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Dear colleague

The past week was historic for the department, in more ways than one. It will be recounted, not in the foot notes of the department's long history, but written in golden words in its main chapter. The Hon'ble Finance Minister took time out of her extremely busy schedule to be with us at three different cities during the same week. The fourth planned visit to Hindupur, near Bangalore, for laying the foundation stone of our new NACIN Complex, could not take place due to the election-related model code being in place.

The week began with the Finance Minister's visit to Srinagar in the Union Territory of Jammu and Kashmir. This was followed by an unprecedented day long visit to Nhava Sheva Custom House and its precincts at Mumbai and finally to presiding over the Presidential Award Investiture Ceremony in the historic city of Lucknow, the capital of Uttar Pradesh, the first ever investiture ceremony to be held outside New Delhi since the institution of the departmental Presidential Award scheme.

At Srinagar, the Hon'ble Finance Minister wanted both the Boards, the CBDT and the CBIC, to work together and be 'agents of change'. She emphasised that 'tax collection is not an end product' and stressed the need for the department to take its outreach programs to the citizens door step and understand from them what Government should do while acting as a bridge to convey their ideas to the policy table. Chief Commissioner Ms. Aruna Narayan Gupta and her team of officers including Shri Mahesh Kumar Rustagi, Pr. Commissioner, Jammu, put up a creditable show along with the CBDT at Srinagar.

While at Nhava Sheva, the Finance Minister performed *Bhoomi Pujan* for setting up of a Customs Examination Facility at JNPT's Centralized Parking Plaza itself. She urged Customs officers to aim for 'Zero Daily Assessment Pendency' and faster release of Cargo and bring in technology backed citizen centric reforms aimed at promoting ease of doing business and reducing the compliance burden. Nhava Sheva's quick commissioning of 3 mobile scanners for expeditious clearance of cargo, providing partner stakeholders with advanced information and infusing certainty to the logistic supply chain, notifying additional secure inter-port land for transporting cargo at reduced cost and time came in for appreciation from the Hon'ble Minister. During the visit, I had an occasion to visit the Dedicated Freight Corridor rail infrastructure. My congratulations to Shri Mohan Kumar Singh, Chief Commissioner of Customs, Shri Dharendra Singh Garbyal, Commissioner, Nhava Sheva-V and their dedicated team of officers for having made the required preparedness to showcase the functioning of Customs.

At Lucknow, in her speech during the Investiture Ceremony, the Hon'ble Finance Minister found similarities of the department with the armed forces. She also gave us salutary advice not be lax in GST collections since it is a thermometer for judging the health of the economy, watched closely by both the lay man and economic pundits alike. The rise in GST collections has brought hope and cheer within the country as it indicates a rapidly growing economy. The highlight of the function was marked by her announcement, to a standing ovation, of a detailed policy for distribution of Laptops, Notebooks, Tablets, etc. to Group 'B' officers of CBIC under the 1% Incremental Revenue Scheme that was approved last to last week. More than 29,000 officers (Group 'B' Gazetted and Non-Gazetted) would get benefited under this scheme with an approximate expenditure of Rs. 185.19 crores for purchase of these electronic gadgets. Within a week of the approval of the policy, 9271 laptops have been sanctioned with an estimated expenditure involving Rs. 74.17 crores, in the first instalment, for use by Group 'B' staff of CBIC. This is a scheme close to my heart and I am glad that it was announced by the Hon'ble Finance Minister herself. Along with the sanction of 876 vehicles to GST formations recently, this would strengthen the Divisions which are at the cutting edge of our service delivery. My congratulations to Shri Balesh Kumar, Member (Investigation), Shri Sanjay Kumar Agarwal, Pr. DG, DGGI, Shri Ajay Dixit, Chief Commissioner, Lucknow CGST Zone, Shri Alok Chopra, Pr ADG, DGGI and their team of officers, for their commitment and the conduct of the investiture function in a smooth and a flawless manner.

The pandemic over the last two years posed significant challenges to the country and the department. Maintenance of the supply chain and facilitation of cross-border movement of the people as well as critical medicines/equipment to fight covid-19 at the Ports/airports was achieved seamlessly throughout the country by our colleagues on the Customs front and as stated by our Hon'ble Finance Minister, 'without a single complaint'. Similarly, on the GST side, the Systems Directorate was quick to adopt the concept of 'Work From Home' and put a system in place to enable and extend the VPN facility to more than 12,000 GST officers to expeditiously continue their normal work and to process refund applications to ensure critical liquidity for the taxpayers during those difficult times. They could attend to various issues while facilitating businesses and taxpayers alike who did not have to step into our offices during the pandemic. The department right down to the smallest unit, i.e. the Range Level, was also able to quickly move from working on physical files to the e-Office Module. The e-Office facility was made available at one go to almost 50,000 departmental officers, making our department one of the largest users of this facility. These measures resulted in minimising transmission, exposure and risk from the dreaded virus to the officers and their family members.

