



**OFFICE OF THE COMMISSIONER OF CUSTOMS : AIR CARGO EXPORT, NEW
CUSTOM HOUSE, NEAR I.G.I.AIRPORT, NEW DELHI-110037**

C.NO.VIII/ACE/DBK/IGST Helpdesk/156/2017

Dated : 26.02.2018

PUBLIC NOTICE NO. 26/2018

Subject: Refund of IGST on Export– Invoice mis-match Cases –Alternative Mechanism with Officer Interface - reg.

Attention of all the exporters, Customs Broker, other stakeholders and member of the trade is invited to CBEC Circular No. 05/2018-Cus. Dated 23.02.2018(issued from F.No. 450/119/2017-Cus.IV) regarding seeking resolution of various problems which have hindered the sanction of refund of IGST paid on exports. Reference may also be made to Public Notice No. 21/2017-18 dated 11.12.2017 issued vide C.No. VIII/ACE/DBK/IGST/PN/156/2017/2118-2150 issued from this office wherein helpdesk was started for IGST refunds.

2. The analysis of data post October 2017 indicates that while the quantum of errors is decreasing significantly, exporters are still committing mistakes in the information furnished to (i) GSTN while filing GSTR 1 / Table 6A or GSTR 3B and (ii) Customs EDI system while filing Shipping Bill. The pre-requisites and precautions that need to be taken for successful processing of refund claims are as follows:

- (i) Exporters have to file GSTR 3B with taxable value for export and IGST paid against exports indicated in appropriate fields.
- (ii) Exporters have to file GSTR 1 or Table 6A for the exports made with correct details such as Invoice number, Taxable value, IGST paid, Shipping Bill number, Shipping Date and Port Code. Large number of exporters have filed incomplete GSTR 1 or Table 6A where shipping bill number or date or port code are missing. These records are not processed / forwarded to Customs by GSTN. E-mails have been sent to exporters asking them to correct their records through amendment process of GSTR 1 i.e through Table 9 of GSTR 1 of the following month.
- (iii) The aggregate IGST paid amount claimed in GSTR 1 or Table 6A should not be greater than the IGST paid amount indicated in Table 3.1(b) of GSTR 3B of the corresponding month. This check is put in the GSTN system to ensure that the refund claimed is not more than the IGST paid by the exporter. Analysis of GSTN return data indicates that this condition has failed in a large number of cases, consequently, the information filed by exporters is not forwarded to Customs by GSTN. In these cases also, e-mails have been sent to exporters asking them to correct their records through amendment process of GSTR 1 i.e. through Table 9 of GSTR 1 of the following month.

- (iv) The analysis of data further indicates that only about 32% records of GSTR 1 / Table 6A have been transmitted from GSTN to Customs. In other words, a majority of refund claims are held up either due to insufficient information or lack of due diligence on the part of exporter while filing GST returns.
- (v) Exporters may be advised to use Table 9 of GSTR 1 of the following month to amend the records of previous month so as to take care of issues mentioned in paras (ii) and (iii) above. In cases where exporters have already filed information through Table 9 of GSTR 1, the said information is being validated by GSTN. The validated information is expected to be forwarded by GSTN to Customs by mid-March 2018 for further processing.
- (vi) The records (i.e GSTR 1 or Table 6A) which have been forwarded by GSTN to Customs after validations mentioned at (ii) and (iii) above are processed by the Customs EDI system. In cases where the information forwarded by GSTN tallies with the information furnished in Shipping bills, refunds are automatically sanctioned by Customs EDI system. As mentioned earlier, till date about Rs. 4000 Crore has been sanctioned as refund of IGST paid.
- (vii) However, there are many instances where refunds are held up on Customs EDI system due to certain errors which have been clearly brought out in the Circular No 42/2017- Customs. The major errors that are committed by the exporters are (a) incorrect Shipping bill numbers in GSTR 1 (b) GSTIN declared in the shipping bill does not match with the GSTIN used to file the corresponding GST Returns (c) the most common error hampering refund is due to mismatch of invoice number, taxable value and IGST paid in the Shipping Bill vis-à-vis the same details mentioned in GSTR 1 / Table 6A which is the most common error hampering refund. Another reason attributable to carriers is the non-filing or incorrect filing of electronic Export General Manifest (EGM).
- (viii) Exporters may be advised to track the refund status and errors pertaining to their shipping bills on the ICEGATE website. The registration process demo, advisory and the needed IT configurations are hosted on the ICEGATE website under the following links.

