

# 'Refund delivery mechanism under GST regime has turned more primitive'

**Bengal Finance Minister says no interface between GSTN, EDI and DGFT**

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Refund delivery mechanism under GST regime has turned "more primitive" because of "manual" processing of refund application, Amit Mitra, West Bengal Finance and Commerce Minister, said.

According to him, due to lack of interface between GST Network (GSTN), the electronic data interchange (EDI) and Directorate General of Foreign Trade (DGFT), the Centre is resorting to ledger for manual records for refunds.

## Lack of interface

"Even in the state VAT system, there was no manual intervention in the entire process of filing of returns," Mitra said at an exports excellence awards ceremony organised by FIEO (Federation of Indian Export Or-



Amit Mitra, Minister for Finance, Commerce & Industries, West Bengal

ganisations) Eastern Region here on Thursday. Citing the report of the Parliamentary Committee headed by Naresh Gujral, he said, "It has been noticed that there is no interface amongst GSTN and DGFT EDI systems. Even the training given to the officers on ground on issues like Letter of Undertaking (LUT) and related matters has not been adequate...it has been experienced that it is easy to pay tax but it is very difficult to get

a refund."

The report had further pointed out the refund of IGST paid on export goods and refund of Input Tax Credit (ITC) on goods exported under LUT in July, August, and September still remain pending.

According to Nikunj Srivastava, Additional DGFT, refund under IGST and ITC has been a "major issue" but should be resolved soon.

"We are in active consultation with the Department of Revenue

to resolve the refund issue. This should be sorted out soon," he said.

Nearly 15-20 per cent of the working capital is blocked due to delayed refunds; this could lead to potential job loss in the labour intensive export sectors, he said.

## Bengal export turnover

West Bengal government is expecting to achieve an export turnover of ₹75,000 crore by 2019-20.

According to Mitra, the turnover grew by over 10 per cent to ₹53,649 crore in 2016-17, as compared to Rs 47,857 crore in 2015-16.

"At a compounded annual growth rate of 40 per cent, we are looking at growing export turnover to ₹75,000 crore by 2019-20," he said.

A majority of the exports came from gems and jewellery, leather and iron and steel among others. Some 10 items account for almost two-thirds of the total exports with jewellery, fishery and leather among the major items of export from Bengal.