



**Central Board of Excise
and Customs**



Grievance Analysis & Systemic Reforms Recommendation

GRIEVANCE DATA ANALYSIS PROJECT

(Objective & Outcome)

Context

Department of Administrative Reforms & Public Grievances (DAR&PG) administers a public grievance portal - Central Public Grievance Redress and Monitoring System (CPGRAMS). This is a portal where the citizen can register his/her grievances pertaining to any of the 94 Central Government Departments/Ministries.

This portal receives ~3,00,000 complaints annually across the 94 Departments/Ministries and the number of grievances registered has gone up from 1,32,751 between May 2014 to September 2014, to 4,66,406 in the same period, i.e., from May 2015 to September 2015, due the Prime Minister's personal interest.

The grievances received on the portal are rich data points, especially in terms of the type of reforms (administrative and policy) that would create maximum positive impact on the citizens.

Objective

The objective of the diagnostic study undertaken by the Quality Council of India, as per the mandate given by DAR&PG, was two fold:

1. **Grievance Data Analysis** (in bold): Analysis of the grievances being received by the respective Departments/Ministries on CGPRAMS and identification of key issues
2. **Systemic Reforms Recommendation**: Identifying key systemic reforms that can be implemented to resolve these issues to prevent recurrence of these issues

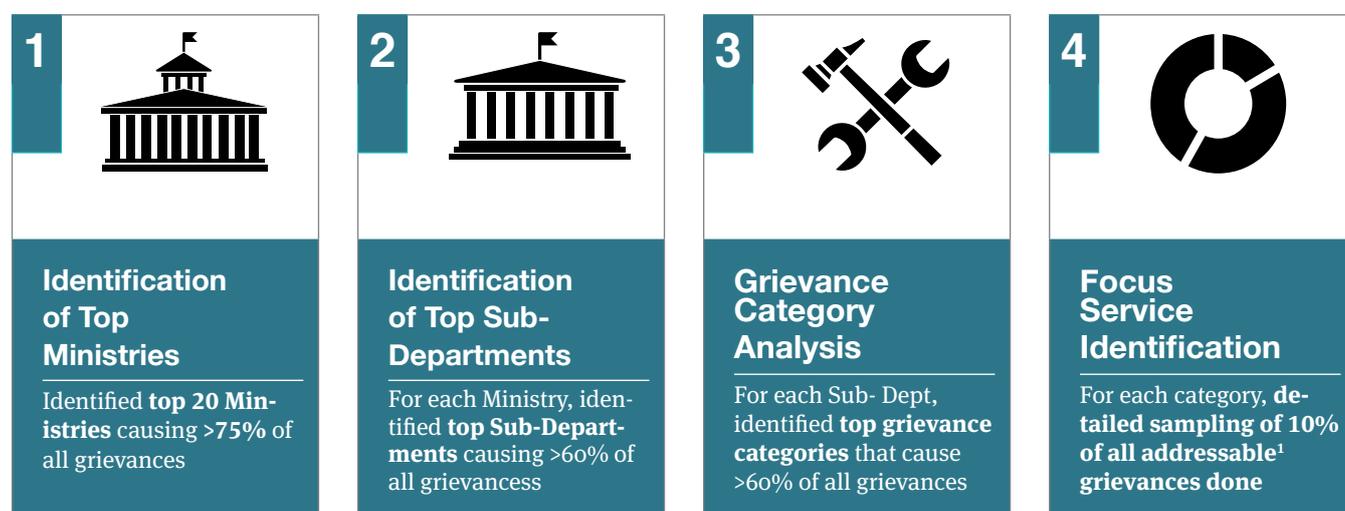
Approach

To ensure that the above objectives are achieved, a 3 point approach has been used, which has been detailed below:

1. Data analysis of the grievances across top 20 (based on number of grievances received) prioritized Ministries with a structured approach which has been detailed in the diagram below.

