

Memorandum

Before

The Fifth Pay Commission

Submitted by:

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Prologue

CTDOA AND ITS VISION

COMMERCIAL TAXES DIRECTORATE OFFICERS' ASSOCIATION (C.T.D.O.A) represents officers directly recruited to the West Bengal Commercial Tax Service (W.B.C.T.S.) through the combined West Bengal Civil Service (W.B.C.S) Examination, Group A, and are required to work in the Directorate of Commercial Taxes and elsewhere. Members of the association include,

- Commercial Tax Officer/ Profession Tax Officer
- Assistant Commissioner of Commercial Taxes/ Profession Tax
- Deputy Commissioner of Commercial Taxes/ Profession Tax
- Additional Commissioner Commercial Taxes and ex-officio Joint Secretary to Government of West Bengal
- Special Commissioner of Commercial Taxes and Special Secretary to Government of West Bengal.

For the last four decades, CTDOA has been relentlessly working righteously and responsibly to safeguard the legitimate service interests of its members as well as the interest of state revenue. Over the years, the association has distinguished itself with a healthy legacy of responsible collective behavior. This is reflected in the fact that the Government of West Bengal and all the previous Pay Commissions have recognized C.T.D.O.A. as an important organization representing the members of W.B.C.T.S.

This added sense of responsibility has emanated from the realization of the enormous importance of the role played by its members in the overall development effort of the state machinery. The association recognizes that

- ❖ Its members play a pivotal role in mobilization of resources of the Government of West Bengal as they are entrusted with the job of collecting State Sales Tax, Central Sales Tax, Value Added Tax (VAT), Profession Tax, Coal Cess and Cess on Petrol, Diesel for Infrastructure Development Fund that together account for well in excess of Sixty percent of state's own tax revenue.

In the federal structure of this country, most of the responsibilities of running the development and social welfare programmes rest on the state government. But the state is left with very limited resource generation powers. At present the states receive only 30.5 % of the share of central taxes. This feature of the existing system has further enhanced the reliance of the state governments on its most potent source of revenue, i.e. Sales Tax/VAT.

The State government depends heavily on the Directorate of Commercial Taxes to meet all essential expenditures like payment of salary and pension, funding various development and social projects like mid-day meal in schools, meeting emergency expenses like procuring relief materials for flood victims. [Table- V]

C.T.D.O.A. firmly believes that as public servants its members are eventually accountable to the common people at large. It is a matter of great privilege that our collective effort directly contributes to the welfare of the people. We are aware that each extra Rupee collected by us is one additional Rupee available to feed a hungry child. In fact, this sense of accountability and job satisfaction remains our strongest motivation.

However, with the onset of tax reform, advent of new technology, arrival of novel marketing strategies, the challenges of revenue collection are steeply on the rise. There has been a paradigm shift in the approach towards revenue monitoring. The erstwhile system of physical control is fast giving way to intelligence-based surveillance. A tax officer is required to be more cerebral and analytical than ever before. It is imperative that the very best talents join the service and strengthen the revenue mobilization effort, which is so important for the State to prosper and enable it to deliver welfare services to its people. We will further elaborate on this point in the subsequent chapters. A just and rational pay structure and smooth career advancement policy is an absolute necessary to attract the best talents.

The formation of the Fifth Pay Commission is a major step in that direction. C.T.D.O.A heartily welcomes formation of this Pay Commission headed by Sri S. N. Ghosh, I.A.S (retd.). The association takes this opportunity to submit this memorandum before the Commission. All the submissions made herein are based on the two fundamental principles –

- The suggestions for change will directly or indirectly serve public purpose by way of contribution to efficiency, productivity and accountability in public administration.
- The suggestions would be feasible and would be made after considering the decision taken by the Union Government on the recommendations of the Sixth Central Pay Commission in similar matters.

C.T.D.O.A expects that like previous Pay Commissions, it will get a call for interview to present its case before this Pay Commission as well.

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Chapter 1

INTRODUCTION AND BACKGROUND

“Where efficiency means more money, outlay on personnel should rightly be considered an investment and not expenditure” – Wanchoo Committee (Direct Taxes Enquiry Committee, Chaired by Justice K.N.Wanchoo).

*The
Global
Scenario*

1.0 We belong to an age when the concerns of national security by means of increased emphasis on military preparedness and stricter policing has increasingly been replaced by stronger concerns of economic progress and bringing about real changes in the material standards of living of the people. It has been realized through the experiences of the developed nations that initiating and carefully nurturing actual economic well-being of the people address many of the nagging problems of internal security and political unrest.

1.1 It is this new realization and more so through the global learning experiences we have seen a paradigm shift of our administrative focus from age-old coercive administrative control to the flood of various economic measures. It is this change of focus that has made the mechanisms of internal resource mobilization all the more crucial to the state administration.

INDIA TODAY

1.2 Ever since the onset of economic liberalization in India, way back in 1991, there had been a gradual but persistent shift in our approach towards economic development. Government's interventionist role towards steering the economy had started giving way to private enterprise. Not only did it help the economy tide over imminent crisis, but it also resulted in spectacular success.

*The
national
backdrop*

1.3 India today is one of the fastest growing economies of the world, coming second only to China in terms of rate of growth. Much of the economic development has been ably supported by the phenomenal growth in the federal revenue collection through Income Tax, Excise and Customs Duty, Corporate Tax, and Service Tax. This has been an eye opener for the states as well. The introduction of Value Added Tax in the fiscal year 2005-2006 has gone a long way to augment the state economies and contribute substantially to the state developmental projects.

REFORM INITIATIVES – WEST BENGAL CHAPTER

*Where
our
state
stands*

1.4 In consonance with this trend, a detailed reformation has already been initiated in our federal administration as well, in some of the economically advanced states, resulting in significant success. West Bengal, as a state, cannot but match this flow of nation-wide change in approaching administrative control through economic progress.

1.5 In fact, West Bengal too, had creditably participated in the nation wide process of economic development. However, much of its success in future is expected to critically hinge on creating an atmosphere of private investment, erecting the platform for trade and commerce and, more importantly, on unremitting attempt towards rapid industrialization.

1.6 Government's approach towards industry, therefore, would be the most important determining factor in this era of private investment driven growth for any state. In West Bengal, the only department that has got a distinct interface with the trade in general, and corporate world in particular, which is maintained in sustained manner, is the Commercial Taxes Directorate (CTD).

1.7 The National Institute for Smart Government (NISG) (www.nisg.org), the institution that is spearheading the e-governance initiatives for the Govt of India as well as other State Govts, and UTs had rightly identified the role of CTD in the changed scenario, when it observed '***Since the CT departments mainly interface with businesses and often account for 60% - 70% of the total revenue of the States and UTs, their functioning can directly affect the attractiveness of a State as a business destination.....'***

Chapter 2

FUNCTIONS PERFORMED BY WBCTS

WEST BENGAL COMMERCIAL TAX SERVICE (WBCTS)

2.2 West Bengal Commercial Tax Service was constituted for the purpose of administering various Revenue Acts, through collection, assessment, recovery and finally prevention of evasion of Sales Tax. It also administers Profession Tax, Coal Cess, and Cess on petrol.

2.3 Presently, having combined cadre strength of 1150 we are perhaps the only State Service engaged in collecting both **Direct** and **Indirect** taxes.

2.4 Officers of the Service man senior positions of the Directorate. Starting from Commercial Tax Officer to the Special Commissioner, members of the Service form the top echelons of the Directorate and take leading role in administering Revenue Acts for the state.

2.5 Majority of the officers of the Service are recruited directly through the prestigious West Bengal Civil Service Examination, Group-A. In terms of statistics, it is observed that over the years, a significant proportion of toppers of the WBCS Examination had preferred to join the Service. It speaks highly of the Service as unequivocal preference among the young talents, who have decided to take vital roles in the administration of the state

COMMODITY TAXATION

2.6 It is a well-accepted fact that taxation across the world, especially, commodity taxation is turning out to be the major revenue earner. This is a global phenomenon. It applies to developed economy and underdeveloped economy, as well. This is because it has the unlimited potential to expand in tandem with the nation's own growth process.

*The
whole
new
horizon*

2.7 In fact, commodity taxation remained a very dynamic field of study all over the world. It is encouraging that in terms of the pace of reform initiative in fields like indirect taxation, India is fast catching up with the world initiatives. The very exalted Kelkar Committee Report on the Implementation of Fiscal Responsibility and Budget Management (FRBM) Act, 2003 had emphasized on the emerging need for introducing single rate unified taxation regime across the country on every form of production and service. Indeed, reform measures of revolutionary dimension have already set in and we cannot afford to loosen our belt in the midway.

2.8 Very recently, in quick succession, the taxation system, particularly the commodity taxation had undergone a significant transformation all over the nation. Value Added Tax (VAT) was introduced. The state of West Bengal not only participated in the change but, in fact, had taken a leading role in ushering in the changes. The Finance Minister of the Government of West Bengal was the Chairman of Empowered Committee that had overseen the implementation of VAT. West Bengal Sales Tax Act 1994, has given way to West Bengal Value added Tax Act 2003. Though being very momentous in nature, it had been a seamless transformation.

2.9 It is unique in the sense that unlike many other states that outsourced professionals in the fields of taxation to oversee the change, such a makeover to new system was entirely brought about by the officers of the CTD in the State of West Bengal. For example, the State of Karnataka made a huge expenditure of 5.0 million dollars for introduction and implementation of VAT in their state, through a private agency. In fact, Dr. Asim Dasgupta, Finance Minister to the Government of West Bengal, who was also the Chairman of the Empowered Committee of State Finance Ministers, on nationwide implementation of VAT, had time and again expressed his unqualified appreciation for this singular feat on the part of the officers of CTD.

GOODS AND SERVICE TAX (GST) – A NEW HORIZON

2.10 The Directorate of Commercial Taxes is awaiting the introduction of Goods and Service Tax (GST). This is significant step towards integrating Indian Taxation system and development of a common market. In addition to taxing commodity or services, it's going to take an integrated look into the transaction structure in its entirety and would include the complete value chain of business processes. CTD is prepared to administer the new formulation, as well.

HOW WE ADMINISTER

Inherent challenges

2.11 Commodity taxation is an indirect form of taxation. But unlike other variants of indirect taxes like Customs and Excise, Sales tax is not collected upfront i.e. revenue authority does not get the entire tax at the point of incidence. It is only after a formal transfer of ownership of the goods and exchange of value consideration does the liability to pay Sales Tax takes shape. And even then, an elaborate assessment, appeal, and revision have to be completed before that officer is finally able to collect Sales Tax from the taxpayer. It makes the mobilization job all the more difficult and time consuming. At the same time, it makes any attempt of evasion comparatively easy. Officers are, therefore, given the onerous task of monitoring closely the business activity of dealers on one hand, and on the other keep vigil over the movement of goods.

2.12 The very specialized nature of our service requires administration of some very complicated taxation statutes. We have to work directly with as many as 14 Acts. That apart, for efficient discharge of duty, and for taking initiatives to monitor tax compliance by the assesses, hosts of other statutes are referred to from time to time. The number of such Acts is again 16. Thus the total number of Acts that we directly administer or need to have working knowledge of would go beyond 31 (**Annexure I & II**). In many cases, proficiency on those statutory provisions is also expected from us.

2.13 Members of WBCTS also contribute substantially in day-to-day office administration. Starting from the smallest check post or range office, to the charge and circle, members of the service are engaged in general administration, involving managing personnel and other allied domains. Even the smallest check-post has got a staff-strength of twenty to thirty personnel. The major anti-evasion wing, Central Section, for example, has a strength of not less than 200 officers and staffs.

2.14 Our basic job, however, remains enforcement, collection and assessment of tax by application of the provision of commercial and legal statutes. We are quasi-judicial authority

and our officers are pitted against taxpayers, represented by experts/professionals in the fields of law, company affairs, accountancy and commerce.

2.15 Legal acumen of the officers is tested every now and then in the Courts of law, as the orders they pass are contested in higher judicial forum on regular basis. It is worthwhile to note that the frequency of such litigation is an interesting indicator of how closely the revenue administration is being monitored by the higher forum of judiciary namely, the West Bengal Taxation Tribunal, Calcutta High Court and the Supreme Court.

2.16 With our limited resources and infrastructural support, we lock our horns with the white-collar economic offenders of the highest notoriety, and still emerge as winners.

