


# Refund of IGST paid on Exports – All steps at a glance

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By the time many of assesses have streamlined the processes of filing of GSTR-3B, also filed GSTR-1 till Jan-17 online on GST portal after facing lots of technical glitches. Everyone who makes exports by paying IGST eager to see their refunds in their bank accounts. Many of them were succeed and many more are waiting for the same.

The GST laws makes standardised provisions for making a IGST refund claim and now IGST Refund module for exports is operational in ICES.

As per Rule 96 of the **CGST Rules 2017**, dealing with refund of IGST paid on goods exported out of India, the shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India, once both the export general manifest (EGM) and valid return in Form GSTR-3 or Form GSTR- 3B has been filed.

Rule 96 further stated that the information on GSTR-1 shall then be transmitted electronically to Customs and the System designated by Customs shall process the refund claim.

The IGST refund module has been designed in line with the above rule and has an in built mechanism to automatically grant refund after validating the Shipping Bill data with available in ICES against the GST Returns data transmitted by GSTN. The matching between the two data sources is done at Invoice level and any mis-match of the laid down parameters returns giving following error/response codes

Code	Indicates
<b>SB000</b>	Successfully validated
<b>SB001</b>	Invalid SB details
<b>SB002</b>	EGM not filed
<b>SB003</b>	GSTIN mismatch
<b>SB004</b>	Record already received and validated
<b>SB005</b>	Invalid Invoice Number
<b>SB006</b>	Gateway EGM not available

If the said matching is successful, ICES shall process the claim for refund and the relevant amount of IGST paid with respect to each Shipping Bill or Bill of export shall be electronically credited to the exporter's bank account as mentioned with the Customs authorities and not in any other account as mentioned on GST portal.

As mentioned above, process of granting of refund is very easy and automated, but one

has to be very careful while understanding the error occurred and its meaning and what action to be taken for correcting the same.

Error Code	Indicates	Reasons & Actions to be taken
<b>SB000</b>	This response code comes when all the decided parameters like GSTIN, SB number, Invoice Number etc. match between GSTN and Customs databases. This code implies that the SB is ripe for inclusion in the IGST refund scroll.	<p>It may happen that even with SB000, the SB does not appear in the refund scroll . Reasons could be:</p> <p>a) The exports might have been made under bond or LUT, hence not liable for refund.</p> <p>b) If a shipping bill covers multiple invoices, few of the invoices might have been successfully validated with code SB000 whereas other invoices might be stuck with any of the other errors.</p> <p>c) Higher rate of Drawback has been claimed for that SB, thus making the SB ineligible for IGST refund.</p> <p>d) Where the IGST claim amount is less than Rs. 1000/-.</p> <p>In all the above cases, the scroll amount (check SB Wise IGST Claimed Status Report) shall automatically become zero and the SBs shall not be included in the refund scroll. There are two more reasons where the SBs will figure in the Temporary IGST Scroll but not in the Final Scroll. This could happen if there is an alert/suspension on the IEC in ICES or if the account of the IEC is not validated by PFMS.</p> <p>One has very careful while grating checklist to the CHA before printing of Shipping bill for printing of IGST amount on Shipping bill.</p>
<b>SB001</b>	This may occur due to a mismatch between the SB No. furnished in GSTR-1/6A and the SB No. with customs.	The possible reason for such mismatch could be a clerical error made by the exporter at the time of filling of GSTR-1/6A, which can be rectified by making amendments in GSTR-1 by using Form 9A at the GST Common Portal.
<b>SB002</b>	EGM not filed	Exporter may approach the Shipping Lines to file the EGM immediately
<b>SB003</b>	GSTIN mismatch	<p>This error occurs when GSTIN declared in the SB does not match with the GSTIN used to fill the corresponding GST Returns.</p> <p>In this case too, the Exporter may be asked to make necessary adjustments in GSTR-1 by use of amendment Form 9A.</p> <p>However, it is to be noted that there is no provision of amendment in the Shipping Bill once the EGM is filed.</p>
<b>SB004</b>	Record already received	<p>This error code occurs due to duplicate/repeat transmission of SB-Invoice record from GSTN.</p> <p>The previous transmission would have already been validated for IGST refund by ICES.</p>