Data Analysis Process for all Ministries

Focus on identifying services that cause maximum number of grievances



2. Root cause analysis of the above grievances in conjunction with the respective Departments/Ministries, explained in detail on page 7.
3. Systemic and structural changes reform recommendations after discussions with the Department/Ministry based on learnings from global and domestic best practices

Identification of the top 20 Department/Ministries for initial focus of efforts

The first step of the effort, as per the approach mentioned earlier, is the identification of the top 20 Ministries, which has been done based on the number of grievances being received by the particular Department from 01.01.2012 to 19.08.2015. The findings have been summarized in the table below and for the scope of this particular report we will be focussing on the Central Board Of Excise and Customs (rank 18).

List of top Ministries/Departments based on combination of quality parameters

Overall Rank	Ministry	No. of Grievances recieved # of grievances		No. of Grievances pending (> 12M)		No. of Grievances pending (6M - 12M)	
		Rank	No. of Grievances	Rank	No. of Grievances	Rank	No. of Grievances
1	Department of Telecommunications	1	161,014	13	11	11	126
2	Ministry of Railways (Railway Board)	2	76,776	3	878	2	1,750
3	Department of Financial Services (Banking Division)	3	65,095	16	-	13	43
4	Ministry of Home Affairs	4	41,443	11	47	12	73
5	Central Board Of Direct Taxes (Income Tax)	5	38,825	5	381	9	200
6	Department of Higher Education	6	34,594	2	1422	1	2,143
7	Ministry of External Affairs	7	30,780	16	-	17	-
8	Department of Posts	8	27,552	14	9	15	17
9	Department of Health & Family Welfare	9	27,552	10	52	10	160
10	Ministry of Petroleum and Natural Gas	10	26,836	7	83	8	447
11	Ministry of Labour and Employment	11	25,835	16	-	17	-
12	Department Of Defence	12	25,423	1	1877	6	744
13	Department of School Education and Literacy	13	23,862	8	68	3	1,114
14	Department of Personnel and Training	14	21,681	12	12	16	14
15	Ministry of Road Transport and Highways	15	20,660	6	198	4	984
16	Ministry of Urban Development	16	15,187	4	400	7	459
17	Department of Justice	17	13,879	16	-	17	-
18	Central Board Of Excise and Customs	18	12,698	15	3	14	27
19	Department of Revenue	19	12,616	9	64	5	954
20	Department of Ex Servicemen Welfare	20	12,062	16	-	17	-

SOURCE: DARPG Data (01-01-2012 to 19-08-2015)

Focusing on these 20 ministries/departments will target ~73% of the overall grievances in Central Govt.

DEEP DIVE ANALYSIS

Introduction

The Revenue Ministry is responsible for levying and collection of both direct and indirect taxes. The independent two departments under the Department, namely, Central Board of Direct Taxes and Central Board of Excise and Customs, which came into existence in 1964.

The Central Board of Excise & Customs (CBEC), as the name suggests, is the nodal agency primarily responsible for administering custom laws in India and for collection of import duties. The responsibilities of the department span across 3 verticals which have been detailed below:

1. Central Excise & Service Tax: The department is responsible for collection of excise duty and service tax, collection of customs duty as applicable at Special Economic Zone's, and

prevention of smuggling through Land Customs and Border Check Points.

2. Customs: In case of International airports, seaports, international air cargo stations and otherwise applicable, the department collects customs and is also responsible for prevention of smuggling through sear or international airports.

3. Central Bureau of Narcotics: Prevention of drug trafficking and abuse of illegal substances, and collection of narcotics duty is the responsibility of this department.

Since, the grievances related this department are linked to a revenue stream for the government, it is of utmost importance

Identification of top Sub-Departments

As per the methodology mentioned above, the first step was to break the grievances down in terms of the sub -departments it was being forwarded to.

These sub-departments have been defined as per the officer-in-charge who it is forwarded to within the Department/Ministry, as defined by the respective Department/Ministry. For the Central Bureau of Excise and Customs, the sub-departments receiving maximum number of complaints have been defined by service/responsibility of that Director.

