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VOC Port and Tuticorin Customs achieve speedy IGST tax refunds to exporters with Kale Logistics Solutions' CODEX

MUMBAI, May 02, 2019: V. O. Chidamabaranar (Tuticorin) Port and Tuticorin Customs have managed to significantly cut the turnaround times for IGST Tax refunds to exporters, post the implementation of Container Digital Exchange (CODEX) platform by Kale Logistics Solutions. CODEX is the first and only platform which has helped the IGST Refund process for the Indian exporter from a high of 90+ days to an optimum of 7 days.

Refund of IGST on exports has been one of the widely debated topics right from the time GST has been implemented in India. Undoubtedly, the government has taken steps to speed up the process and also ease some of the issues affecting the blockage of such refunds, but still there is a long way to go for the entire process to be streamlined. These refunds are a big issue with the exporters in India, there are thousands of crores of refund stuck with the government. This is blunting the competitive edge of exports and is causing liquidity problem. Exporters say delay in refund under GST impacts business and raises working capital cost. The Central Board of Indirect Taxes and Customs (CBIC) has taken several steps to ease the process of refund for exporters, but some issues persist. Some of the key issues faced by exporters include – problems in input tax credit funds, easier compliance needed, refunds by state authorities still tardy and so on.

Chidamabaranar (Tuticorin) Port Trust, Tuticorin Customs and National Association of Container Freight Stations (NACFS) – Tuticorin Chapter joined hands with Kale Logistics Solutions to develop India's first Container Digital Exchange Platform (CODEX), to automate and digitally streamline the container movement at the Port. The exporters were in crisis with their IGST refunds being locked for 90 days. With the implementation of the CODEX platform, the port and its stakeholders experienced immense benefits. The key one being speedy IGST refunds in 7 days as against 90 days. Thus, the challenge of liquidity for exporters, now had a solution.

The Indian Customs has showcased the CODEX project as an innovative platform developed in the Indian Maritime sector and the same has been presented by the Finance Ministry to the Honourable Prime Minster of India as one of the innovations around Trade Facilitation in 2017. The CODEX platform is also mandated by Tuticorin Customs and is mentioned in the customs journal 'Journey Towards Excellence'. It was also been recognized as one of the most innovative platforms by Confederation of Indian Industries (CII) at the CII Industrial Innovation Awards 2018.

The CODEX platform has been adopted as a mandate not only across the port but has also been appreciated as a standard document by Tuticorin Customs.

In another first, Tuticorin Customs has achieved the unique distinction of getting vessel clearance before vessel departure, since the 100% EGM is being submitted before vessel departure. This is as per the Sea Cargo Manifest Regulation which is likely to be implemented / mandated in the near future.

Speaking about the achievement, **Vineet Malhotra, Director, Kale Logistics Solutions**, said, *"We are delighted to have partnered with V. O. Chidamabaranar Port and Tuticorin Customs in achieving such a significant milestone in their digitalization journey. As a company, Kale Logistics Solutions is*

driven by the commitment to facilitate global trade. We believe, that this achievement by V. O. C. Port is an encouraging benchmark for ports across the country to aspire towards."

Speaking about the milestone achievement, **David Raja, Chairman, National Association of Container Freight Stations (NACFS) – Tuticorin Chapter**, said, *"The CODEX platform has proved to be a harbinger of great news for us in our digitalization journey. We are extremely proud of having empowered exporters with speedy IGST refunds and hope to have many more firsts to our credit. We hope that ports across the country and the globe will stand to benefit from our success story."*

About Kale Logistics Solutions

Incorporated in 2010, Kale Logistics Solutions is a trusted global IT solutions partner for several Fortune 500 companies worldwide, offering a comprehensive suite of IT solutions for the Logistics Industry. With in-depth domain knowledge and technical expertise, Kale has created a suite of comprehensive IT enterprise systems and Cargo Community Platforms, which offer a single electronic window capable of supporting operational flows, percolating data to various stakeholders and facilitating the paperless exchange of trade-related information between stakeholders. Kale's community and enterprise solutions cater to a wide network of Logistics Service Providers (LSPs) and help strengthen and improve their operational and business capabilities. With offices in Thane, Mumbai, Delhi, Dubai, and Mauritius, and 4500+ clients worldwide across 20 countries, Kale Logistics Solutions is a major player in the Industry.

Kale's solutions help Freight Forwarders, NVOCC, LCL Consolidators, Shipping Line Agents, Stevedores, Surveyors, Container Freight Stations, Equipment Control Providers, Vessel Charterers, Custom House Agents, 3PL, Warehouse Operators, Transportation Providers, other Logistics Service Users, and Airport Cargo Terminal Operators achieve faster growth, standardized processes and operational efficiencies.

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