



# TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL  
(Sponsored By Government of INDIA)

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**E Serve No. 70 of 2019**

**May 20, 2019**

**Circular No.EPS/13/2019-20**

**To: Members of the Council**

**Sub: Transitional arrangement - All Industry Rates of Duty Drawback - 1.7.2017 to 30.9.2017 - after the implementation of GST - request for refund of IGST**

**Dear Member,**

As you are aware, a transition period of three months was provided to the exporters from the date of implementation of GST i.e. 1.7.2017 till 30.9.2017 during which the existing duty drawback rates (Pre-GST rates) were continued. For exports during this period, exporters were allowed to claim higher rate of duty drawback (composite AIR) subject to conditions that no input tax credit of CGST/IGST was claimed, no refund of IGST paid on export goods was claimed and no CENVAT credit was carried forward. Exporters were also given the option of claiming only the Customs portion of AIR (lower rate of duty drawback) and claim refund/ITC under GST laws.

In this regard, many exporters have pointed out that erroneously and due to lack of proper understanding, they had availed of Input Tax Credit of CGST / SGST and also had simultaneously availed of the higher rate of Drawback and exported under Refund of IGST. As a result, they have not got the IGST refund on such exports.

Subsequently, these exporters had surrendered the differential Drawback amounts (difference between the composite rate and lower rate) to the concerned Customs. Some of the Customs authorities such as JNPT, Chennai, Tuticurin etc have accepted the differential drawback amounts surrendered by the exporters.

Since the exporters have now practically availed of the lower rate of drawback, they become eligible for taking Input Tax Credits and also for IGST refund on exports. However, till date they have not received the IGST refunds despite surrendering the differential drawback amounts to the Customs.

In this regard, the Council has taken up this issue with the Government and have had extensive discussion on this with the concerned officials. The Government has now sought details of specific instances where such refunds are pending.

We would, therefore, request you to please send us the details of those shipping bills against which you have surrendered the differential Duty Drawback amounts and are awaiting for the IGST refunds. Please send us the details immediately in the enclosed format ([Click here](#)) by email on the email IDs [ravikumar@texprocil.org](mailto:ravikumar@texprocil.org) / [vimal@texprocil.org](mailto:vimal@texprocil.org).

Looking forward towards receiving the required information from you. This will enable us to pursue on this matter with the Government .

Regards,

**Dr.Siddhartha Rajagopal**  
**Executive Director**

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