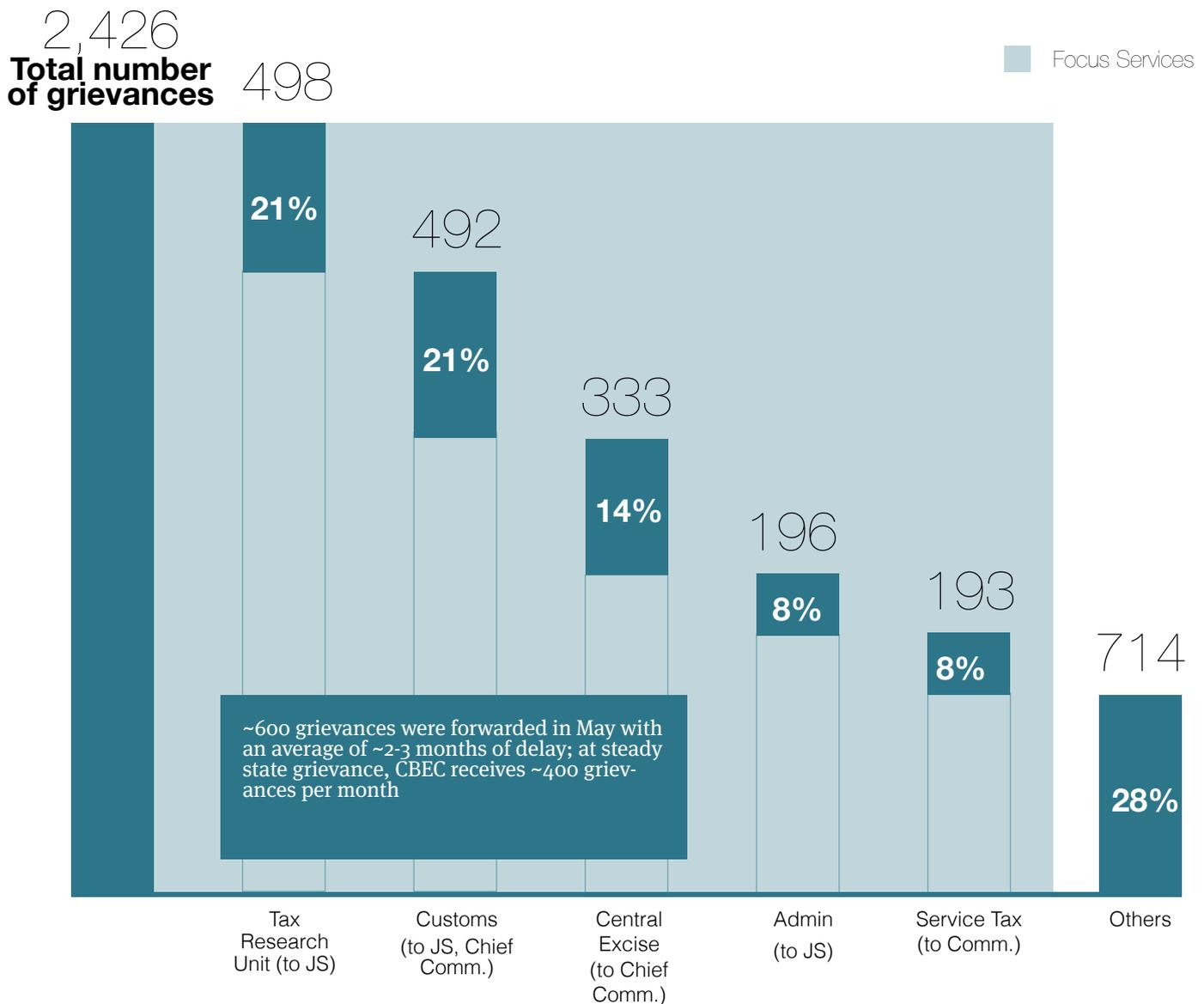
The highest grievances have been received by the Tax Research Unit -led by the corresponding Joint Secretary

(as defined by the Ministry), and the next highest grievances received by Customs - directed to the Joint Secretary Chief Commissioner.

The figure below depicts the sub-departments that receive the maximum number of grievances for this particular department, and a detailed category wise analysis for the sub-departments is shown below. The top 5 departments, account for ~75% of all grievances and have the grievances received by these sub-departments have been analyzed further

Top 4 Sub-Departments account for ~70% of all received grievances

Categorized grievances received by Sub-Departments¹



¹ All grievances reported between 01/04/2015 & 31/08/2015 across all touch points
SOURCE: DARPG data

Identification of Focus Service

The next step as defined in the process earlier, is to conduct a grievance-by-grievance analysis for a sample of the grievances received by the top 5 sub-departments, namely, Tax Research Units, Customs, Central Excise, Admin and Service Tax.

