

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**REVENUE TARGETS IN THE CASE OF INDIRECT TAXES FOR THE CURRENT
FINANCIAL YEAR 2014-15 ARE CHALLENGING ONE BUT ARE VERY MUCH
ACHIEVABLE: FM**

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The Union Finance Minister, Shri Arun Jaitley said that the revenue targets in the case of indirect taxes for the current financial year 2014-15 are challenging one but are very much achievable. The revenue targets for indirect taxes for the current financial year is fixed at Rs.6,23,244 crores, with an overall growth rate of more than 25%. The Finance Minister Shri Jaitley said that last few years have been somewhat difficult as far as the Indian economy is concerned. He said that in the last few years when you had modest growth rate, they were coupled with either a static or negative growth rate especially in manufacturing, as a result some of the indirect taxes took the hit.

The Finance Minister Shri Jaitley said that in order to spur the growth, we have in the past few months concentrated on improving areas of manufacturing and infrastructure. He said that the Government has taken series of measures in the last two months both inside and outside the budget process in this direction to boost the performance of these sectors. The Finance Minister said that figures relating to manufacturing sector in the months of June and July this year are quite encouraging. He said that if this trend continues for few more months only then it will constitute a pattern. The Finance Minister Shri Jaitley was delivering the Key Note Address after inaugurating the two day Annual Conference of Chief Commissioners and Directors General of Customs, Central Excise and Service Tax here today.

The Finance Minister Shri Arun Jaitley further said that we are in favour of trade facilitation and efficient trade facilitation leads to substantial reduction in transactional cost for the businesses. With respect to trade facilitation in taxation, the Finance Minister said that a large number of irritants which had been created particularly in our tax administration, have been consciously addressed. The Finance Minister Shri Jaitley said that trade facilitation will not only bring ease in doing business in the country but will also reduce the cost of doing business. He asked the senior officers of the Central Board of Excise and Customs (CBEC) to work as a facilitator for tax payers and at the same time take action wherever they find cases of revenue leakages or tax evasion. The Finance Minister said that the cost of tax collection, both in case of direct and indirect taxes in our country, is not very high and further investment in strengthening the tax infrastructure in the country will bring better returns to the exchequer of the Government. Besides this, the Finance Minister also stressed upon reducing tax litigation and tax settlement mechanism to unlock the money held-up due to litigation.

Speaking on the occasion, Shri Shaktikanta Das, Revenue Secretary said that the growth in the first quarter in indirect tax collections has been about 4.5% only, but in June 2014, the

growth has been 13.5% overall, and in that Service Tax accounted for nearly 28% growth. He said that in July 2014 also, the growth pattern is very good.

Shri Shaktikanta Das, Revenue Secretary said that it is also in our interest to improve our trade facilitation measures because they are ultimately going to be beneficial for ourselves. In the Budget, Shri Das said that the Finance Minister has announced 24X7 Customs clearance facility to be extended to many more ports, airports, sea ports and the officials posted at these ports have to really ensure that. He further added that in the Budget, lot of focus has been given towards simplification of procedures, rationalization measures and ensuring that the Department plays a non-adversarial role. He said that on the Central Excise and Customs side, we have attempted to address the problem of inverted duty structure in a very big way. He asked the Chief Commissioners and DGs that as leaders of their team and the leaders of their Zone, they should play a facilitating and non-adversarial role.

Earlier, Ms. J.M. Shanti Sundharam, Chairperson CBEC said with regard to the efforts being taken by the Department i.e. CBEC to reduce the cost of transaction to the taxpayers, the department has already initiated steps like expanding the facility for 24X7 clearances at more ports, implementation of Risk Management System for Exports covering 89 locations and rollout of the Precious Cargo Customs Clearance Module at Bandra Kurla complex at Mumbai. She further informed that the Department had taken several IT initiatives to facilitate the taxpayers. On CBEC's latest initiative of Single Window, she added that the 'Indian Customs Single Window Project' is a large and complex IT initiative to enable a single point interface for the trade to lodge, complete and obtain clearances for all import, export and border control related regulatory requirements. It will involve coordination between more than 14 other agencies under different Ministries, she added.

Ms. Shanti Sundharam, Chairperson CBEC underlined the urgent need to benchmark with the most modern customs administrations of the world and that the Department was watchful of the responsibilities entrusted to it, as a border Control agency, for preventing activities inimical to our national interest, like trafficking in drugs, flora, fauna, fake currency, weapons of mass destruction, dual use chemicals, arms, etc. Therefore, she said that the aim is to modernize the ports, airports and land customs operations with installation of more scanners, baggage X ray equipment, deployment of sniffer dogs, upgrading physical infrastructure etc. She said that this shall address the heightened security concerns of the nation, expedite cargo clearances, and thereby enable our manufacturing to remain competitive in international trade. She said that CBEC recognizes the importance of providing a non adversarial regime and a tax design for our taxpayers, which complements the country's economic realities and business practices. She said that we have initiated steps to reduce litigation in line with the National Litigation policy, and institutionalize consultative mechanisms. The newly introduced provisions for pre-deposit, as also the amendments in the provisions for Settlement commission and Advance Rulings would expedite the dispute resolution process, she added. Chairperson CBEC said that it is our endeavour to create a culture which encourages maximum voluntary tax compliance, and nurtures a predictable, credible, and stable tax regime.

Ms. Sundharam informed that the CBEC had approved a major project for CENVAT Credit verification at invoice level, which will help in plugging revenue leakage through misuse of

credit facility. She said that the Department with its wealth of experience in taxing both goods and services and comprehensive understanding of the nuances of service tax policy and implementation is confident of its capacity to administer GST which is on the top agenda of the Government, and is committed towards contributing even more towards policy formulation and implementation of GST, a game changing reform.

Shri V. S. Krishnan, Chief Commissioner, Central Excise Zone-I, Mumbai made a comprehensive presentation on various challenges facing the CBEC and the strategies to meet those challenges during the year.

The meeting was attended by Shri R. P. Watal, Expenditure Secretary, Shri Ravi Mathur, Disinvestment Secretary, Dr. G. S. Sandhu, Secretary, Financial Services, Chairman CBDT, Members of CBEC and CBDT and senior officers of Department of Revenue and Central Board of Excise and Customs among others.

Shri Saumitra Chaudhuri, former Member, Planning Commission will deliver the 3rd B.N. Banerjee Memorial Lecture today.

Ms. Nirmala Sitharaman, Minister of State for Finance will deliver the Valedictory Address on the second day tomorrow i.e. 12th August, 2014. A film on Service Tax will also be released on this occasion.