ASSESSMENT AND COLLECTION

2.17 Assessment and collection constitute one of the cardinal aspects of the job of a WBCTS officer. Unlike Customs where an importer incurs his tax liability as soon as his consignment enters the area of Indian mainland, and has to pay off his entire liability before taking release of the imported consignment, in case of Sales Tax, the dealer incurs liability only when he has sold his goods. In other words, the Customs authority remains physically in possession of any imported goods, in its own notified area, till that importer has convinced the authority satisfactorily that all liabilities due that import has been cleared. For the Sales Tax authority, there is no such provision. The mere procuring (by importing from other Indian states or purchases from within the state) of any goods does not attract any liability. It is only after a sale has been effected (including sale by legal fiction, through the 46th Amendment of the Indian Constitution) that the dealer incurs any Sales Tax liability.

2.18 The same may be said about Central Excise or the State Excise. As soon as a set of manufactured goods leaves the manufacturer's own factory premises or the bonded warehouse in case of the State Excise, his tax liability is determined and payable. Sales Tax on the other hand, is not so linear, as it becomes payable on the point of sale in the market, and therefore, is assessed entirely on the basis of the dealer's voluntary disclosures of sales, examination of books of accounts and verification processes.

2.19 Taxation is one of the most complicated statutes. In fact, there are plethora of case laws, on the interpretation of apparently simple expressions like Sale, dealer, transactions etc. Assessment requires not only sound knowledge of taxation laws, but also mastery over accounts, commercial laws, business trends and above all, investigating bent of mind to unearth evasion from the well-prepared but manipulated accounts often produced by the assesses.

2.19 The newly introduced WBVAT Act has laid down certain checking points, which enables the officer to keep a tab on the dealer's liability before the completion of those two years, by way of Scrutiny (Section 41) and Return Verification (Section 42). These additional provisions are enabling the WBCTS officers to exercise surveillance and control of the dealer's genuineness of business affairs, as reflected in his books of accounts. There are other anti-evasion provisions, which are used to enforce the dealer's compliance.

AUDIT

2.20 With the introduction of VAT, a new area of work i.e Audit has come into existence. Audit by departmental officers are taken up in respect of those assesses whom the CCT

selects on the basis of certain risk parameters. In audit, officers have to examine the returns and check it with the books of accounts and other documents, including those submitted with Income Tax and Central Excise authorities. Further cross verification of purchase for checking misuse of Input Tax Credit (ITC) is also taken up.

2.21 In fact, in the VAT regime misuse of ITC is quite rampant. Since tax invoice is the only document, on the strength of which ITC is admissible, it has been noticed that unscrupulous dealers are rampantly issuing forged invoice without the corresponding movement of goods. It is a challenge before the audit authorities to check evasion of tax by means of fake invoices. At the same time, it may be stated that remarkable success has been achieved by the audit wing of CTD, through strict vigil and thorough examination. Thus, the audit officers are required to have sound knowledge of accounting principles, taxation statutes and commercial laws.

ANTI-EVASION OPERATION

The importance of economic offences had been repeatedly emphasized by the Supreme Court. In Mohanlal Jitmalji Porwal vs State of Gujrat (reported in AIR 1987 SC 1321), the Hon'ble Court held that though murder is a heinous crime, it affects an individual or a family, and it is committed in a fit of passion. Economic offences, on the contrary, are committed in a cool calculated design and they affect the entire society and national economy at large. Hence, they have to be dealt with firmly.

2.20 On one hand, when good governance requires government to take increasingly facilitating roles through citizen-centric measures, for revenue authority, such an incarnation needs to be supplemented by strong anti-evasion mechanism, so that perpetrators of economic offences do not get away scot-free.

Enforcement

2.21 Tracking movement of taxable goods and verification of transactions are foremost anti-evasion activity in case of administering commodity taxation. The anti-evasion wing of the Commercial Tax Directorate (CTD) has multiple tiers to check and restrict any attempt of evasion of tax. There are several check posts situated on the border of the state on highways, railway stations, and ports i.e. on almost every gateway through which goods would make movement into and out of the state. Ranges situated across the state and having respective territorial jurisdiction back these check posts. Central Section is placed over and above such Ranges. In fact, Central Section and Bureau of Investigation are in over all command of anti evasion wing of the Directorate.

2.22 Central Section is further bifurcated into various wings each having domain specific specialization. Preventive Wing monitors the movement of taxable goods. Officers patrol highways in and around the city round the clock, to check whether taxable commodities are being transported in accordance with law. In case of infringement, officers on duty intercept and detain the goods and bring the same for further physical verification of goods and examination of veracity of the pertaining documents.

2.23 As the financial stakes for such evasion is very high, offenders are prone to cause harm to the officers who are after them. Unfortunately, there is no semblance of any tangible security provision for the officers on duty. The basic nature of duty calls for tracking information and then surreptitious interception. Needless, to mention officers often had to risk their personal security for the revenue.

2.24 There are so many instances when they were either assaulted by the offenders or faced accidents while chasing consignments evading tax. But such a preventive action not only earns revenue in terms of penalty, but also sends a strong message to the delinquent dealers that any evading act will not go unpunished.

2.25 Investigation Wing, on the other hand, probes the evading activities of the dealers. Officers examine transactions, books of accounts of dealers to unearth evaded revenue.

LEGAL FUNCTIONS

2.26 The multifaceted efficiency of the officers of WBCTS finds expression also in the important role played by the State Representative in the West Bengal Taxation Tribunal. It was formed primarily to be a substitute for the High Court regarding adjudication of disputes relating to sales tax and several other State Tax statutes. Each bench of the Hon'ble Tribunal consists of not less than one judicial member (having the standing of a High Court Judge) and a technical member (senior bureaucrat having proven track record of revenue related expertise).

Challenges of litigation

2.27 While the aggrieved petitioners are represented before the Tribunal by the best legal brains, the CTD defends the cases mainly through State Representatives (senior officers not below the rank of Deputy Commissioner). The singular achievements on the part of CTD in the Taxation Tribunal are outlined in brief in **Annexure - III**.

2.28 There is also the West Bengal Appellate and Revisional Board, designated to hear only final appellate and revisional cases. It has seven benches, comprising of three judicial members and four technical members. Here also, the CTD is represented by Departmental Representatives (DR) who fights the best legal brains of the state.

INDUSTRIAL INCENTIVES

2.29 Government's close interface with the industry through CTD is duly exemplified by the fact that several incentive schemes for promotion of industrialization are administered by us. Such schemes are West Bengal Incentive Scheme, 1993 and Assistance to Industrial Units 1994.

2.30 Under the W.B.I.P Scheme, 1993 and 1999, the Govt. extends the benefit of tax holiday, remission and deferment to various newly set up industrial units in the State. It is the CTD, who issues the eligibility certificate to the deserving units and monitors its performance during the validity of the certificate. Thus on one hand, CTD is the operating agency for disbursement of Sales Tax related incentives (to units like Haldia Petrochemicals Ltd, Rasoi Ltd etc)) and on the other, it cancels such eligibility of the wrongdoers, who misuse the benefits.

2.31 Similarly, The West Bengal (Assistance to Industrial Units) Industrial Promotion Scheme was introduced in 1994. It provides for refund of a certain percentage of tax paid by

the dealers, if the assessing authority certifies that the goods have been manufactured in its own unit.

E-GOVERNANCE: THE FACE OF TOMORROW

2.29 The most prestigious National e-Governance Plan (NeGP) 2006 has identified Commercial Tax as the State Mission Mode Project (MMP). Sweeping changes are underway in terms of Govt Process Re-engineering (GPR). Commercial Tax Directorate (CTD) too, is also gearing up to offer various e-enabled services to its biggest stakeholders, the taxpayers in a large way.

2.30 The Detailed Project report (DPR) that outlined the prospective computerization of workflow, had been forwarded to the Union Govt for approval. Among the various departments of the Govt of West Bengal, CTD was perhaps the first to submit the DPR to the Department of Revenue, Govt of India. The entire project is to be funded by the World Bank.

2.31 Indeed, being in Govt sector, CTD is marching ahead of its time. It is the only organ of the Govt that has a distinct interface with the corporate world, given to regulate trade and business in the state. It needs tangible support, in terms of technological upgradation and development of Human resources to keep abreast with the corporate world and the pace with which it moves forward. The whole gamut of e-services offered by CTD is detailed in **Annexure IV**.

2.32 CTD is steadily advancing towards establishing a comprehensive networking of all its important offices spread across the state. Presently, all-important administrative units, including Charge and Circle offices are connected with the Central Sever at Beliaghata through Wide Area Network (WAN), utilizing the elite backbone of the West Bengal State Wide Area Network (WBSWAN). This apart, all the major check posts are connected with Managed Leased Line (MLL) of BSNL. In order to ensure uninterrupted connectivity, VSAT communication, as redundancy measure, is being put in place. In the next phase, we propose to include remaining offices, particularly the anti-evasion wing like Range/Central Section under the network, possibly by the end of current financial year.

2.33 It would not be an exaggeration to say that CTD is the torchbearer of e-governance initiatives in West Bengal, to all its offices spread across the state and providing quality e-Services to the vast multitude of tax-payers of diverse category. Incidentally, this stands in conformity with some of the suggestions laid down by the recently constituted Administrative Reforms Committee.

Chapter 3

Contribution of WBCTS

IMPORTANCE IN STATE REVENUE

3.0 Commercial Tax is the most important revenue regime so far as commodity taxation in a state is concerned. It is, essentially, the tax on sale and purchase of goods in a state (Sales tax). CTD is the sole authority to administer, monitor and mobilize Sales Tax in the state of West Bengal. The Directorate also administers tax on profession and callings (Profession Tax). Considering the importance of Commercial Tax in state's revenue, CTD was constituted under the Finance Department of the State Government to mobilize tax in an efficient way. Commercial Tax makes the highest contribution to the state's own source of revenue income 63% to State's treasury. Quite naturally, the officers of CTD have a crucial role cut out for the overall economic and social development of the state of West Bengal.

Table - I

Tax head	2003-04	2004-05	2005-06	2006-07	Total	Percentage of total
Sales Tax	4830.58	5716.30	6108.77	7079.02	23734.68	62%
Land Revenue	993.26	1132.55	917.10	962.69	4005.61	10.5%
Stamp & Registration duty	794.52	1006.53	1177.59	1258.57	4237.22	11%
State Excise	616.96	671.56	743.46	817.35	2849.34	7.5%
Taxes on vehicle	535.36	527.66	537.56	508.96	2109.56	6%
Electricity Duty	396.15	269.65	382.45	526.35	1331.92	3%

N.B. All figures are in Rupees Crores

Source: State Budget Publications

3.1 In fact, CTD delivers towards the state's development in a very unique way. On one hand, it has secured its rightful place in the market driven economy, where *supply tends to match the demand*; while on the other, being the integral organ of the Govt, it contributes through revenue mobilization, to ***match supply with the need***, in order to cater welfare governance of the state.

INDICES OF EFFICIENCY

3.2 Efficient tax administration had been one of the guiding factors of the success of CTD. Even when compared to other similar areas of indirect taxation, CTD's performance appears to stand out. For instance, if we consider the decadal growth rate, we would find that in a span of last ten years, growth of sales tax of the state fared reasonably well when compared to the similar growth of customs and central excise in the nationwide span.

Table- II

Year	Customs colln (in Rs. Crores)	Growth	Central Excise Colln (in Rs. Crores)	Growth	Sales Tax Colln (in Rs. Crores)	Growth
1996-97	42851		45008		2717	
2006-07	86327	101%	117613	161%	7079	161%

3.3 Another important feature indicating the efficient performance of CTD is reflected from the fact that the ratio of revenue collected to the expenditure incurred upon us is the highest in case of Sales Tax, amongst other comparable revenue department of the State of West Bengal. The following figures would speak for itself, which shows that each rupee invested in CTD fetches a return of Rs. 95.88 to the state. While the same with the other revenue earners of the state fall way behind. More importantly, the next big revenue earner viz Stamp & registration fares significantly low at 35.70 on that very important benchmark. The following table would illustrate further,

Table - III

Source of revenue	Revenue earned (in Rs crores)	Expenditure incurred (in Rs crores)	Revenue- expenditure Ratio
Sales tax	7079.02	73.83	95.88
Tax on vehicle	508.96	8.83	57.62
Stamp & Registration	1258.57	35.25	35.70
State Excise	817.35	38.53	21.21
Land Revenue	962.69	263.38	03.66

3.4 That apart, statistics reflect that quantum of Sales Tax collected in the state of West Bengal goes way above the combined tax collected from all other revenue heads mobilized from this state. The following illustrates the observation. It is important to note that Total tax collected by the Directorate of Commercial Taxes exceeds the sum total of contribution made by all the major sources of revenue viz. Corporation Tax, Personal Income Tax, Central Excise and Customs Duty by means of resource transfer by the Government of India.