For CBEC, the top recurring addressable issues across the Sub-Departments have been summarized below in the table. The top most issue for CBEC is about pensions disbursement which accounts for ~48% of all addressable grievances, fol-

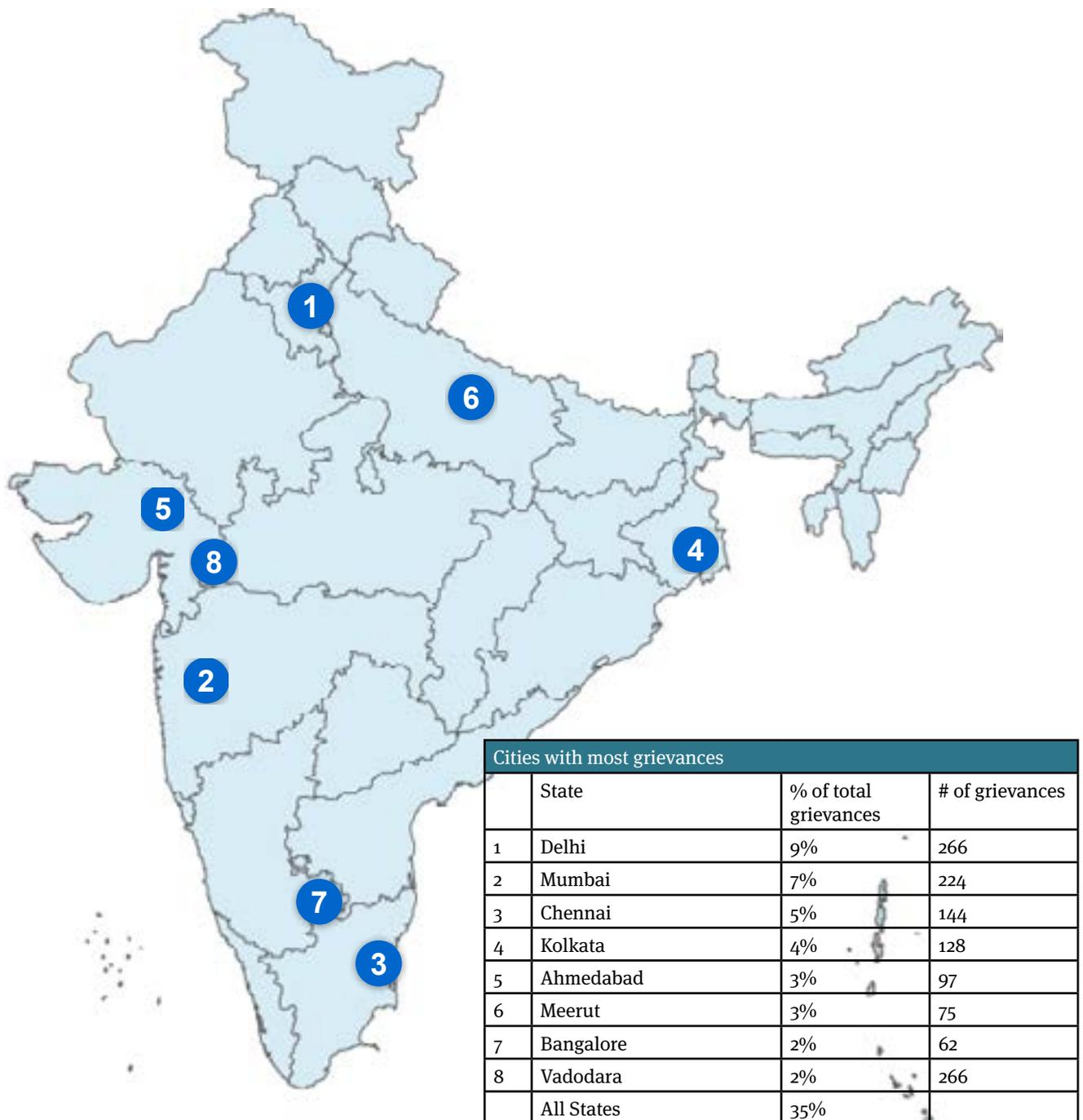
lowed by Alleged Malpractice issues which accounts for 47%. The specific details of these types of grievance issues and the other grievances issues have been detailed out in the table below.

