for export without payment of integrated tax and filing the FORM GST RFD -11 on the common portal (www.gst.gov.in), because of which exports are being held up.

2. Whereas, as per rule 96A of the Central Goods and Services Tax Rules, 2017, any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking. This bond or Letter of Undertaking is required to be furnished in FORM GST RFD-11 on the common portal. Further, Circular No. 26/2017- Customs dated 1st July, 2017 has clarified that the procedure as prescribed under rule 96A of the said rules requires to be followed for the export of goods from 1st July, 2017.

3. Another issue being raised by various stakeholders is that the Bond/Letter of Undertaking is required to be given through the proper officer which is to be furnished to the jurisdictional Commissioner as per sub-rule (1) of rule 96A of the said rules. Taking cognizance of the fact that a large number of such Bonds/Letter of Undertakings would be required to be filed by the registered exporters who would be located at a distance from the office of the jurisdictional Commissioner, it is understood that the furnishing of such bonds/undertakings before the jurisdictional Commissioner may cause hardship to the exporters.

4. Thus, in exercise of the powers conferred by sub-section (3) of section 5 of the CGST Act, 2017, it is hereby stated that the acceptance of the Bond/Letter of Undertaking required to be furnished by the exporter under rule 96A of the said rules shall be done by the jurisdictional Deputy/Assistant Commissioner.

5. Further, in exercise of the powers conferred by section 168 of the said Act, for the purpose of uniformity in the implementation of the said Act, the Bond/Letter of Undertaking required to be furnished under rule 96A of the said rules may be furnished manually to the jurisdictional Deputy/Assistant Commissioner in the format specified in FORM RFD-11 till the module for furnishing of FORM RFD-11 is available on the common portal. The exporters may download the FORM GST RFD-11 from the website of the Central Board of Excise and Customs (www.cbec.gov.in) and furnish the duly filled form to the jurisdictional Deputy/Assistant Commissioner.

6. The above specified provisions shall be applicable to all applications which have been filed on or after 1st July, 2017. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

7. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

Sd/-
(Upender Gupta)
Commissioner (GST)