Table - IV

Year	Corporation Tax	Personal I.T.	Central Excise	Customs	Total	C.T. Dte. (Incl. P. Tax, Cess)
2003-04	1449.20	863.52	1666.17	1139.75	5118.40	5740.32
2004-05	1817.26	1169.89	1776.1	1282.32	6045.57	6879.73
2005-06	1841.14	1297.86	1734.87	1300.01	6173.88	7253.28
2006-07	2654.63	1612.03	1761.59	1658.97	7687.20	8284.54

SERVICE RENDERED WITH HUMAN FACE

Social Accountability of CTD

3.5 CTD is continually upgrading its service standards towards the business fraternity, its biggest stakeholders. As application of Information and Communication Technology (ICT) tools is fast permeating into a credible instrument to promote quality of service, CTD has very conveniently adopted such means. We have already started delivering significant electronic-services to our clients. Taxpayers, who otherwise had to come down to

designated offices, within specified time to obtain such service would no longer have to do the same. Rather they would be able to avail those services **anytime-anywhere**. This is certainly going to go a long way for business promotion and consequently bring about economic development.

3.6 When we talk about services offered, we need to take into account the likely service recipients and profiles thereof. So far as Value Added Tax is concerned, presently we have around 2,20,000 registered dealers availing hosts of services on offer. The starting point may be marginal traders in a locality who were brought into the setup through our arranging of mass registration camps, spot surveys, and help desks, thus delivering services at their doorsteps. Then CTD also caters the highest business house of India or even abroad having its place of business in the state. As the profiles differ, so would the nature of services sought for. CTD has a dedicated wing, Corporate Division that solely caters big business houses, classified in terms of quantum of tax paid and turnover.

*Improved
people
orientation
and reaching
service to
their
doorstep*

3.7 When we would talk about social accountability, the foregoing para may still be the mere starting point. Under the Profession Tax Act, the stakeholders are further diverse in nature. In the state of West Bengal, CTD caters for 80,000 Registered Employers in the form of Institution or Organization having multiple employees in their payroll. Thereafter, the number of Enrolled Persons would go even beyond the massive figure of 15,00,000. Here again, the services are sought for and offered to one and all. The most interesting part of the story is that right from the daily wager paying Rs. 50/- per annum as profession tax to big institution paying substantially good amount of tax, all can avail the electronic services from CTD.

3.8 Our **social accountability** does not end here. An interesting account can be obtained from the following figures that go to show that resources mobilized through CTD can be conveniently utilized in meeting the annual expenses of several developmental initiatives of the Govt like infrastructure, health, sanitation, and flood control.

Table - V

Year	Revenue Receipts (Sales Tax) (in Rs. Crores)	Revenue Expenditure (Heads)	Amount (in Rs. Crores)
2006-07	7079.02	Police	1389.35
		Medical & Public Health	1408.90
		Urban Development	1397.33
		Water Supply & Sanitation	298.13
		Social Security & Welfare	832.77
		Relief	241.72
		Nutrition	175.17
		Rural Employment	258.14
		Road & Bridges	439.08
		Industry	266.76
		Local Bodies & Panchayats (Compensation)	376.05
		Total	7146.76

Source: Government of West Bengal Civil Budget Estimate for 2008-09 (General abstract of receipts and expenditure)

ROLES REDEFINED

*Renewed
emphasis
on CTD*

3.9 We prevail in an era when the spot light has again shifted on Government sector. Good governance has become a buzzword, as Government in its new incarnation is determined to take newer citizen – centric measures for improvement of the quality of life of the community at large. Keeping pace with the technological development, e-governance is fast taking the centre-stage of every Govt initiative.

3.11 There would very little denial that good governance will certainly depend on sound financial health of the Govt. The revenue authority contributed the most in that direction. For the State of West Bengal, CTD makes the most significant contribution to the State Govt. own sources of revenue.

3.13 The essential well being of the state today would largely depend on private investment driven economic growth. Whatever be the initiation, sustenance of private investment and industrialization would rely solely on the vibrancy of the departments like CTD. As, on behalf of the Govt, not only does it have direct interface with the corporate world, CTD is given to maintain a sustained linkage with the private enterprise, by means of regulating trade and commerce and administering tax.

Chapter 4

PRESENT STRUCTURE OF PAY AND CONDITIONS OF SERVICE

STRUCTURE OF PAY:

4.0 The present structure of pay in the West Bengal Commercial Tax Service (W.B.C.T.S.) are as under –

SCALE NO 21 (Rs. 18400-500-22400) [Only 2 fixed posts]



SCALE NO. 19 (Rs. 14300-400-18300) [Fixed 36 posts]



[End of C-A-S, movement on available vacancy]

SCALE NO 18 (Rs. 12000-375-18000)



[After 16 years of satisfactory service]

SCALE NO 17 (Rs. 10000-325-15525)



[After confirmation & 8 years of service]

SCALE NO 16 (Rs. 8000-275-13500) [At the entry level]

CAREER ADVANCEMENT SCHEME (CAS) : At present the time bound assured career advancement scheme or C-A-S starts with scale no 16 and ends at scale no. 18 in WBCTS within a span of 16(8+8) years.

OTHER PACKAGES OF BENEFITS:

4.1 Members of WBCTS are entitled to allowances and benefits that are normally available to all other members of constituent state services. However, for the sake of ready reference, the major ones are summarized below –

NATURE OF ALLOWANCE/ BENEFIT	AMOUNT/ RATE
Dearness Pay	50% of basic pay
Dearness Allowance	35% (upto31/10/08), 41% (from 01/11/08)
House Rent Allowance	15% subject a maximum of Rs 2000/-
Medical Allowance	Rs. 100 per month

Our suggestions on allowances and other benefits have been elaborated in chapter 6.

CONDITIONS OF SERVICE:

4.2 According to the Recruitment Rule of the WBCTS, not less than fifty percent members come by way of direct recruitment. Direct recruitment is done through the **West Bengal Civil Services (WBCS) Examination, Group A**, conducted by the West Bengal Public Service Commission (PSC). The post of Assistant Commercial Tax Officer is the feeder post to WBCTS. Direct recruitment to the post of Assistant Commercial Tax Officer is done through the West Bengal Civil Services (WBCS) Examination, Group C.

4.3 The integrated West Bengal Commercial Tax Service (WBCTS) comprises of the posts of Commercial Tax Officer (CTO), Assistant Commissioner of Commercial Taxes (ACCT), Deputy Commissioner of Commercial Taxes (DCCT) and Additional Commissioner of Commercial Taxes (Addl. CCT).

Crippling stagnation

4.4 A member of WBCTS joins the service in the post of Commercial Tax Officer (CTO) in scale number 16. He has to clear the departmental examinations conducted by the PSC for confirmation of service. After 08 (eight) years of continuous and satisfactory service, he becomes eligible to reach scale number 17 provided his service has been confirmed. But attainment of scale 17 does not automatically ensure movement to the next post of Assistant Commissioner of Commercial Taxes (ACCT). Appointment of CTO as ACCT on transfer on tenure basis depends on the vacancy position in the post of ACCT. A WBCTS officer gets scale 18 after 16 years but movement to the next higher post of DCCT once again depends on the number of available vacancies. Automatic movement to higher scale ends at scale 18. In order to get promoted to the post of Additional Commissioner in scale 19 one has to wait for vacancy.

4.5 At present, the number of posts in different tiers of WBCTS and in the post of Special CCT (in scale 21) in the West Bengal General Services is as under,

NAME OF THE POST	NUMBER OF POSTS
Commercial Tax Officer (CTO)	700
Assistant Commissioner of Commercial Taxes (ACCT)	325
Deputy Commissioner of Commercial Taxes (DCCT)	89
Additional Commissioner of Commercial Taxes (Addl.CCT)	36
<hr/>	
Total cadre strength of WBCTS	1150
Special Commissioner of Commercial Taxes (Spl. CCT)	02

4.6 The existing structure of pay and corresponding posts may be summarized as under –

Table – VI

Scale no.	Scale of pay (Rs.)	Name of the post	Time required to attain it
16	8000-275-13500	CTO	On joining WBCTS
17	10000-325-15200	CTO	After 8 Years
17	10000-325-15200	ACCT	<i>Depends on vacancy. Usually after 14-15 yrs.</i>
18	12000-375-18000	ACCT	After 16 years
18	12000-375-18000	DCCT	<i>Depends on vacancy. Usually after 26-27 yrs</i>
19	14300-420-18300	Addl. CCT	<i>Depends on vacancy. Most of the officers do not reach this level.</i>
21	18400-500-22400	Special CCT	<i>Only 2 posts. Very few officers can reach here.</i>

4.7 Given the number of posts in different tiers, it usually takes 14 to 15 years for a CTO to get the post of ACCT and another 12 years to become DCCT. This is where the journey stops for most members of WBCTS as there are only 36 posts in scale 19 and 2 posts in scale 21. ***The extent of acute stagnation can be understood from the fact that many direct recruit officers get only two lifts in their entire service life and have to retire in the post of DCCT.*** This tells upon the morale of the entire cadre.

SCALE OF PAY LINKED DESIGNATION:

4.8 In the lines of order passed with regard to other state services, the Government had recently declared introduction of Scale Linked Designation in WBCTS vide G.O. No. 585 F.T dated 4.4.08. The scheme is to be implemented, as soon as the procedural formalities including amendment of VAT Rules are completed. After full implementation of Scale Linked Designation in WBCTS, the situation will change to -

Table - VII

Scale no.	Scale of pay (in Rs.)	Name of the post	Time required to attain it
16	8000-275-13500	CTO	On joining WBCTS
17	10000-325-15200	DCCT	After 8 Years
18	12000-375-18000	Joint CCT	After 16 Years
18	12000-375-18000	Sr. Joint CCT	After 24 Years
19	14300-420-18300	Additional CCT	Depends on vacancy. Most of the officers do not reach this level.
21	18400-500-22400	Special CCT	Only two posts. Very few officers can reach this level.

4.9 Comparison of Table VI & VII shows that the benefit of Scale Linked Designation in WBCTS will be limited to attaining higher designation up to the scale 18 and thereafter will continue as before. It goes without saying that the service aspiration of direct recruit officer goes much beyond

getting various designations within scale 18. There is urgent need to remove stagnation up the order.

EXISTING PROMOTION POLICIES AND RELATED ISSUES

4.10 Only two promotion avenues are notionally open before the members of WBCTS – first, promotion to the post of Special Commissioner and second, promotion to IAS.

4.11 **Promotion to the post of Special Commissioner:** The post of Special Commissioner of Commercial Taxes in scale 21 is normally filled up by way of promotion from among the Additional Commissioners of Commercial Taxes. But the number of such posts is only two (02) and the possibility of promotion to the post of Special Commissioner for the vast majority of officers of WBCTS (with a cadre-strength of 1150) is practically non-existent.

PROMOTION TO I.A.S.:

4.12 Rule 8 of the IAS (Recruitment) Rules, 1954 read with the IAS (Appointment by Promotion) Regulation 1955 & the IAS (Appointment by Selection) Regulation 1956 provides that other than direct recruitment, the remaining posts are filled by way of promotion from State Civil Service (SCS) and by way of selection from among the non- State Civil Services (non-SCS).

4.13 Rule 8 as referred to above defines State Civil Service (SCS) as “any service or services, approved for the purposes of the recruitment rules by the Central government in consultation with the State government as member of which normally holds, for purposes of **revenue and general administration**, charge of a sub-division of a district or a post of higher responsibility.”

4.14 In West Bengal the WBCS (Executive) is recognized as the only State Civil Service (SCS) and WBCTS is considered a non- State Civil Service (non-SCS) for the purposes of promotion to IAS. 85% of the total number of posts filled in by way of promotion and selection occupied by the members of WBCS (Executive) service and members of WBCTS are made to share the remaining 15% posts with all other remaining constituent state services. As a result, the scope for promotion to I.A.S from W.B.C.T.S. is extremely limited at present. In fact at present, there is not a single serving member in the IAS who has been promoted from WBCTS.

SUGGESTION FOR CHANGE:

4.15 It is clear from above that as per existing regulation, State Civil Service (SCS) should include both revenue administration and general administration. But in our state only one service engaged in general administration is given the status of State Civil Service (SCS) at the expense of members of revenue administration. We demand immediate end to this irrational and prejudicial interpretation of State Civil Service (SCS) and demand recognition of WBCTS as a State Civil Service (SCS) for the purpose of promotion to IAS which accounts for the lion's share of state revenue. This will give justice to members of WBCTS that has so long eluded them.

4.16 **INTER-SERVICE DISPARITY:** Inadequate number of higher posts and lack of opportunities of promotion to IAS leads to another major irritant - **inter-service disparity**, particularly vis-à-vis the WBCS (Executive). A comparative summary in terms of the number of higher

posts in absolute number as well as a percentage of their respective cadre strength will give a clear picture about the extent of discrimination.