Top 8 zones account for a majority of the customs related issues (Central Board of Excise and Customs)

Identification of top grievance causing geographies

As per the methodology mentioned above, the first step was to break the grievances down in terms of the sub-departments it was being forwarded to. However, in case of Central Bureau of Excise and Customs, the classification of the sub-departments to which the grievances are forwarded to are not very distinctly classified, and regional departments of the Central Board of Excise and Customs (CBEC), which are equivalent of having zonal CBEC's with similar sub-departments.

Hence, we have tried to evaluate the cities/regions which have received maximum of complaints, and as per our analysis the Delhi region accounted for 9% of the grievances, followed by the Mumbai region which accounted for 7% of all grievances and the third highest was the Chennai region which accounted for nearly 5% of all grievances.



3 services identified to focus on for designing process reforms

Top Grievance Causing Services (QCI defined)	Impact % ¹	Details ²
<p>1</p> <p>Inefficiency in pension release process</p>	<p>48%</p>	<ul style="list-style-type: none"> • No revision in pension amount, as per the 6th pay commission • Long delay in pension release (and gratuity, leave encashment, medical allowance) • Administrative errors (e.g. passbook not issued, PPO misplaced, DOB wrong)
<p>2</p> <p>Alleged malpractices at customs office</p>	<p>47%</p>	<ul style="list-style-type: none"> • High custom calculation; incorrect exchange rate levied • Abnormally high amount charged by middlemen (custom clearance) and post office (foreign insurance) • Shipment held long without intimating user – customs bottleneck
<p>3</p> <p>Issues with service quality</p>	<p>2%</p>	<ul style="list-style-type: none"> • Officers regularly come in late • Customs' officers misbehave when citizens inquire on abnormal taxation

1 % of total addressable grievances

2 97% of total addressable grievances received by Central Board of Excise and Customs between 1/4/2015 and 31/8/2015

Conclusions

For the focus services identified, the ones that are addressable and with maximum impact have been selected for further analysis. For the given department, the top 3 grievance causing services are chosen for further deep-dive and root cause analysis.

The following section details the process flow for the root cause analysis, and the procedure followed for coming up with systemic reforms for each one of the service issues

Grievance redressal procedure - Inefficiency in pension release (sample)

PF110

Registration Number : PHOPG/E/2015/0002342
 Registration Date : 19 Jun 2015
 Complainant's Name : Sri Sujan Kumar Das
 Address : H.No. 9773, Banerjee Park Road,
 Post. Paschim Putary
 Kolkata - 41-700041
 State/UT : West Bengal
 Contact No. : 919748728931 , 919748728931
 E-mail ID : sujandext0@gmail.com

Grievance Description :

Respect Sir, With profound regards, I beg to draw your kind attention towards my pension related problem. I have retired from Central Excise Department, Kolkata on 30-11-2014. My PPO NO. is 512371400748. PPO book issued by Pay and Accts. off., Central Excise, Kolkata-I Commissionerate, central Excise. In the said PPO, the name of my wife mentioned as Smt. ARATI DAS instead of Smt ANJANA DAS. I requested the PAO, C.Ex. to rectify the mistake and issue a fresh PPO book. They expressed their inability. I, therefore, request your esteemed-self to kindly instruct the competent authority to do the needful as requested for and thereby oblige, Please. Yours faithfully. (Sujan Kumar Das)

