



कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात-370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
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F. No. VIII/48-43/PN/AG/2017-18

Dated: 26/02/2018

PUBLIC NOTICE No. 43/2017-18

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

Attention of all Importers/Exporters, Custom Brokers, Members of the Trade and all other concerned is invited to the Ministry of Finance (Department of Revenue) Circular No. 05/2018-Customs (F.No. 450/119/2017- Cus.IV) dated 23.02.2018 on the above subject.

2. Earlier CBEC has issued Circular No 42 / 2017 dated 07-11-2017 which highlighted the common errors that hindered the sanction and disbursement of refund of IGST paid against exports. Subsequent to the said Circular, outreach programmes have been undertaken and advisories and FAQs have been issued to create awareness amongst the exporter community regarding the common mistakes and errors which hold up the refund process. Information is being made available to exporters on a real-time basis with regard to the errors status on ICEGATE website for registered users. Also the shipping bill wise details are being made available to the Custom House website at mundracustoms.gov.in

3. 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 are 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.
- (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 are 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 (vii) 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 mismatch. 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. The exporters are 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.

4. Recognizing that invoice mis-match has been the major reason why the refunds have been held, CBEC has 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. Further, it may also be noted that all refunds shall continue to be credited electronically through the PFMS system, and no manual payment/ cheque would 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 of Customs location from where exports took place.
- 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 need 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.

5. In order to ensure smooth operation of the prescribed procedure, Custom Houses, Mundra has opened a dedicated cell having email id mundraigst2018@gmail.com. The cell is operating at Room No. 3, Custom House, Port user Building, AP & SEZ Building, Mundra and comprises of the following officers :-

Sr. No.	Name of the Officer	Designation	Contact No.
1	Shri Rajesh Tripathi	Deputy Commissioner	(+91) 8000879971
2	Shri A. R. Shaikh	Superintendent	(+91) 8980709525 (+91) 8200451291
3	Shri Roshan Gupta	Inspector	(+91) 8000291131

6. It may please be noted that the above alternative mechanism is available only for shipping bills filed till 31st December, 2017.

7. Difficulty faced, if any, may be brought to the notice of the undersigned.

Encl- as above


(Sanjay Kumar Agarwal),
Commissioner,

Copy to:-

1. The Chief Commissioner of Custom, Gujarat Zone, Ahmedabad.
2. All Additional Commissioners of Custom, CH Mundra.
3. All Deputy/ Assistant Commissioner of Custom, CH Mundra.
4. Mundra/Kandla Custom Brokers Association.
5. Container Freight Station Association, Mundra.
6. Mundra Shipping Agent Association.
7. All Trade Associations.
8. Notice Board/Website.

Annexure A

The Concordance between GST Invoice and Export Invoice declared in Shipping Bill is as follows:

Name of the Exporter: -

GSTIN:-

Port Code :		SB No:		SB Date:	
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Concordance Table

S l n o	GST Invoice No / Date	Taxable Value as per GST	IGST Amount as per GST	Sl. No	Corresponding SB Invoice No. /Date	Taxable Value as per SB	IGST Amount as declared per SB	Final (corrected) IGST Amount as per actual exports*
1				1.				
2								
3								
4				2				
5				3				

* after reducing amount pertaining to Short shipment etc.

I declare that all the details declared here are true to my knowledge and all items contained in the invoices have been exported out of India.

I further declare that all the GST invoices pertaining to this Shipping Bill have been filed as part of GSTR1/ 6A in Common portal and is available for verification and refund.

Place:

Date:

Authorised Signatory