Table - VIII

	WBCS (Exe)	WBCTS
Cadre Strength	1767	1150
No of posts in scale 19	137	36
No of posts in scale 19 as percentage of cadre strength	7.75	3.13
No of posts in scale 21	13	02
No of posts in scale 21 as percentage of cadre strength	0.74	0.17
Present no of officers promoted to IAS	63	0
Total no of higher posts beyond C-A-S	213	38
Percentage of higher posts to cadre strength	12.05	3.30

4.17 The source of recruitment of WBCTS and WBCS (Executive) is the same and many members join the former **as a matter of choice and not as result of compulsion**. Most of the officers who have decided to join WBCTS could have also opted for WBCS(Exe) service. So any subsequent discrimination in career opportunities leads to simmering resentment in the rank and file of WBCTS.

We urge upon the Commission to eliminate all discrimination and restore parity in matters of pay and career opportunities.

Chapter 5

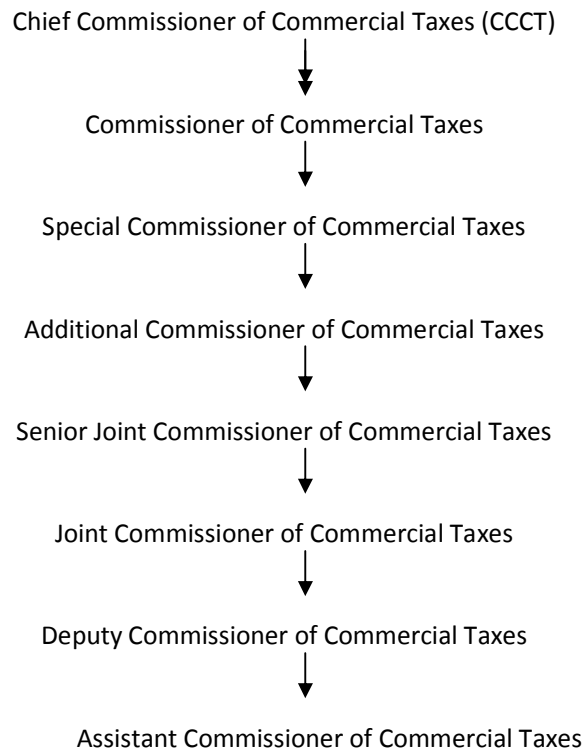
SUGGESTIONS FOR CHANGES IN PAY, CONDITIONS OF SERVICE AND PROMOTION POLICIES

RESTRUCTURING THE DIRECTORATE OF COMMERCIAL TAXES:

5.0 The Directorate of Commercial Taxes is an organization with rapidly expanding base. Only a little more than a couple of years back it has shifted to a multi-point Value Added Tax system from the erstwhile single point Sales Tax regime. Within the next two years it is going to greet a change of even bigger magnitude in the form of Goods and Service Tax (GST). The deadline to introduce GST has been set at 1st. April 2010. None other than Vijay Kelkar, Chairman of the 13th. Finance Commission, in a televised interview on 8th. November, 2008 has rated this as the biggest ever indirect tax reform in the history of the country. This will enable the States to collect tax on not just sale of goods but also sale or supply of services. With the growth of Indian economy, service sector now accounts for nearly 50% of national GDP. Hence, the possible impact of the change on state exchequer is going to be of an enormous proportion and the important role already played by the Directorate will certainly multiply significantly. So, the Directorate of Commercial Taxes should be gearing up to rise to the occasion. The most important component of this preparation will be on the human resource front – to attract the best candidates to join this Directorate of Commercial Taxes. The following suggestions for pay, promotion policies and conditions of service are made against this backdrop while the feasibility and administrative efficiency factor has been the general guiding principle.

5.1 PROPOSED STRUCTURE OF THE DIRECTORATE:

It is proposed that the upper echelon of the administration of Directorate of Commercial Taxes, which is principally responsible for administering and collecting revenue should consist of the following posts –



5.2 The most important difference of the proposed structure with the existing one is that the post of Commissioner of Commercial Taxes has been upgraded to the post of Chief Commissioner of Commercial Taxes as head of the Directorate. The post of CCCT may be filled in by a member of IAS but barring that post all other posts referred to above should be manned by members of WBCTS. Moreover, the first posting has been changed to Assistant Commissioner instead of Commercial Tax Officer as this will be consistent internally as well as in keeping with initial designation prevalent in other comparable services like Assistant Labour commissioner, Assistant Director of Audit and Accounts, Assistant Registrar of Co-operative Services and so on. Finally, it is envisaged that the posts from Assistant Commissioner to Commissioner of Commercial Taxes should belong to a common service for the sake of stability and continuity and ensuring a smooth career progression for the members of the service.

5.3 **CREATION OF STATE BOARD OF COMMERCIAL TAXES (SBCT):** Under the present system the Commissioner of Commercial Taxes (CCT) who comes from IAS remains at the helm of everything and is the repository of all legal and administrative powers. He determines the strategy and approach of revenue collection. Routine transfer policy requires that the incumbents change after three to four years. Every time a new incumbent comes in there is a near total overhauling of strategy and approach. The job of CCT is a very high content one as his day-to-day work involves a whole lot of complex legal technicalities. So it is natural that for a considerable time the new incumbent remains in a learning mode. But he is the sole decision taker at the top level. Therefore any small mistake on his part may cost the organization or the State dearly. Considering all this we propose that a State Board of Commercial Taxes (SBCT) comprising of Chief CCT (as Chairperson) and four senior-most officers of the Directorate in the post of newly designated Commissioner of commercial Taxes be created that will collectively function as the apex decision taking body of this Directorate. This will not undermine the institution of Chief CCT as he will be the ex-officio chairman of this Board. But it will lend more continuity, accountability, transparency and administrative efficiency in the functioning of the Directorate.

5.4 **APPOINTMENT OF COMMISSIONER OF COMMERCIAL TAXES AS MEMBERS OF W.B.T.T and W.B.A&R.B:** The West Bengal Taxation Tribunal (WBTT) and The West Bengal Appellate and Revisional Board (WBA&RB) are heavily burdened with pending cases. In order to ensure speedy disposal in the interest of State revenue, two benches in the WBTT and four benches in WBAR&B be immediately constituted and manned by Commissioner of commercial Taxes.

5.5 **FUNCTIONAL REQUIREMENT FOR THE POST OF CCT:** The total number of posts of Commissioner may be ascertained from the functional requirement as calculated below –

Table IX

POSTING	RESPONSIBILITY	No. of posts
W.B.T.T.	Technical Member	02
WBAR&B	Technical Member	04
S.B.C.T.	Member, General Administration & Establishment	01
S.B.C.T.	Member, Revenue	01
S.B.C.T.	Member, Tax Policy	01
S.B.C.T.	Member, Infrastructure	01
TOTAL		10

5.6 FUNCTIONAL REQUIREMENT FOR THE POST OF Special CCT:

Table - X

FUNCTIONAL AREAS	RATIONALE IN TERMS OF FUNCTIONAL REQUIREMENT OF SPECIAL COMMISSIONERS	Proposed no of posts
Administrative	The Commercial Tax Directorate has 17 administrative circles. Each circle has to be headed by a Spl. CCT in the new proposed set up and one Spl. CCT has to look after administration of the Head Qtrs. In many places outside Kolkata, territorial jurisdiction of one Circle comprises of more than one District and the head of the Circle needs to take up various administrative issues with the top administration of more than one District. So it is important from administrative point of view that head of the Circle should be a very senior officer.	18
Appellate	In the proposed new system the Additional Commissioners will be heading the Charge offices and man the Corporate Division. It is an essential requirement in a quasi-judicial set up that Special CCTs are to hear the appeal and revision cases generated from assessment done by Additional CCTs posted in different Circles including the Corporate Division.	20
In Charge of Information & communication Technology	An elaborate I.T network already exists and the Directorate is poised for a huge changeover to e-enabled services and embracing e-governance in a big way. There is need for a very senior officer to oversee this.	01
In Charge of Human Resource Management	Tax monitoring and collection highly specialised area which not only requires basic conception of law, accounting, IT and so but also continuous updating in the light of various court ruling, changes in accounting principals, arrival of new accounting software, policy reform should be headed by a very senior officer who is well conversant with all this.	01
In Charge of Law Affairs	Implementation of various Acts and Rules including the VAT Act forms the core activities of the Directorate. A very senior officer should be entrusted the important job to provide legal advice to field officers and review judgments that are passed by various courts and decide if the Directorate should prefer appeal in a higher forum for the protection of interest of revenue.	01
In Charge of Public Relation and RTI Act	The public relation section of the Directorate plays a big role in ensuring the organisation's accountability to the public. It gives verbal as well as written replies to innumerable public queries regarding provisions of law, it prepares and publishes trade circulars and departmental circulars, deals with per-budgetary representations and proposals, makes correspondences with the union government and other state governments on matters related to sales tax laws. The in-charge of this section has to attend seminars and symposiums organized by various trade bodies, bar associations and represent the organization in important forums. So this needs to be manned by a very senior officer.	01
In Charge of Profession Tax	The importance of the Directorate of profession Tax has grown enormously during the last ten years when its annual collection of Rs 140.01 Crores more than doubled itself to reach Rs 295.07 Crores in 2007-08. The Directorate has a presence in every district of the State	

	and in important sub-divisions monitoring and facilitating payment of tax by nearly one lakh registered employers and more than 15.5 lakh enrolled persons. Such huge organization should be headed by a very senior officer not below the rank of Spl CCT	01
Controller of Internal Audit and Vigilance	The job of assessment and revenue monitoring is largely technical in nature involving legal nuances and it needs expertise to conduct audit of the same and suggest improvements. This can always be better accomplished by an internal audit system rather than external one. So, in the interest of uniformity and accountability, there is need for a strong internal audit and vigilance wing headed by a senior most officer in the level of Spl. CCT as this will monitor works done by Addl CCTs as well	01
Coordinator of Anti-evasion activities	This Directorate has an elaborate anti-evasion network spread all over the states. It has 38 Checkposts and 09 Range offices for monitoring influx of goods in the state. Moreover, it has 03 Central Sections based in Kolkata, Asansol and Siliguri carrying out preventive, investigative work and verification both intra-state and inter-state transactions. It is absolutely necessary that there is coherence and co-ordination between these wings and they need to be supervised by a very senior officer with field experience.	01
Special Officer of Bureau of Investigation	The Bureau of investigation is a specialized wing that combines a police wing headed by an IG/DIG and civil wing comprising officers of WBCTS. Historically the bureau has played a significant role in detection and prevention of tax fraud and it has always been headed by a Civil authority, namely, the Special Officer (S.O). Considering the fact that the police wing is often headed by IG of police, the S.O. post should be manned by a very senior officer in the rank of Special Commissioner.	01
Joint Director of Policy Planning Unit	To assist the Director in framing and drafting policy regarding Sales Tax and Profession tax. Participation of a senior officer with vast field level experience will help formulate policies taking the practical problems into consideration.	01
State Representative	State Representatives have to take on professional and reputed lawyers in order to defend state revenue in the West Bengal Taxation Tribunal. It requires vast knowledge and working experience to accomplish this job. So it is important that this job is assigned to the senior most officers with tested skill and expertise.	04
TOTAL		51

The proposal for 10 CCT and 51 Special CCT looks quite moderate when compared to the fact that in West Bengal alone the Department of Income Tax has 13 Chief Commissioner and 77 Commissioners of Income Tax only to generate substantially lower revenue compared to the Directorate of Commercial Taxes.

5.7 PROPOSED PAY STRUCTURE AND INCREMENT:

An attractive pay package, smooth career and job satisfaction form the core instrument to attract new entrants to a service and help the in service members develop and maintain efficiency and productivity. We have elaborated in the opening paragraph of this chapter why this Directorate needs to attract the best talents. The proposed pay structure has made an attempt in that direction and urges the Commission to appreciate this fact. Secondly as asked by the Commission in its

notification dated 18/9/08, we have used the decision taken by the Central Government on the recommendations made by the Sixth Central Pay Commission. On the basis of this, the pay structure of members of WBCTS are proposed as under –

TIME	Pay Band (Rs)	Grade Pay (Rs)	DESIGNATION
On Joining	15600-39100 [PB3]	5400	Assistant Commissioner
After 4 Years	15600-39100 [PB3]	6600 + two increments	Deputy Commissioner
After 9 Years	15600-39100 [PB3]	7600 + two increments	Joint Commissioner
After 13 Years	15600-39100 [PB3]	8700 + two increments	Sr. Joint Commissioner
After 16 Years	37400-67000 [PB4]	10000	Additional Commissioner
On promotion - Proposed no of posts 51	37400-67000 [PB4]	11000	Special Commissioner
On promotion – Proposed no of posts 10	37400-67000 [PB4]	12000	Commissioner

INCREMENT: We propose increment at a rate of four per centum (4%) of Basic Pay, including Grade Pay.