GRIEVANCE ACTION STATUS

Print

Registration Number: PHOPG/E/2015/0002342

as on: 30 Oct 2015

Sl.No.	Action	Date of Action	From	To	Remarks
1.	RECEIVED THE GRIEVANCE	19 Jun 2015	COMPLAINANT (CITIZN)	Prime Ministers Office (PHOPG)	---
2.	TAKEN UP WITH SUBORDINATE ORGANISATION	25 Jun 2015	Prime Ministers Office (PHOPG)	Department of Revenue (DORVU)	---
3.	TAKEN UP WITH SUBORDINATE ORGANISATION	01 Jul 2015	Department of Revenue (DORVU)	Central Board of Excise and Customs (CBOEC)	---
4.	TAKEN UP WITH SUBORDINATE ORGANISATION	14 Jul 2015	Central Board of Excise and Customs (CBOEC)	Chief Comm. of Central Excise & S.Tax (Kolkata Zone) (COKKO)	Please redress the grievance
5.	TAKEN UP WITH SUBORDINATE ORGANISATION	15 Jul 2015	Chief Comm. of Central Excise & S.Tax (Kolkata Zone) (COKKO)	Central Ex Commissionerate Kolkata-V (KOL05)	Please look into the matter and redress the grievance.
6.	EXAMINED AT OUR LEVEL	30 Jul 2015	Central Ex Commissionerate Kolkata-V (KOL05)	Central Ex Commissionerate Kolkata-V (KOL05)	Complaint forwarded to AC, Budget budge Division, Kolkata-V Commissionerate vide C. No. 11(39)3/CPGRAM/vig/Kol-V/CE/09/Part-1/528 dated 22.07.2015 for necessary action regarding payment arrear retirement benefits on occasion of stepping up of increment.
7.	CASE REPORT SENT AND DISPOSED LOCALLY	14 Sep 2015	Central Ex Commissionerate Kolkata-V (KOL05)	Chief Comm. of Central Excise & S.Tax (Kolkata Zone) (COKKO)	Complaint forwarded to PAO Kolkata-I vide C. No. 11(39)3/CPGRAM/vig/Kol-V/CE/09/Part-1/545 dated 28.07.2015 for necessary redressal
8.	CASE REPORT SENT AND DISPOSED LOCALLY	14 Sep 2015	Central Ex Commissionerate Kolkata-V (KOL05)	Chief Comm. of Central Excise & S.Tax (Kolkata Zone) (COKKO)	Complaint forwarded to PAO Kolkata-I vide C. No. 11(39)3/CPGRAM/vig/Kol-V/CE/09/Part-1/545 dated 28.07.2015 for necessary redressal
9.	CASE REPORT SENT AND DISPOSED LOCALLY	07 Oct 2015	Chief Comm. of Central Excise & S.Tax (Kolkata Zone) (COKKO)	Central Board of Excise and Customs (CBOEC)	It has been informed by the Jurisdictional Commissionerate (i.e. Kolkata-V in the instant case) that the complaint has been forwarded to the PAO Kolkata-I vide C. No. 11(39)3/CPGRAM/vig/Kol-V/CE/09/Part-1/545 dated 28.07.2015 for necessary redressal. As such, the instant issue may please be treated as disposed off.
10.	CASE DISPOSED OF	07 Oct 2015	Chief Comm. of Central Excise & S.Tax (Kolkata Zone) (COKKO)	COMPLAINANT (CITIZN)	It has been informed by the Jurisdictional Commissionerate (i.e. Kolkata-V in the instant case) that the complaint has been forwarded to the PAO Kolkata-I vide C. No. 11(39)3/CPGRAM/vig/Kol-V/CE/09/Part-1/545 dated 28.07.2015 for necessary redressal. As such, the instant issue may please be treated as disposed off.

Grievance redressal procedure - Inefficiency in pension release (sample)

Print

Registration Number : DOPPW/E/2015/04606
 Registration Date : 14 Aug 2015
 Complainant's Name : Anvaru Narasimhulu
 Address : 176/8, Sanjeevareddy Nagar, Hyderabad-500038,
 -500038
 State/UT : Telangana
 Contact No. : 0402703775 , 919848019422
 E-mail ID : anavaru@gmail.com

Grievance Description :