Customs functioning saw a big reform under the umbrella of '*Turant Customs*' in November last year, making it a Faceless, Contactless and Paperless Customs. It, in a true sense, has been a leap of faith towards trade facilitation by simplifying procedures and reducing barriers to trade. The aim has been to reduce time and cost for the EXIM community. This would help them become more competitive in the international arena. All Industry Rates of Duty Drawback have been revised during 2018-19 and 2019-20 and the end-to-end implementation of the RoDTEP and RoSTCL schemes have been brought under our umbrella with budgetary controls, while policy issues are being looked into by Ministry of Commerce. Scrip generation under these schemes have been redone and made live on the ICEGATE.

The department has been represented well on the international platform in multilateral / bilateral engagements such as meetings of WCO Policy Commission, Council Session, Global AEO Conference, bilateral negotiations with heads of Customs Administrations, etc. In a much needed drive as a part of our commitment to public safety, Indian Customs have safely disposed off over 1700 consignments of uncleared or seized hazardous goods from Customs areas between January – October, 2021 and the same is to continue in future as well. Yearly renewals for AEO's and Customs Brokers have been done away with bringing huge ease in

compliance burden. Use of Block Chain technology to track the transshipment of containers, an MOU with RBI for disposal of seized gold, and the creation of a website for tracking cases under investigation are some more noticeable recent measures adopted to improve efficiency and bring in transparency in our working.

Despite the relaxations and exemptions extended to the taxpayers in the wake of Covid-19 by the GST Council and the Government, the GST revenue collection since the Month of October, 2020 has been consistently above the Rs. 1 lakh crore mark except in June, 2021. The GST revenue collection hit an all-time high of Rs. 1.41 lakh crores in April, 2021 and 2nd highest ever in the previous month with the Rs. 1.30 lakh crores figure. It is very satisfying to note that this increased revenue collection has been achieved not as a result of any tax rate increase but by facilitating better compliance. The hard work of officers has literally paid off. Since November, 2020, in the drive against the fake invoicing / fraudulent firms, more than Rupees Thirty-eight thousand crores worth fake ITC has been detected/unearthed while thousands of crores of refunds have been expeditiously sanctioned to the taxpayers. The handholding and outreach to the taxpayers coupled with the drive against fraudsters by using data analytics extensively to nab them has ensured that the GST system passes this litmus test. I firmly believe that all of you will work to ensure another record-breaking month in terms of GST revenue collection. The positive sentiments in the business circles about the economy and among the officers about their work augurs well.

On the HR and Administration side, the efforts put in by the DGHRD and Administration wings of the Board have been at a high level as well in recent years. To begin with, DGHRD quickly put in place a COVID Welfare Scheme and disbursed more than Rs. 12 crore grants for financial assistance for preventive and welfare measures to the field formations for fighting against the Covid-19. The guidelines and amount pertaining to ex-gratia financial assistance has been revised/enhanced in view of the Covid-19 to help the families of deceased departmental officials. A very well designed and poignant booklet *Shradhanjali* was brought out in the memory of officers and staff who lost their lives during the pandemic. Recommendation for financial sanction of Rs 729.68 crore has been made by the PIB for the departmental Hindupur NACIN project. The foundation stone of the new NACIN Complex would be laid by the Hon'ble Finance Minister shortly.

A few other landmark accomplishments have been launch of e- pratinuyukti - a single window, online deputation module for processing of deputation requests and applications, long pending amendments to Recruitment Rules of various cadres, holding of numerous DPCs at the Ministry and Zonal levels across the cadres timely, promotion of 968 officers from Group 'B' to Group 'A' against the vacancy years of 2018 and 2019, the continuation of 2116 temporary posts of Assistant Commissioners which was otherwise expiring in December, 2021 for another 2 years up to 18.12.2023, submission of Cadre Review proposals to DoPT, hiring of 876 additional operating vehicles, one each for 769 divisions and one each for the 107 GST Commissionerates approved by the Ministry, regularization in promotions in the grade of Assistant Commissioner of Customs and Indirect Taxes against the vacancy years 2002-03 to 2012-13, grant of NFSG to 647 officers in the Junior Administrative Grade on regular basis and finalisation of the much needed policy for allotment of laptops and similar devices for Group 'B' officers which would benefit almost 29,000 officers of the department and facilitate them in their work.

In the quest to build a quality repository of in-house resources and database which our officers can use for reference and records, our efforts have resulted in the publishing and release of a Digital Forensics Manual, K-9 Manual, E-Compendium of CESTAT Orders, GST Ready Reckoner for CBIC field Officers 2020, Compendium of Welfare Schemes, Manual for Quality Assurance Review (QAR) and Audit Performance Index (API), 2021, redesigned *Sampark*, 2021 and Civil List, 2021 with colour photos and many more additions, e-

Disposition Module to replace the existing manual system of monthly reporting of disposition by field formations, publishing of a booklet 'In the war against covid-19 CBIC TO THE FORE' at many battle fronts'.