5.8 ASSURED CAREER ADVANCEMENT SCHEME:

In order to ensure a smooth career path like that available to central government officers, the Assured Career Advancement Scheme should start from PB3 with Grade Pay Rs.5400 and extended upto PB4 with Grade Pay of Rs.10000 within a span of 16 years (preferably in a 4-9-13-16 format) from the date of joining. This will give officers of the service the much needed sense of assurance and help them deliver better services for state revenue.

5.9 NAME OF THE SERVICE: The officers are recruited through a combined State level Civil Service Examination and the officers so recruited are engaged to collect the lion's share of State revenue. We think the name of the service should reflect these two facts and the name should be changed from West Bengal Commercial Tax Service (WBCTS) to **West Bengal Civil Service (Revenue) or WBCS (Revenue) in short.** It is important to note that similar suggestion was made by the first Pay Commission.

5.10 INTEGRATED SERVICE: The West Bengal Civil Service (Revenue) should be an integrated service like the existing WBCTS comprising of the following posts - Assistant Commissioner in Pay Band Rs 15600-39100 with Grade Pay – Rs 5400, Deputy Commissioner in Pay Band Rs 15600-39100 with Grade Pay – Rs 6600 plus two increments, Joint Commissioner in Pay Band Rs 15600-39100 with Grade Pay – Rs 7600 plus two increments,, Senior Joint Commissioner in Pay Band Rs 15600-39100 with Grade Pay – Rs8700 plus two increments, and Additional Commissioner holding Pay Band Rs 37400-67000 with Grade Pay Rs 10000, Special Commissioner holding Pay Band Rs 37400-67000 with Grade Pay Rs 11000 and Commissioner of commercial taxes holding Pay Band Rs 37400-67000 with Grade Pay Rs 12000/-.

5.11 **DEPUTATION POSTING:** At present there is hardly any scope for deputation posting outside the Directorate of Commercial Taxes.

SUGGESTIONS FOR CHANGE: Applications of the knowledge of Sales Tax and VAT laws are not confined within the four walls of the Directorate of Commercial Taxes. This point may be elucidated with a couple of examples. For instance, when an investor comes to the state and wants to know about the prevalent investment opportunities, one of his major concerns is the provisions of sales tax and availability of exemptions and concessions if any. In fact the Government of West Bengal has elaborate schemes of tax incentive for industrial promotion. One senior officer deputed to the Department of Industry and Commerce or the West Bengal Industrial Development Corporation can render effective service to satisfy this need and advise prospective investors.

We can take another example in the form of Sales Tax Deduction at Source (STDS). As per law (Section 40 of WBVAT Act,03') , every department of the government, any government undertaking, local authority, co-operative society, educational institution, promoter, bank, hospital or nursing home etc are required to deduct tax at the time of payment to any contractor against any works contract according to the relevant provisions of West Bengal Value Added Tax Act 2003 and deposit it properly to the government exchequer. The Disbursing officer is personally liable for such deduction and deposit. To protect the interest of revenue, it is desirable that one senior officer is posted on deputation in each important expenditure departments like **Municipal Affairs, Panchayat and Rural Development, PHE, PWD, Irrigation**, and so on, to co-ordinate and monitor the matter within the concerned department as well as with the Sales Tax Directorate. He will make sure from within the department that Sales Tax is deducted at source as per provisions of law.

Considering the importance of the job we propose that officers in the rank of Additional Commissioner of the Directorate of Commercial Taxes be deputed to such departments.

5.12 **The benefits of the Fifth Pay Commission should be made effective from 01.01.06 in keeping with the recommendations of the Central Pay Commission.** Attention may be drawn to the denial of the same during the previous Pay Commission's recommendation, which resulted in substantial financial losses to the beneficiaries.

Chapter 6

Special Pay and other Allowances

Dearness Allowance

6.0 This allowance is generally paid to the employees to compensate them for erosion of the real value in income due to inflation. Prior to implementation of the Fifth Central Pay Commission, the benefit of 100% neutralisation of inflation was awarded to the lower categories of employees only, on the assumption that the employees drawing higher salary would be able to absorb the impact of price rise to a certain extent. The Fifth CPC has observed anomaly in such differential neutralisation and recommended:

“ The Government's conscious intervention in removal of the unjust practice of differential neutralisation of DA is a must. Accordingly, we recommend that inflation neutralisation be made uniform at 100 per cent at all levels.”

6.1 The Central Government had accepted and implemented this recommendation calculating the DA with reference to the AICPI (IW) average (base 1982=100), as on 01.01.1996 of 306.33 and which was admissible twice in a year i.e. on 1st January and 1st July of each year. Later the Government merged 50% of the DA with the Basic Pay w.e.f. 01.4.2004 and the DA continued to be calculated with the basis as referred to above without changing the basic, consequent to the merger.

6.2 The Government of West Bengal had also followed it treating 50% the DA as Dearness Pay with effect from the same date, but only for the officers of the West Bengal Judicial Service, including the Higher Judicial Officers, vide Order dtd. 25.11.2004 bearing No. 14743-J/JD/2A-06/98 (Pt.). It was done on the recommendation of the First All India Judicial Service Pay Commission (Sethy Commission Para 18.14). However, the frequency and quantum of DA given to all other State Govt. employees were merely on adhoc basis, without considering any realistic basis for computation of the increase in cost of living, the frequency of DA revision and the extent to which neutralization of such increase should be given. Thus, the State Government had totally disregarded the established formula adopted by the Central Govt. for their employees and which incidentally, was followed by the State Govt. for the judicial officers. The State Govt, on the other hand, had adopted similar formulation with effect from 01.04.2007 only. As a result, in the intervening period of three years, disparity of income had persistently widened and our financial hardship on account of rapid price rise had virtually reached an intolerable stage, which is further elaborated in the following tables:

Table - XI

Period	Total months	DA for the Central Govt. employees	DA for the State Govt. employees	Difference of the DA (%)	Actual difference of DA(**)	Total difference of DA(%)	Total difference during the year
1.9.05-30.11.05	3	71	55	16	24	72	90%
1.12.05-31.12.05	1	71	59	12	18	18	
1.1.06-28.2.06	2	74	59	15	22.5	45	201%
1.3.06-30.6.06	4	74	61	13	19.5	78	
1.7.06-31.8.06	2	79	64	15	22.5	45	
30.9.06-31.12.06	4	79	67	12	18	72	
1.1.07-31.3.07	3	85	71	14	21	63	198%
**1.4.07-30.6.07	3	85	74	11	11	33	
1.7.07-31.12.07	6	91	74	17	17	102	
1.1.08-31.5.08	5	97	79	18	18	90	126%
1.6.08-31.8.08	3	97	85	12	12	36	

** Since Central Govt. had merged 50% of DA with the Basic Pay before arriving at the eventual DA, from 01.04.2004 onwards, the actual difference of DA was, in effect, 150% of the arithmetical difference. Such situation continued till 31.03.2007, when State Govt. too followed similar merger of DA, in line with the Central Govt.

Table - XII

Scale No. 16 to 21	Basic Pay (Rs.) with increments(1st Jan)	Year involved 01.9.05-31.8.08	Total difference of DA(%)	Amount (Rs.) involved	Total Loss for last 03 years
	8000.00	2005-06(part)	90	7200.00	
16	8275.00	2006-07	201	16633.00	51882.00
8000-275-13500	8550.00	2007-08	198	16929.00	1441/- per month
	8825.00	2008-09(part)	126	11120.00	
	10650.00	2005-06(part)	90	9585.00	
17	10975.00	2006-07	201	22060.00	68667.00
10000-325-15200	11300.00	2007-08	198	22374.00	1907/- per month
	11625.00	2008-09(part)	126	14648.00	
	12750.00	2005-06(part)	90	11475.00	
18	13125.00	2006-07	201	26381.00	82024.00
12000-375-18000	13500.00	2007-08	198	26730.00	2278/- per month
	13875.00	2008-09(part)	126	17483.00	
	15100.00	2005-06(part)	90	13590.00	
19	15500.00	2006-07	201	31155.00	96765.00
14300-400-18300	15900.00	2007-08	198	31482.00	2688/- per month
	16300.00	2008-09(part)	126	20538.00	
	19400.00	2005-06(part)	90	17460.00	
21	19900.00	2006-07	201	39999.00	124185.00
18400-500-22400	20400.00	2007-08	198	40392.00	3450/- per month
	20900.00	2008-09(part)	126	26334.00	

6.3 From the aforesaid discussion it is amply clear that the members of the West Bengal Commercial Tax Service have suffered the monetary loss ranging from Rs. 1500/- to Rs. 3500/- per month during the last several years. We, therefore, demand that DA rates which is essential for 100% neutralization of inflation i.e. in accordance with the formula as being implemented to the Central Government employees and also for the Judicial Officers of our State be implemented for our service, as well.

Special Allowance

6.4 It was on the basis of the specialized nature of the job of WBCTS that Special Pay was sanctioned to the officers of the cadre, in 1994-95, vide G.O. no 1024 F.T. This system remained in vogue for the next ten years after which it was withdrawn, despite the fact that even today such works require the officers to stay way beyond office hours, or they need to put in the same considerable effort in terms of legal knowledge and accounting skills.

6.5 Recently, Special Allowance has been reintroduced, but selectively to only one service (360-F dated 11.1.08) without citing any apparent reason. Even The Fourth Pay Commission recommended Special Pay for the post of Inspector Of Commercial Taxes (now ACTO), whose job happens to originate from the desk of a WBCTS officer. If citing reasons of importance in revenue collection remains the point of consideration then the actual responsibility of such remains with the officers of WBCTS.

4.6 Now, it is an established fact that the officers of WBCTS are engaged in jobs, which are not only diverse but also multi-dimensional in nature, beginning from being revenue administrators to quasi-judicial authorities, from auditors to investigators, and from assessing authorities to tax recovery officials. It can only be argued that apart from the requirements of legal knowledge, command over latest management techniques, and accounting skills, officers of the WBCTS deserve Special Pay/Allowance. Special Pay sanctioned to the officers of WBCTS, earlier, was Rs. 200/- p.m. and Rs. 300/- for scale no 16 & 17 respectively. Considering the imminent changes in the pay scales, Special Pay should be given now at the rate of Rs. 300/- p.m. for Commercial Tax Officers, Rs.500/- p.m. for Deputy Commissioners, Rs. 700/-p.m. for Joint Commissioners, Rs. 1000/- p.m. for Senior Joint Commissioners, and Rs. 1200/- for Additional Commissioners, to the officers of WBCTS.

Special Pay for the State Representative

6.7 The demand for special pay for the State Representatives was placed before the Fourth Pay Commission. But it was not accepted precisely on two expressed grounds as the Commission observed that duties of State Representative are an integral part of their duties and responsibilities and there are no sanctioned posts with separate rules of recruitment for performing their duties. We find that the issue might not have been explained before the Commission in its actual perspective.

6.8 In fact, duties of the State Representative (SR) are never an integral part of their actual duties and responsibilities. The State Representative is not empowered by the WB VAT Act or other Sales Tax related Acts. WB VAT Act, like the previous Sales Tax Act enjoin that all officers of the CTD would perform their respective duties in exercise of power conferred upon him by the Commissioner in terms of Sec 6(1) of the Act read with Rule 3 of the WB VAT Rules. Under these aforesaid provisions, the Commissioner cannot and does not delegate his power to the State Representative to perform his duties, notwithstanding the fact that the latter is an officer of CTD. In fact, his performance is governed by the West Bengal Taxation Tribunal (WBTT) Act, an altogether independent Act in itself.

6.9 The State Government appoints the State Representative by a separate notification following a prescribed procedure. Such procedure of appointment of the State Representative is enshrined u/s 17(2) of the WBTT Act, which reads *The State Government may appoint one or more persons (whether legal practitioners or not) as its representative to act or plead before the Tribunal. No person, other than the State Representative, can plead on behalf of the Govt.*

6.10 As a matter of fact, the Taxation Tribunal also adjudicates cases under taxation statute, like the State Excise and Agricultural Income Tax etc. But these departments appoint legal professionals to plead their cases on behalf of the Govt. The appointment of State Representative by CTD goes to speak of the acknowledgement of expertise of the officers who perform such duty against, perhaps the best legal brains in the circuit.