I, A. Narasimhulu, have retired from service as Superintendent of Central Excise on superannuation in the afternoon of 31st December,2003 from Chikoi Range , Hyderabad-A - Division of Hyderabad - I Commissionerate of Customs Central Excise. While in service, disciplinary proceedings have been initiated against me on alleged charges of not exercising proper control over the Cigarette manufacturing unit falling under my territorial jurisdiction as Superintendent of Central Excise, Anti Evasion wing during the period July, 1991 to June, 1993. The Under Secretary to the Govt. of India, Ministry of Finance, Dept. of Revenue in letter C.No.14012/7/2005 Ad.V dated 8.11.2012 communicated me the advice of the UPSC contained in letter F.No.3/235/2012 S.1 dated 31.10.2012 proposing a penalty. Accordingly penalty of cut in pension was imposed on me vide Ministry of Finance, Dept. of Revenue Order No. 4/2013 dated 8.4.2013 (issued from file No.14012/7/2005 Ad.V/1644). On page 4 para 4 of the UPSC advice it was mentioned that the gratuity admissible was advised to be released to me if not otherwise required. Enclosing copies of all the above orders, I requested the Assistant Commissioner of Central Excise, Hyderabad A Division vide my letter dated 1.6.2013 for release of gratuity followed by reminders dated 26.6.2013 and 11.9.2013. I have received a letter C.No.II/35/1/2013 Pro.Pension dated 17.6.2013 from the above Asst.Commnr. informing me that the matter is referred to the Commissioner of Central Excise, Hyderabad-I Commissionerate on 16.8.2013 and reminded on 17.9.2013. Thereafter no further communication has been received from the Asst.Commissioner till 14.10.2014. On 14.10.2014, I submitted a representation to the Commissioner of Central Excise, Hyderabad-I Commissionerate requesting for early release of my gratuity. As there was no reply from Commissioner of Central Excise, Hyderabad-I Commissionerate, I approached the Chief Commissioner through my letter dated 24.1.2015 enumerating the details and requested for ordering release of my gratuity. On 11.5.2015, I received a letter C.No.II/39/14/2015-Vig.CC (HT) from Chief Commissioner's Office informing me that the Commissioner of Central Excise, Hyderabad-I Commissionerate addressed letters to Ad./V Section of CBEC, New Delhi seeking instructions for release of gratuity and a reply is awaited. Letter C.No.II/39/01/2015 Accts. Dated 9.4.2015 of the Commissioner's office speaks that Shri B.K.Mahanta, Under Secretary Ad.V, CBEC was addressed letter C.No.I/10/20/2013 CAT I dated 15.4.2014 and reminded on 6.5.14, 17.7.14, 23.9.14, 31.10.14, 17.3.15 and 7.4.15 for instructions for release of gratuity. Here in my case the advice of the UPSC to impose a penalty of cut in pension has been implemented by the Ministry but though the same UPSC advice mentioned that "the gratuity admissible to the Charged Officer may be released, if not required otherwise", the same has been not implemented. Now I reached an age of 72 years and underwent sufficient mental agony due to the above happenings and delay in release of the gratuity. Hence I request that my gratuity may please be ordered to be released without any further delay. Hoping for immediate redressal of my problem I am submitting my representation through CPGRAMS.

GRIEVANCE ACTION STATUS

Print

Registration Number: DOPPW/E/2015/04606

as on: 20 Oct 2015

Sl.No.	Action	Date of Action	From	To	Remarks
1.	RECEIVED THE GRIEVANCE	14 Aug 2015	COMPLAINANT (CITIZN)	Department of Pension and Pensioners Welfare (DOPPW)	---
2.	TAKEN UP WITH SUBORDINATE ORGANISATION	14 Aug 2015	Department of Pension and Pensioners Welfare (DOPPW)	Central Board of Excise and Customs (CBEC)	---
3.	TAKEN UP WITH SUBORDINATE ORGANISATION	14 Aug 2015	Central Board of Excise and Customs (CBEC)	Chief Commr of Customs, C. Excise & S.Tax (Hyderabad Zone) (CCMR)	Please redress the grievance.
4.	TAKEN UP WITH SUBORDINATE ORGANISATION	21 Aug 2015	Chief Commr. of Customs, C. Excise & S.Tax (Hyderabad Zone) (CCMR)	COMMISSIONER OF CENTRAL EXCISE HYDERABAD I (EHYD1)	Please take up the matter with the Board on priority basis for early redressal of the grievance and report compliance
5.	EXAMINED AT OUR LEVEL	07 Oct 2015	COMMISSIONER OF CENTRAL EXCISE HYDERABAD I (EHYD1)	COMMISSIONER OF CENTRAL EXCISE HYDERABAD I (EHYD1)	Representation of Mr. A. Narasimhulu Superintendent of Central Excise (Retd.) to release gratuity is considered in his favour and the Asst. Commissioner of Central Excise , Patancheru Division , vide letter C.No: II/39/19/2005-CIU/Hyd.1 dt: 06.07.2015- is directed to release gratuity with in a week.