<b>SB005</b>	<p>Invalid Invoice Number – This is the most common error faced by the exporters, which occurs due to mismatch of invoice number as declared in the Invoice Table in the SB and that declared in the GSTR 1 for the same supply.</p>	<p>a) Typographical mistake while entering data in GSTR 1 or the SB. b) The exporter uses two sets of invoices, one invoice for GST and another invoice for exports resulting in mismatch of invoice numbers.</p> <p>After the implementation of GST, an exporter is required to enter in the “invoice” column while filing the SB pertains to the invoice issued by him compliant to GST Invoice Rules.</p> <p>The invoice number shall be matched with GSTN to validate exports and IGST payment.</p> <p>It was understood that there would not be any difference between Commercial Invoice and GST Invoice after GST since as per the GST Laws, the IGST is to be paid on the actual transaction value of the supply between the exporter and the consignee, which should be the same as the one declared on the commercial invoice.</p> <p>If SB005 is due to a data entry mistake in GSTR 1, it can be amended now in Form 9A.</p> <p>But any mistake in the SB cannot be amended once EGM is filed.</p> <p>Also, if the exporter has indeed used a separate invoice in the SB, he cannot include that in his GSTR 1 in lieu of his GST Invoice.</p> <p>Thus SB005 error, largely, cannot be corrected by any amendment either in GSTR 1 or in the Shipping Bill.</p>
<b>SB006</b>	<p>Gateway EGM not available – In case of ICDs, if the Gateway EGM is not filed electronically or is stuck in some error, response code SB006 shall appear.</p>	<p>It is noticed that Gateway EGM in case of many ICD’s Shipping Bills have been manually filed, which shall not suffice and the EGM shall have to be filed in ICES at the gateway port. In case of pending Gateway EGMs, Shipping Lines may be approached at gateway ports to file supplementary EGMs expeditiously.</p> <p>The essential steps to file the gateway EGM successfully are:</p> <p>a) File Train/Truck Summary immediately after cargo leaves the ICD.</p> <p><b>Last Chance to Join Online GST Certification Course by TaxGuru</b></p> <p>b) Ensure that shipping Line mentions the ICD SB in his EGM filed at gateway port along with the transference copy received from gateway port.</p> <p>c) Errors may be rectified through amendment in Service Centre and get it approved by proper officer.</p>

The above error codes can be seen by the field officer in the GSTN Integration Status Report in New MIS. But this report includes only those SBs on which the IGST validation procedure is run. This view is also available to exporters in their ICEGATE login.

As mentioned above, the validation procedure for IGST refund is run only for those SBs where EGM has been filed and for which the GSTN has transmitted the GSTR 1 returns data to Customs.

There are primarily two conditions for GSTN to transmit the data:

- a) Both, GSTR1/6A and GSTR3B should have been filed for that supply
- b) The IGST paid on exports declared in GSTR 3B should not be less than that declared in GSTR1/6A
- c) There are no missing invoices in GSTR1 for that supply

If the exporter finds that even after the correct filing of returns as above, their SBs do not reflect in this report, they may be advised to write to GSTN helpdesk.

The refund of IGST on exports shall be given by generating a scroll of eligible Shipping Bills.

- Based on eligible shipping bills the temporary IGST refund scroll shall be generated by the authorized officer in the CLK role in ICES
- Consequently, permanent scroll shall be generated by the authorized officer in the AC\_DBK role
- Once the final scroll is generated, there is no further action required from the sanctioning officer
- The scroll will automatically be transmitted to PFMS and there is no further need to send the scroll to the bank separately

Field officers can check **GSTN** Integration Status Report in NewMIS role in Export Based Reports and view above response codes for each SB and consequent status of scroll. It may be noted here that this report is generated as per the SB data available with ICES.

Gateway EGM Pendency and Error reports are also available in NewMIS under EGM Based Reports. SB wise EGM error code can be ascertained from here for corrective action.

In addition to the above reports, there are other reports also which give details on different parameters relevant to IGST refund for each SB/IEC/GSTIN like,

- IEC wise IGST Claimed
- GSTIN wise count of SBs/EGMs
- IEC wise Refund Granted/Not Ganted etc.

### **What Exporter should do...**

– The exporter has the option to check the GST validation Status for his SBs in his ICEGATE website login. This report shows the exporter the response/error codes for each of his SBs wherever data has been received from GSTN. The reasons for non-receipt of data from GSTN have already been elaborated above.

- The exporter also has the option to view the SB details relevant for IGST validation on the ICEGATE website. The exporter can view this while filing the GST Returns and ensure that the details are entered accurately in the Returns as well so that no mismatch occurs.
- In case, the exporter's account is not validated by PFMS, he may approach jurisdictional Customs commissionerate with correct account details and get it updated in ICES.
- If the exporter is not getting the refund due to suspension/alert on his IEC, he may clear his dues or submit e-BRC and have the suspension revoked.
- Below mentioned points required to be taken care by exporter for getting hassle free IGST refunds on exports;
  - Bank account – with customs to be checked- Currently refunds issued to custom linked account only hence first check to check which account is registered with Customs.
  - Export tax invoice with IGST
  - Reporting of export with IGST in 3B
  - Filing of Shipping bill is only submission of refund application, Refund will be directly credited to bank account
  - GSTR-1/Table 6A filling

### **Filling of shipping bill**

- IGST paid shipping bill has to be generated :look for ("P" remark on SB)
- IGST paid amount as per tax invoice only to be mentioned in Shipping Bill (Manually to be change by CHA)
- Check SB checklist from CHA before shipping bill confirmations

### **Availability of ITC balance**

In nutshell, getting IGST refunds is very easy affair subject to proper following of all the steps as mentioned by the exporter and timely tracking of shipping bills which are pending for refunds.

I wish all exporters all the best for there speedy refund process and happy refund crediting to their accounts.

Source:- CBEC Guide on IGST Refund