6.11 Considering the high importance of roles performed by the State Representatives in guarding State revenue, often in battles of skill and expertise of very high order (a snapshot of such importance is elaborated in paragraph 2.26 and 2.27 as well as in annexure – III), and the extent of cost savings Govt. is making on account of legal expenses that could have incurred otherwise had professionals been entrusted, we propose that Special Pay of Rs. 5000/- per month be given to those appointed as State Representative.

Sumptuary Allowance

6.12 It is a well-accepted fact that very few other services do have the same privilege of meeting people on a regular basis. It is a commonplace that in discharge of their customary duties, the officers of the WBCTS have to meet with the representatives from the business houses as well as from the general public. The visitors mostly comprise professionals in the field of trade and commerce, starting from Chartered Accountant, Cost Accountant, Advocate to the Director, Partner and Proprietor of the business house. It needs to be appreciated that in accordance with the lofty Indian tradition, the officers have to offer courtesy to their visitors, in the conventional form of tea/coffee and snacks. As there is no existing provision of fund, the officers have to strain their own pocket to meet such expenses, which essentially are very regular in nature. Thus, in the process, the officers stand unduly discriminated.

6.13 In the matter of tax-free sumptuary allowance, the First All India Judicial Service Pay Commission (Sethy Commission) has categorically observed:

"We have come to know that the amount at the disposal of the Principal District Judge for the purpose of "hospitality" is found to be too inadequate. It is not even sufficient to meet the expenses of any official meeting.

It is not correct to state that the Judicial Officers do not have visitors at home and there is no need to extend courtesy. They may not have visitors from the public, but members of the Bar, judicial fraternity and staff of the Courts very frequently visit every Judicial Officer. It is an Indian tradition to offer courtesy to the visitors in the form of tea/coffee along with some eatables. It is, therefore, necessary to provide sumptuary allowance to each of them." (para 19.79 &19.80)

6.14 It is worth noting that the Govt. of West Bengal has already sanctioned sumptuary allowance to all the members of the West Bengal Judicial Service including the members of the erstwhile West Bengal Higher Judicial Service w.e.f.01.11.1999 by the Order Dt.09.02.07 vide Order No.722 J/ JD/ 2A-03 /07 on the recommendation of the Sethy Commission (as made under paragraph no. 19.81).

6.15 Keeping in mind the valuable observation of the First All India Judicial Service Pay Commission, and the consequent sanction of the sumptuary allowance to the judicial officers by the State Govt. we also demand for according similar tax-free sumptuary allowance to all the members of the West Bengal Commercial Tax Service in order to make good such additional yet mostly unavoidable expenses incurred in the process. The details are the following,

1.	Assistant Commissioner	: Rs. 1500/-
2.	Deputy Commissioner	: Rs. 1750/-
3.	Joint Commissioner	: Rs. 2000/-
4.	Sr. Joint Commissioner	: Rs. 2250/-
5.	Addl. Commissioner	: Rs. 2500/-
6.	Spl. Commissioner	: Rs. 3000/-
7.	Commissioner	: Rs. 3500/-

House Rent Allowance.

6.16 The demands of residential accommodations in the Metro Cities like Delhi, Mumbai including Kolkata are increasing with the every passing day, principally due to rapid growth of population and economic development. Consequently, the house rents for such A-1 cities have reached at a very high level. The Fifth Central Pay Commission had duly acknowledged the ever-increasing market rate of the house rent and recommended different rates of HRA in accordance with the classification of the cities based on the population criteria. Accordingly, the Central Govt. implemented 30% HRA for the employees of A-1 cities including Kolkata. But till today, the State Govt. employees of West Bengal are given out only 15% HRA, including the officers of the WBCTS. As a result, there exists a yawning gap between the two classes of employees, surviving though, in the same economic ambience. Today, the financial hardship has virtually reached its summit and can be easily gauged from the following table,

Table - XIII

Scale No.	Years involved w.e.f.1.4.04	Basic Pay (Rs.)	Dearness Pay (Rs.)	Total (B.P.+D.P.) (Rs.)	H.R.A. for Central Govt. Employees	H.R.A. for State Govt. Employees	Difference of H.R.A. (Rs.)	Total Amt. involved (Rs.)	Loss in last 53 months (Rs.)
16 (8000-275-13500)	2004-05	8000	4000	12000	1800	1200	600	7200	33703 i.e.636/-per month
	2005-06	8275	4138	12413	1862	1241	621	7452	
	2006-07	8550	4275	12825	1924	1283	641	7692	
	2007-08	8825	4413	13238	1986	1324	662	7944	
	2008-09	9100	4550	13650	2048	1365	683	3415	
17 (10000-325-15200)	2004-05	10650	5325	15975	2396	1598	798	9576	44572 i.e.841/-per month
	2005-06	10975	5488	16463	2469	1646	823	9876	
	2006-07	11300	5650	16950	2543	1695	848	10176	
	2007-08	11625	5813	17438	2616	1744	872	10464	
	2008-09	11950	5975	17925	2689	1793	896	4480	
18 (12000-375-18000)	2004-05	12750	6375	19125	2869	1913	956	11472	55230 i.e.1042/-per month
	2005-06	13125	6563	19688	2953	1969	984	11808	
	2006-07	13500	6750	20250	3038	2000	1038	12456	
	2007-08	13875	6938	20813	3122	2000	1122	13464	
	2008-09	14250	7125	21375	3206	2000	1206	6030	
19 (14300-400-18300)	2004-05	15100	7550	22650	3398	2000	1398	16776	82374 i.e.1554/-per month
	2005-06	15500	7750	23250	3488	2000	1488	17856	
	2006-07	15900	7950	23850	3578	2000	1578	18936	
	2007-08	16300	8150	24450	3668	2000	1668	20016	

	2008-09	16700	8350	25050	3758	2000	1758	8790	
21 (18400- 500- 22400)	2004-05	19400	9700	29100	4365	2000	2365	28380	135707 i.e.2561/- per month
	2005-06	19900	9950	29850	4478	2000	2478	29736	
	2006-07	20400	10200	30600	4590	2000	2590	31080	
	2007-08	20900	10450	31350	4703	2000	2703	32436	
	2008-09	21400	10700	32100	4815	2000	2815	14075	

Box - I

- **The Central Govt. has merged 50% of the DA with Basic Pay w.e.f. 01.04.2004 whereas the State Govt. implemented its own model of merger w.e.f. 01.04.2007, for the purpose of enhancement of DA only and not for the purpose of calculation of HRA**
- **The difference of HRA is calculated here taking into account the HRA @ 15% for both the central and State Govt. employees.**
- **The loss incurred by the members of WBCTS varied from Rs. 636/- to Rs. 2561/- per month and if the admissible rate of 30% for A-1 city like Kolkata is taken into consideration, the financial loss suffered by us comes to Rs. 2544 /- to Rs.10244/- per month.**

6.17 In view of the highly unjust differential implementation of HRA for the State Govt. employees of Kolkata and their resultant financial hardship, we suggest that the HRA for the members of WBCTS in the A-1 City like Kolkata should be increased from 15% to 30% keeping parity with the Central Govt. employees and also considering the inordinate increase in the monthly rents for the residential accommodation in the Metropolitan cities. We also demand that 20% HRA should be considered for the smaller cities/towns other than Kolkata in accordance with the prevailing market rates.

6.18 The existing system of ceiling of HRA (for individual employees and also for husband and wife taken together) has seriously undermined its real purpose. Considering the high prevailing rates of house rent and the resultant pay differential, the state government employees have to suffer immensely vis-à-vis their central government counterpart (as summarized in the box above), there should not be any provision for ceiling whatsoever.

6.19 In respect of the officers staying at the Check-post and Range Offices and working round the clock, we demand residential accommodation of 1000 sq. ft. carpet area to be provided to concerned officials free of cost. Moreover, we demand that suitable Govt. accommodation in Kolkata and other districts should be earmarked for the officers of WBCTS.

Fixed Travelling Allowance

6.20 Travelling allowance is required by all officers of WBCTS, to facilitate their frequent travel to the dealer's place of business and ensure that the business is being conducted as per the provisions of the law, especially with regard to the collection of revenue. The officers of WBCTS enjoy a Fixed Travelling Allowance (FTA) of Rs.275/- p.m. But this is proving to be highly inadequate in the face of frequent increase in fares of train, bus, and taxi. In 1994-95, when the FTA was last hiked, the minimum fare in a public bus was Rs. 1.50/-. Today, it has gone up to Rs. 4/-. In other words, the cheapest mode of public transport has undergone a threefold increase. The taxi fare has increased even more. From the minimum of Rs. 5/- it has gone up to Rs. 22/- i.e. more than four times. So the existing FTA is grossly inadequate and is seriously restricting the movement of the officers of WBCTS. This is bound to have an adverse impact on the performance of the officers of WBCTS and finally on the collection of revenue, as well.

6.21 Moreover, the FTA sanctioned for the officers of WBCTS for the first time was Rs.210/-p.m. At that time, the basic pay was Rs.2200/-p.m. Therefore to extend the same logic, taking into account the new basic pay, similar benefit to the officers of WBCTS need to be increased by at least six times. We therefore demand that the FTA should be increased to at least Rs.900/-p.m.

Medical Allowance

6.22 Medical allowance is an integral part of pay and emoluments at all levels of service. Needless to say that an officer has to provide for the regular as well as exigent medical bills for himself and family. With the soaring cost of medical expenses in India, the present allowance is too insignificant and is virtually of no use at all. Instead, the officer has to fend for all those expenditures from his own earnings. Under these circumstances, we suggest that the commission should recommend an insurance scheme covering death, accident, and other medical treatment of the officer and his family**, through a comprehensive coverage for an amount of at least Rs. 1000000/- (Ten lakh rupees) from any nationalized Insurance company on a cashless basis. This comprehensive insurance policy should be applicable in all private and government hospitals or nursing homes.

6.23 A substantially large section of WBCTS members, during the course of their preventive anti-evasion works, are exposed to, not so infrequent accidents, which may lead to permanent physical disability. In the past, in such exigencies, the hapless victims had to arrange for their medical expenses, in the event of such accidents while on duty, even at the ridicule of own family members. This obliges us to propose to make adequate provisions for complete reimbursement of medical treatment of all on duty accidents for the officers of WBCTS.

** Family means husband, wife, children, dependent parents, and unmarried dependent sisters, if any.

Conveyance Allowance

6.24 While carrying out tasks as ordained, officers of WBCTS get exposed to personal and physical threats. There are occasions when dealing with anti-evasion activities, where the monetary stake is very high, the officers often face threatening circumstances. Such threat perception, being faced by a WBCTS officer, has further heightened in the last few years. The situation warrants that an officer

at the entry level is to be provided with a dedicated vehicle. Such a vehicle could be hired, if required.

6.25 In the All India Judges case, the Apex court directed all state governments to provide conveyance for district judges and judicial officers noting specifically that the direction had become necessary, as judicial officers should not be forced to travel along with litigants and lawyers. In many sensitive cases, they carry records in some disturbed areas.

6.26 The Supreme Court formulated a questionnaire to all high courts seeking replies to inter alia "*If a judicial officer owns a car, how much petrol allowance may be provided for use of his car for office purpose.*" Most of the high courts recommended between 75 to 100 liters of petrol per month. It was finally recommended by the Judicial Commission that judges should be provided with fuel to the extent of 75 liters for A and A1 grade cities and to the extent of 50 liters per month for district centers. This apart, it was also recommended that officers owning scooters should be given 25 liters of fuel or equivalent price thereof per month. For officers not owning cars, it was recommended that a pool car be made available to accommodate 4 officers plus driver for transport from residence to office and vice versa. The Sixth Central Pay Commission has recommended a transport allowance for the purpose mentioned above to the extent of Rs 3200/- per month for the Central Govt officers.

6.27 Now, considering the fact that the very nature of the job of the officers of WBCTS closely resemble that of the judicial officers and further entails the duties of revenue administration, investigation, audit and assessment, which forces the officers to be on the move for a substantial portion of his duty, a conveyance allowance is suggested.

6.28 So far the question of quantification of such allowance is concerned, it is seen from the preceding paragraphs above that for A and A1 grade cities the recommendation was 75 liters of petrol and for the district centers 50 liters per month granted in case of judicial officers. The monetary equivalent of such grant would be Rs 3750/- and Rs 2500/- respectively. The average is calculated at Rs 3125/-. It is further seen that even for officers being transported in pool cars the expenses calculated per officer was Rs 3000/- per month.

6.29 It is worthwhile to note that the Sixth Central Pay Commission has recommended a similar figure for the central govt officers, being Rs 3200/- per month as transport allowance. Considering all the points forwarded above, it is proposed that a conveyance allowance of Rs 3500/- be recommended for the officers of the WBCTS.