Registration Demo link:

https://www.icegate.gov.in/Download/New_Registration_Demo_Updated_APPROVED.pdf

Registration Advisory link:

https://www.icegate.gov.in/Download/v1.2_Advisory_Registration_APPROVED.pdf

Java set up for the DSC upload:

<https://www.icegate.gov.in/Download/JavaSetupForDSC.pdf>

Once the registration is obtained, the exporters can check the status of IGST refunds

associated with their exports and the corresponding error message, if any. This enquiry takes GSTIN Number, Port-code and Return Month as inputs and based on the input, Shipping Bill Number, Shipping Bill Date, Return Month, Invoice Number, Invoice Date, Response Code and Processed date is displayed as a result of the enquiry. The records displayed are those that have been received from GSTN and processed by the Customs Automated System.

- (ix) The analysis of Customs data indicates that while most of the errors mentioned in para (vi) above are decreasing, the error mentioned at (c) in para (vii) is most prevalent. The error mentioned at (c) in para (vii) is about invoice mis-match. This error is because of the fact that exporters are using two sets of invoices, one invoice for GST and another invoice for Customs which is resulting in mismatch of invoice numbers, including mis-match in taxable value and IGST paid in those invoices. It is once again reiterated that exporters may be advised to take due care to ensure that the details of invoice such as invoice number, taxable value and IGST paid mentioned in GSTR 1 and shipping bill match with each other and the invoice issued is compliant with the GST Invoice Rules, 2017.

3. Recognizing that invoice mis-match has been the major reason why the refunds have been held, it has been decided to provide an alternative mechanism to give exporters an opportunity to rectify such errors committed in the initial stages. This envisages an officer interface on the Customs EDI System through which a Customs officer can verify the information furnished in GSTN and Customs EDI system and sanction refund in those cases where invoice details provided in GSTR 1/ Table 6A are correct though the said details provided in the shipping bill were at variance. It is pertinent to note that refund claims would be processed in only those cases where the error code is mentioned as SB005. **The list of SB005 error currently available is annexed as Annexure-B.** Further, it may also be noted that all refunds shall continue to be credited electronically through the PFMS system, and no manual payment / cheque should be issued. The procedure for processing of IGST refund claims in these cases would be as follows:

- a. The exporter shall provide a concordance table indicating mapping between GST invoices and corresponding Shipping Bill invoices, as annexed in support of the refund claim to the designated officer in the Custom house. A scanned copy of concordance table may also be sent to dedicated email address aircargodrawback@gmail.com.
- b. Customs EDI system shall display list of all the invoices pertaining to such SBs vis-a-vis the invoice data received from GSTN. The officer shall verify the following:
 - i. Duly certified concordance table submitted by the exporter as per Annexure A indicating mapping between GST invoice and corresponding Shipping Bill invoice;
 - ii. IGST taxable value and IGST amount declared in the Shipping Bill.
 - iii. IGST details declared in the Shipping Bill should be in proportion to the goods actually exported.

- c. After determining the correct refund amount, the officer needs to enter the same into the Customs EDI system. The officer has the facility to edit the IGST paid details in case of short shipment or incorrect calculation by the exporter. The officer shall complete the verification by accepting or rejecting or amending the same.
 - d. Once all the invoices pertaining to Shipping Bill are verified by the officer, the system shall calculate the scroll amount against a shipping bill, after subtracting the drawback amount for each invoice where applicable, and display the refund amount to the officer for approval.
 - e. Invoices in any particular GSTR 1 where refund is sanctioned shall be disabled in the system to prevent refund against same invoice in future.
 - f. Once refund is sanctioned by the officer, the shipping bills would be available for generating scroll as per normal process.
4. This procedure is available only for Shipping Bills filed till 31st December 2017.
 5. Exports/CHAs/Stakeholders may give wide publicity about the content of this Public Notice.
 6. Any difficulty in implementation of this Public Notice shall be reported to the Joint Commissioner, ACC Export, New Custom House, Near IGI Airport, New Delhi. It is again emphasized that this office is taking all possible steps to alleviate the difficulties associated with IGST refunds. However, ultimately it is the responsibility of the exporters to ensure careful and correct filing of returns for hassle free sanction of IGST refunds.

This issues with approval of Commissioner.

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(DINESH MEENA)
JOINT COMMISSIONER
ACC, Export.