DG Systems has launched the ADVAIT dashboard with various reports and functionalities at one place and there is a renewed impetus on building the DIGIT database – an offence database for Customs and GST offences. Numerous utilities too were launched such as Service litigation portal i.e. 'e-Seva Vivad', a portal to facilitate two-way digital transmission of all papers related to CAT / Court cases, 'SMART infra'- a utility for tracking and monitoring all infrastructure related matters, 'Swachhta@CBIC' tab – an online module for monitoring *Swachhta* projects and the latest addition is the 'Civil List App' which is scheduled to be launched today, i.e. 29.11.2021.

The policy wings of the Board, Tax Research Unit, GST Policy Wing, Customs Policy Wing, Tariff Unit etc and the Directorates have worked hard to ensure that the disruptive tendencies of the pandemic did not bring break in seamless support to the Board. Support to the functioning of the GST Council by the Policy wings of the Board were highly appreciated.

The achievements above in GST, Customs, or, for that matter, in HR and Administration, is definitely highly remarkable. This is more so when we have endured two devastating waves of the Covid-19 pandemic. We as a department have withstood these waves and sailed through it together as a team. The efforts put in by the entire CBIC family has been appreciated by the Hon'ble Finance Minister and leaders and organizations on various forums. The Hon'ble Prime Minister has also flagged the fact that our online service delivery has ended the unnecessary intrusion of government due to our reforms. These acknowledgments not only encourages us but also becomes a force behind all our endeavours in improving the service delivery to the taxpayers while promoting ease of doing business.

The Department of Administrative Reforms and Public Grievances has undertaken *Swachhta* assessment for disposal of pending matters. Of the 82 departments that has been assessed, the assessment pertaining to CBIC has been heartening. In this regard, physical assessment of new building of Custom House, New Delhi was done. The assessment revealed that the building, besides providing ample space for working, was clean and hygienic. The creation of a corridor dedicated to women freedom fighters and to India's freedom struggle has been highlighted. Further, the ideals of the father of the nation, Mahatma Gandhi, his portraits and glimpses from his life were showcased in the corridors. Weeding out of files and discarding of unsuitable equipment resulted in freeing up significant space. This had aided in work efficiency and promoting a healthier environment. Kudos to the Customs team.

I am informed that the Cochin CGST Commissionerate has developed nine short video tutorials for officers on common issues faced while using different modules of ACES and GST application. Hearty congratulations. More such initiatives especially for taxpayers and citizens in vernacular languages are required.

Mumbai West CGST Commissionerate has made a case pertaining to a taxpayer providing both taxable as well as exempted services. The said taxpayer had not reversed the ITC availed on proportionate basis in respect of the ratio of Exempted Turnover to Total Turnover for the period from F. Y. 2017-18 to FY 2021-22 as required under Rule 42 of CGST Act, 2017. On pointing out the same, the taxpayer reversed the ITC involved to the tune of Rs. 8.3 crore.

Directorate of Revenue Intelligence, based on data analytics, intercepted two passengers intending to smuggle foreign currency out of India at the Chhatrapati Shivaji Maharaj International Airport, Mumbai, in the early hours of 26th November, 2021. US Dollars and Saudi Dirhams, valued at Rs 3.7 crores was found concealed deep in ingeniously designed false bottoms of the carry-on luggage and the same has been seized. In another major detection, the DRI had seized 3,646 iPhone 13 models worth ₹42.86 crore at Chhatrapati Shivaji International Airport. The items arrived from Hong Kong declaring the goods as memory cards to smuggle them in India.

This 99th Newsletter would be the last in a series of weekly letters I have been addressing to you. It has been a very interesting and enjoyable event every week during the last two years as I went through numerous electronic messages from readers about events they felt were important or had touched them, as I sat to compose my letters. I cherish their messages.

It's now time to bid farewell, on behalf of all of you and on my own personal behalf, to Smt. Krishna A. Mishra, Chief Commissioner of GST, CX & Customs, Pune Zone, who would be superannuating this month after a long and distinguished career spanning 33 years of service to the nation. She has always had the welfare of her staff at heart and her zone found mention in these letters many a time. While appreciating her services, I also extend my best wishes to all other officers of various cadres and ranks who would be superannuating this month. I too would be joining their ranks this week.

Before signing off, I would like to sincerely thank both my OSDs Shri T. Prabhakar, Joint Commissioner, and Shri Rahul Raja, Deputy Director, DRI, not only for their valuable contribution in bringing out these letters in a timely manner every week, but also for all the tireless assistance rendered to me in the successful execution of my work in the last two years.

Finally, I whole heartedly congratulate Shri Vivek Johri on the ACC approving his appointment as the next Chairman of CBIC. I am sure that he will lead the department to greater glory and I wish him all the very best.

With best wishes

Yours sincerely

(M. Ajit Kumar)

To

All Officers and Staff of Central Board of Indirect Taxes and Customs