Women employees in WBCTS

6.30 Keeping in view the dual responsibilities borne by working women and the increasing practical difficulties in balancing work and family responsibilities, previous Central and State Pay Commissions made recommendations for providing special facilities for women in terms of provision of residential accommodation for single women, provision of transport facilities, etc. The provisions made by the Central Government for women employees include age relaxation for appointment in Group 'C' and 'D' posts, exemption from educational qualifications for compassionate appointments to widows of deceased Government employees, maternity and paternity leave benefits, guidelines for provision of crèche facilities as well as for posting of husband and wife at the same station.

6.31 In this background it is considered that adequate facilities need to be provided to ensure that more women take up public employment and to enable them to balance the dual

responsibilities of looking after children and work. In pursuance of this, it is suggested that the Commission should make the following recommendations: -

- (i) The concept of staggered working hours needs to be introduced for women employees, as it would give flexibility to employees to work either early or late depending on their requirements at the home front. Under this scheme, 11 AM to 4 PM will be core hours during which all women employees will necessarily need to be present in the office. They will, however, have the option of either coming up to one and a half hours earlier or leaving up to two hours late depending upon the actual time they have clocked in. The time may be adjusted in case the office follows different work hours. For this arrangement to succeed, biometric entry/exit would be required. Above all it is clarified that this facility will be available to those women employees having children up to the age of 16.
- (ii) The concept of childcare leave exists in countries like Japan & Netherlands where women employees are allowed leave to look after the needs of their children. A similar facility needs to be extended in State Government, as it will facilitate women employees to take care of their children at the time of need. All women employees having minor children may, therefore, be allowed total leave of up to two years (i.e. 730 days) for taking care of up to 2 children whether for rearing the children or looking after any of their needs like examination, sickness, etc. Childcare leave should also be allowed for the third year as leave not due. However, no childcare leave shall be given for a child who is eighteen years of age or older.
- (iii) The setting up of these crèches should be made mandatory in offices where the employees, male and female, have preschool or primary school going children. This will enable male employees also to keep their children in such crèches. These crèches could also be run on contributory basis so that appropriate standard of facilities is maintained.
- (iv) Maternity leave of 135 days is presently permitted to women employees for two children. Further, leave up to a period of one year can be availed of in continuation of maternity leave. Keeping in view the guidelines of Ministry of Health & FW which recommends nursing of children till the age of 6 months, maternity leave should be increased from 135 days at present to 180 days. Further, the period of leave, which can be availed of in continuation of maternity leave, should be increased to 2 years instead of one year at present.

Personal Telephone re-imburement

6.32 In this age of revolutionary development of communication technology, officers are not just confined to their respective office desks in discharge of their duties. Particularly, for the sake of good governance, empathetic administration and more importantly, in anti-evasion operations for a revenue department, officers are constrained to work beyond office hours, from residence using their personal communication facilities. On time without numbers, such prompt efforts on the part of officers have yielded significant impact in terms of revenue. This, otherwise, would not have been possible had they stuck on to their prescribed office facilities only. In the present context, such efforts find little recognition. Therefore, it is highly expected that at least a portion of the officers' personal telephone expenses be reimbursed, so as to provide the necessary incentive to carry on with their job with alacrity.

6.33 In this connection, it may be mentioned that in the recent past, the Hon'ble Finance Minister had already made an announcement to this effect, before the members of the Joint Convention of State Services, and in fact extended the facility to some of the state services, vide G.O. no.5822/1(130)-F, dated 19.08.08. The G.O announced a personal BSNL landline telephone bill reimbursement of Rs.600/- every two months. A similar facility should immediately be extended to the officers of WBCTS.

Concurrent / Additional Charge Allowance:

6.34 Often it so happens that due to administrative exigencies officers are made to hold concurrent / additional charges and perform multiple duties. Such exigencies arise out of various reasons like special expertise, shortage of manpower, etc. Officers who are asked to take additional charges are required to perform duties in addition to their assigned routine job and therefore, have to put in substantial amount of extra effort.

6.35 The nature of duties performed by members of WBCTS, are physically challenging and intellectually demanding as well. So, if the period of additional charges exceeds ten working days, it needs to be compensated with concurrent/ additional allowance @ 10% of basic pay along with proportionate DA. It needs to be pointed out that similar allowance has been recommended by the First All India Judicial Service Pay Commission (Sethy Commission) (para 19.155) for officers of the Judicial Services and system of such extra remuneration for addition charge/ work is also in vogue for Central Govt employees.

Training in Professional Courses

6.36 In the recent past, the Govt has taken major initiatives for tax reforms, including reform of tax administration with an emphasis on reducing interface between the tax payers and administration; imparting greater transparency and minimizing discretion so as to ensure efficiency and recognition of merit and honesty. A significant contributor to the effectiveness of the administrative machinery has been recognized to be a credible human resource development policy, which offers opportunities for excellence and career advancement through a proper placement strategy.

6.37 This has happened at a time when research on commodity taxation is happening in full swing, globally. Officers of WBCTS cannot afford to be insulated from the ongoing exercise of imparting professionalism in the field of revenue administration. Particularly when, the two vital parameters of efficient functioning are the *statute* and *human resources*.

6.38 Since training on courses like public administration and law are so important in sharpening the skills of the officers, towards better delivery mechanism, officers of WBCTS need to be given opportunity to undertake similar courses at national and international levels, at the institutional

patronage. This investment towards such human resources development is expected to reap rich dividends in the present era of professionalism and cutthroat competition.

Transfer Relocation Allowance

6.39 The officers of WBCTS are now required to move over long distances several times in their career. If the Pay Commission is considering parity, or even comparing the Government pay and perks with the private sector, the transfer allowance should be discontinued and re-location allowance should be introduced in its place. The relocation allowance should take care not just of the cost of packing and journey allowance, but also the mental disruption of the officer's family for uprooting them and placing them in a totally new place with very little support system. Needless to say, such disruption affects the young child in the family the most.

6.40 We, accordingly, would like to propose that a re- location allowance at 25% of the gross annual pay of the officer be granted if the transfer is done to a place less than 300 kms from the current place of posting, and 40% of the gross pay if the transfer is beyond 300 kms.

Leave Travel Concession

6.41 One glaring discrimination that officers of the WBCTS face in comparison to their Central Govt counterparts is the virtual absence of any Leave Travel Concession. This is one of the commonest forms of perks offered with any decent job both in private and public sector. State Government officers have suffered for a substantially long period of time on this count. Central Govt. officers or those employed in Govt undertakings seem to enjoy similar benefits and therefore this gives rise strong sense of deprivation in the members of the service. This issue needs to be addressed with top priority by conferring analogous benefits that of the Central Govt.

6.42 Accordingly, we request the Pay commission to recommend Leave Travel Concession be made available once in a year and the facility be allowed by air and train with the following entitlements-

Pay Range	Entitlements
PB-3 and Grade Pay Rs 5400	Y class by air/ AC II tier by train
PB-3 and Grade Pay Rs 6600 and above	Y class by air/ AC first class
PB-4	J class by air/ AC first class

Home Travel Concession

6.43 Moreover, the officers of WBCTS get transferred at frequent intervals, thus requiring movements across the state. Accordingly, to facilitate that WBCTS officers are able to visit their hometowns at proper intervals it is suggested that Home Travel Concession be made available once in a year. Further, the facility be allowed by AC II tier/ AC first Class as per seniority.

Allowance for Law books and Periodicals

6.44 Officers of the WBCTS, as already discussed, frequently need to refer to law books, journals and related periodicals. The essential nature of their duty calls for remaining abreast with the latest changes not only in the Sales Tax laws and other administered laws, but with the current economic and financials situations as well. It has to be appreciated that only a constant updation with the

latest developments on the national legal and financial fronts can bring about a qualitative improvement in the standards of orders pronounced by them while officiating as quasi-judicial authority. It should also be borne in mind that these judgments stand the test of judicial scrutiny and would go on to ensure the best possible revenue yield as well as justice for the assesses.

6.45 To facilitate this improved governance and effective revenue administration, we suggest sanctioning of an allowance of Rs 6000 per annum.

Robe Allowance

6.46 It was mentioned earlier that orders passed by officers of the CTD in discharge of their regular duty are so frequently contested in the higher Courts of Law. Important among them are West Bengal Revisional and Appellate Board and West Bengal Taxation Tribunal. The latter is equivalent to the status of single bench of High Court. In these esteemed legal forum, State Representatives (SR) and Departmental representative (DR) who are the departmental officers, represent the CTD. There is a statutory prescription for the *put on* of the representatives, as enunciated in the West Bengal Taxation Tribunal Regulations, 1989, vide notification no. 2- T.T dated 05.01.1989 (Sl no. 9 under the caption ***Dress for appearance before the Tribunal***).

6.47 That apart, the report of the First All India Judicial Service Pay Commission (Sethy Commission) was eloquent in underscoring the need for the good condition of such attires while presenting the case in legal podium for the judicial officers. They observed,

"...dress is an index of man's character. The clean and decent dress is also a part of the disciplined life. It also gives satisfaction. The judicial officers cannot afford to be shabbily dressed whether on the dais or of the dais. Particularly, he is a center of gravity in the court room, if not a center of attraction. It is, therefore, necessary that he should be decently dressed." (para 19.49)

Unfortunately, similar need was never met in case of officers of the CTD doing the similar kind of job, though the need was felt for over the years.

6.43 Keeping in mind the desired standards of such prescribed uniforms to be used by the senior officers of CTD engaged in such job, and the prevailing market price thereof, we, therefore, demand that an amount of Rs 12000/- (once in three year) to be granted as Robe Allowance.

Chapter 7

Retirement benefits

Issues relating to retirement

7.0 Keeping in view the increased life expectancy and the improvement in Health index and the vast expertise gained by WBCTS officers during the course of their careers, it is suggested that the retirement age should be raised to 62 years. This will not only benefit the Government in terms of retention of experienced and skilled personnel, it will also reduce the expenditure on salaries for replacements.

7.1 A retiring officer's greatest predicament is the general downgrading of his quality of life. With a heavily depleted salary and absence of other perquisites he is left to fend for an increasing medical bill and other social and familial commitments against the spiraling inflation. We therefore suggest some corrective measures that would enable the retiring person to manage his downgraded financial status in a more comfortable manner. In this context the foremost suggestion is to keep the interest rate of Provident Fund at around 10% to offset the inflationary pressure, hovering around 11 percent.

Pension and other benefits

7.2 The most important matter that a government servant faces with his approaching retirement is the impending drop in his standard of living as we have already discussed in the previous paragraph. In this context we would like to suggest some changes in officers' post-retirement emoluments.

7.3 At present an officer of WBCTS or under any of the constituted state services is entitled to full pension only after completing 33 years of service. Now we know that the highest qualifying age limit for entering in any of these services has been raised from 25 years to 30 years. As a result, several candidates close to that maximum age limit are entering these state services. It means that a lesser and lesser number of candidates therefore get the opportunity to complete thirty-three years of service. In the process they are deprived of receiving the benefit of full pension, which adds to his/her economic woes. We therefore suggest that the eligibility for receiving full pension be revised to thirty years of service, instead of thirty-three years.

7.4 The other post-retirement benefit that needs to be upgraded is leave encashment. At present an officer is allowed up to a maximum of three hundred days of unused leave encashment. However, considering the job involvement, quantum of responsibility in governance, an officer rarely gets the opportunity to exercise the options of leave. As such the average accumulated Earned leave of an officer, serving full term, goes way beyond the maximum permissible number of encashable E.L. In effect this amounts to an officer being made to work more with the same pay. This acts as a disincentive and can be addressed by increasing the maximum number of encashable Earned Leave to at least Five hundred days.

7.5 Gratuity is another area that needs immediate revision. At present the maximum limit for gratuity is fixed at Two hundred and fifty thousand rupees. Now with the impending upward

revisions in the pay scales, there should not be any upper limit. The supporting calculation would elucidate this suggestion of ours.

Gratuity payable=(Last drawn basic + Admissible DA) x (length of service/2)

Comparative study of gratuity

Existing

Upper limit of Scale no 21- Rs22400

Gratuity = {Rs (22400) + 85% of Rs 22400} x (33/2) =Rs 683780/-

Upper limit of gratuity Rs 2,50,000/-

Proposed

Upper limit of Scale no 21- Rs (67000+10000)

Gratuity = {Rs (77000) + 16% of Rs 77000} x (33/2) =Rs 1473780/-

No upper limit proposed.