STRUCTURAL REFORMS DESIGN

(Initial Thoughts & Next Steps)

The focus services identified for further analysis are studied in detail. The processes for the delivery of the service, the monitoring mechanism, and other aspects of service delivery have been studied as a part of the project.

For each one of the issues, the key root cause for the improper delivery of service is identified and studied, and a corresponding solution or recommendation is designed. These recommendations are arrived at in conjunction with the ministry representative.

Since, these issues faced by the departments at the Central level in India have been faced before by other organizations in both the private and public sector in both India and globally. The global and local learning's have been incorporated into the recommendations made for each one of the process reforms.

A detailed description of the root cause for the below par service quality, a proposed solution based on global and local best practices, and the current status of such an initiative being undertaken by the government has been mentioned in the following part of the report.

For each one of the issues, the problem has been broken into multiple parts in order to ensure that each aspect of the problem is addressed independently, while ensuring maximum impact.

Inefficiency in pensions release process

Issue analysis and proposed solution

Focus issue	Root Cause	Proposed solution	Current status
Pensions are not revised	Reforms for pensions process will be collated in a separate document applicable across CBEC, Railways and Ex-servicemen Welfare ministries		
Pensions are delayed			
Administrative errors (PPO misplaced, DOB wrong, etc.)			

Alleged malpractices at customs office

Issue analysis and proposed solution

Focus issue	Root Cause	Proposed solution	Current status
High custom calculation - incorrect exchange rate levied	<ul style="list-style-type: none"> Exchange rate fixed for 15 day period (not daily) – citizens lack awareness on duty structure 	<ul style="list-style-type: none"> Explore linkage of exchange rate (daily) guided by RBI with one used by customs office (fixed) Use of display boards, self-service kiosks to guide citizens on exchange rate calculation e.g. e-Filing of income tax 	No plan in place
Doctors register presence at multiple colleges	<ul style="list-style-type: none"> Agent fee structure not defined by department Punitive action taken against agent after grievance is filed 	<ul style="list-style-type: none"> Lay broad guidelines on commission rates for authorized agents Spread awareness amongst 1st time importers; clearly list authorized agents on website Make complaints process easy and accessible 	

Alleged malpractices at customs office

Issue analysis and proposed solution

Focus issue	Root Cause	Proposed solution	Current status
Shipment held long at customs office – no intimation to importer	<ul style="list-style-type: none"> Delay due to enquiry on missing info from importers, sometimes Mis-declared assessable value Airway bill number not provided, hence, unable to track parcel No central monitoring of parcel clearance % 	<ul style="list-style-type: none"> Spread awareness to improve citizen usage of central tracking system – helps with quick resolution of query raised by customs office Create competition within customs zones, reward best-in-class; Link KPIs of customs officer with clearance rate e.g. Swachh Bharat cleanliness index for wards, cities 	No plan in place

Issues with service quality

Issue analysis and proposed solution

Focus issue	Root Cause	Proposed solution	Current status
Officers regularly coming in late	<ul style="list-style-type: none"> • Staff frequently late; No tracking system to keep checks • No central performance monitoring leads to zero risk of penalty 	<ul style="list-style-type: none"> • Aadhar based IT attendance system, with central tracking of customs' employees • Link KPIs with attendance to incentivize/penalize as reqd. e.g. Attendance system at GoI offices for staff 	No plan in place
Rude behavior of customs' officers	<ul style="list-style-type: none"> • Shortage of staff to handle frequent customer queries. Hence, impatient attitude 	<ul style="list-style-type: none"> • Simplify admissions process to allow more applications for customs staff positions • Spread policy awareness among citizens through SMS, self-serve kiosks, display boards – reduce human dependence 	

The above suggestions will serve as the starting point for further discussions within the Ministries/Departments to ensure quality delivery of services & grievance redressal to the citizen.

Each Ministry/Department will have their own final definitions of these reforms which will be developed based on further discussions and deliberations.