Chapter 8

CONCLUSION

8.0 In the field of indirect taxation, one of the vital tasks of a sound tax regime is not merely encouraging compliance and thereby reduce transaction costs; it is creating capacity for revenue generation for the exchequer. This criterion finds greater importance in a developing country such as ours. Revenue buoyancy is a function of the good governance on one hand, and while the latter, in turn, is directly dependent on the revenue generated and thus completing the circuit. In this new era of private investment driven growth, tax is expected to have a very linear relationship with overall economic growth of the state. The focus, therefore, should necessarily be on facilitation of economic activity and enforcing compliance.

8.1 Professionalism in revenue administration cannot, therefore, be counted out. Thus, recommendations such as relating to better administration, training, increased use of automation, better enforcement, etc. would certainly improve revenue collections through improved compliance and lower leakages. But all this is only possible by having the best brains on the job. And that becomes feasible through an attractive pay package, perquisites or allowances with a good future prospect of career enhancement.

8.2 It is no denying that the economy of our state is at a critical juncture in its efforts to accelerate growth and employment in order to rapidly reduce poverty and improve quality of life. The bottom line is to set in place a user friendly and transparent tax administration in tune with the best international practices. The understanding is that such measures would improve voluntary tax compliance and reduces the transaction costs and, thus arrests the trend of falling tax to GDP ratio.

8.3 The need is to retain the best talents in the administration for speedy and effective formulation and administration of changes in such indirect tax administration. It also needs to be emphasized in this context that under the terms of the Fourth Pay Commission the pay and other benefits came into effect two years after the due date, resulting in a huge financial loss to the beneficiaries. In order to ensure that the same is not repeated in the Fifth Pay Commission, the date of effect should be 1.1.06

8.4 In the end it should also be borne in mind that even relative discrimination of service prospects amongst co-equal service functionaries may lead to very serious demoralizing effects on the overall performance of the entire cadre, and this can be more damaging than the denial of actual financial benefits.

8.5 The preceding paragraphs have attempted to bring out the multifarious tasks expected to be performed by a WBCTS officer in the changed scenario. The disparity in pay, facilities, service conditions, etc. has also been starkly projected. The talent and expertise gained over the years in service, needs to be utilized in the best possible manner for good governance and it is here that the legitimate demands and aspirations of the WBCTS require to be addressed, without further delay. We would therefore like to end our memorandum before the commission by referring to the famous observation of Nicholas Kaldor, the eminent economist and exponent of expenditure tax, "*It is fundamentally wrong to pay officers, on whose attitude and conduct very large sums of money depend, at such extremely meagre rates.*"

Chapter 9

Brief Synopsis of Salient Points

COMMERCIAL TAXES DIRECTORATE OFFICERS' ASSOCIATION (C.T.D.O.A) represents officers directly recruited to the **West Bengal Commercial Tax Service (W.B.C.T.S.)** through the combined West Bengal Civil Service (W.B.C.S) Examination, Group A, and are required to work in the **Directorate of Commercial Taxes** and elsewhere. Members of the association include officers in different tiers starting from Commercial Tax Officer in existing scale no. 16 to Special Commissioner in existing scale 21.

- The members of C.T.D.O.A play a pivotal role in mobilization of resources of the Government of West Bengal as they are entrusted with the job of collecting State Sales Tax, Central Sales Tax, Value Added Tax (VAT), Profession Tax, Coal Cess and Cess on Petrol, Diesel for Infrastructure Development Fund that together **account for well in excess of Sixty percent of state's own tax revenue.**
- However, with the onset of tax reform, advent of new technology, arrival of novel marketing strategies, the challenges of revenue collection are steeply on the rise. There has been a paradigm shift in the approach towards revenue monitoring. The erstwhile system of physical control is fast giving way to intelligence-based surveillance. A tax officer is required to be more cerebral and analytical than ever before. It is imperative that the very best talents join the service and strengthen the revenue mobilization effort, which is so important for the State to prosper and enable it to deliver welfare services to its people.
- The Directorate of Commercial Taxes is an organization with rapidly expanding base. Only a little more than a couple of years back it has shifted to a multi-point Value Added Tax system from the erstwhile single point Sales Tax regime. Within the next two years it is going to greet a change of even bigger magnitude in the form of **Goods and Service Tax (GST)**. The deadline to introduce GST has been set at 1st. April 2010 and this is billed as the biggest ever indirect tax reform in independent India.
- As the Directorate of Commercial Taxes is poised for a big leap, it needs a major overhauling of its administrative setup.
- Present Structure of Pay:

Scale no.	Scale of pay (Rs.)	Name of the post	Time required to attain it
16	8000-275-13500	CTO	On joining WBCTS
17	10000-325-15200	CTO	After 8 Years
17	10000-325-15200	ACCT	<i>Depends on vacancy. Usually after 14-15 yrs.</i>
18	12000-375-18000	ACCT	After 16 years
18	12000-375-18000	DCCT	<i>Depends on vacancy. Usually after 26-27 yrs</i>
19	14300-420-18300	Addl. CCT	<i>Depends on vacancy. Most of the officers do not reach this level.</i>
21	18400-500-22400	Special CCT	<i>Only 2 posts. Very few officers can reach here.</i>

In the lines of order passed with regard to other state services, the Government had recently declared introduction of Scale Linked Designation in WBCTS vide G.O. No. 585 F.T dated 4.4.08.

The scheme is to be implemented, as soon as the procedural formalities including amendment of VAT Rules are completed. After full implementation of Scale Linked Designation in WBCTS, the situation will change to -

Table - VII

Scale no.	Scale of pay (in Rs.)	Name of the post	Time required to attain it
16	8000-275-13500	CTO	On joining WBCTS
17	10000-325-15200	DCCT	After 8 Years
18	12000-375-18000	Joint CCT	After 16 Years
18	12000-375-18000	Sr. Joint CCT	After 24 Years
19	14300-420-18300	Additional CCT	Depends on vacancy. Most of the officers do not reach this level.
21	18400-500-22400	Special CCT	Only two posts. Very few officers can reach this level.

- **Present Promotion Policy** : At present there are two promotional avenue to members of W.B.C.T.S. – (1) Promotion to the post of Special Commissioner and (2) Promotion to I.A.S.
- The number of post of Special Commissioner is only two. So, the scope for promotion to the post of Special Commissioner is extremely narrow.
- **Promotion to I.A.S.** In West Bengal the WBCS (Executive) is recognized as the only State Civil Service (SCS) and WBCTS is considered a non- State Civil Service (non-SCS) for the purposes of promotion to IAS. 85% of the total number of posts filled in by way of promotion and selection occupied by the members of WBCS (Executive) service and members of WBCTS are made to share the remaining 15% posts with all other remaining constituent state services. As a result, the scope for promotion to I.A.S from W.B.C.T.S. is extremely limited at present. In fact at present, there is not a single serving member in the IAS who has been promoted from WBCTS.
- **We demand immediate end to this irrational and prejudicial interpretation of State Civil Service (SCS) and demand recognition of WBCTS as a State Civil Service (SCS) for the purpose of promotion to IAS which accounts for the lion's share of state revenue.**

INTER-SERVICE DISPARITY: Inadequate number of higher posts and lack of opportunities of promotion to IAS leads to another major irritant - **inter-service disparity**, particularly vis-à-vis the WBCS (Executive). A comparative summary in terms of the number of higher posts in absolute number as well as a percentage of their respective cadre strength will give a clear picture about the extent of discrimination.

Table - VIII

	WBCS (Exe)	WBCTS
Cadre Strength	1767	1150
No of posts in scale 19	137	36
No of posts in scale 19 as percentage of cadre strength	7.75	3.13
No of posts in scale 21	13	02
No of posts in scale 21 as percentage of cadre strength	0.74	0.17
Present no of officers promoted to IAS	63	0
Total no of higher posts beyond C-A-S	213	38
Percentage of higher posts to cadre strength	12.05	3.30

The source of recruitment of WBCTS and WBCS (Executive) is the same and many members join the former **as a matter of choice and not as result of compulsion**. Most of the officers who have decided to join WBCTS could have also opted for WBCS(Exe) service. So any subsequent discrimination in career opportunities leads to simmering resentment in the rank and file of WBCTS.

We urge upon the Commission to eliminate all discrimination and restore parity in matters of pay and career opportunities.

SUGGESTIONS FOR CHANGE:

- The name of the service is proposed to be changed from West Bengal Commercial Tax Service (WBCTS) to **West Bengal Civil Service (Revenue)** [see para 5.9]
- Immediate creation of a Five member **State Board Of Commercial Taxes (SBCT)**, comprising of The Chief Commissioner (as Chairman), and Four Commissioners of Commercial Taxes (as Members)- [see Para 3.3, 3.4, and 3.5.]
- Integrated Service should be extended to the post of Commissioner and Special Commissioner Commercial Taxes. [see para 5.10]
- Assured Career Advancement Scheme should start from Junior Time Scale and extended up to Super Time Scale within a span of 16 years (preferably in a 4-9-13-16 format) from the date of joining (see para 5.8).
- Creation of 51 posts in the rank of Special Commissioner Commercial Taxes is proposed and the functional requirement is shown in table X (pages 25 to 27)
- Creation of 10 posts of Commissioner of Commercial Taxes is proposed and functional responsibility is shown in table IX (page 25)
- The restructured WBCS(Revenue) [previously W.B.C.T.S] should comprise of the following posts - Assistant Commissioner, Deputy Commissioner, Joint Commissioner, Senior Joint Commissioner, Special Commissioner and Commissioner of Commercial Taxes in the following pay scales -

Time period/ no. of posts	Pay Band (Rs)	Grade Pay (Rs)	DESIGNATION
On Joining	15600-39100	5400	Assistant Commissioner
After 4 Years	15600-39100	6600 + two increments	Deputy Commissioner
After 9 Years	15600-39100	7600 + two increments	Joint Commissioner
After 13 Years	15600-39100	8700 + two increments	Sr. Joint Commissioner
After 16 Years	37400-67000	10000	Additional Commissioner
Fixed no of posts 51	37400-67000	11000	Special Commissioner
no of posts 10	37400-67000	12000	Commissioner

Increment should @ 4% of basic pay (including grade pay)

At present there is hardly any scope for deputation posting outside the Directorate of Commercial Taxes. In the interest of state revenue as well as to promote industrialization in the state, we

propose that officers in the rank of Additional Commissioner of the Directorate of Commercial Taxes be deputed to such departments as **Municipal Affairs, Panchayat and Rural Development, PHE, PWD, Irrigation, Commerce and Industry(page 29)**.

➤ The recommendations of the Fifth Pay Commission should come into effect from 01.01.2006 (see para 5.12).

➤ Introduction of some new allowances as under

a) Special Allowance

a. A Special Allowance has been sanctioned selectively to one service, denying the same to many others, despite fulfilling the same criterion. We demand the same for all members of the WBCTS for performing a job of very special nature (see para 6.4 to 6.6)

b) Special Pay for the State Representative

Despite the rejection of the proposal for Special Pay to the State Representatives, we feel the need for re-emphasis, as the job of the SRs are certainly special and exclusive in nature, demanding legal skills of very high order to match the best legal and accounting brains. Contrary to the wrong notions, an SR's scope of work extends beyond the ambit of his regular activity (see para. 6.7 to 6.11)

c) Sumptuary Allowance

The job of the WBCTS officer requires constant interaction with executives from the business community who need to be hosted with a certain level of dignity. It is only too reasonable to demand a sumptuary allowance to meet these day-to-day expenditures of tea/coffee, in the interest of state revenue (see para 6.8 to 6.12)

d) Conveyance Allowance

Considering the nature of the job that necessitates that all quasi-judicial officers maintain a distance from all litigants and lawyers, while traveling to and fro from work, for safety and other reasons, a conveyance allowance of Rs.3500/- is proposed. This proposition has already been accepted by the Central Pay Commission (see para 6.24 to 6.29).

e) Transfer Relocation allowance

Considering the fact that a WBCTS officer is transferred a number of times in his career and has to get settled in those places of work along with all the logistical support, he must be supported by a Transfer Relocation allowance (see para 6.39 and 6.40)

f) Robe Allowance

The job of the Departmental Representative and State Representative requires a certain dress code, including attires that are recommended by the court of law. For maintaining the standards of attire a Robe Allowance of Rs.12000/- is proposed (see para 6.41 and 6.42)

g) Personal Telephone re-imbusement

In consonance with the G.O regarding the re-imbusement of telephone bills from the rank of Dy. Secretary and above, the same should be extended to the DCCTs and above (see para 6.32).

h) Concurrent / Additional Charge Allowance

A WBCTS officer often has to bear the additional responsibility of a fellow officer's job for days and months, when the later is on leave. This additional work-load needs to be compensated with additional pay in the form of Concurrent/Additional Charge Allowance (see para 6.34 and 6.35).

i) Allowance for Law books and Periodicals

A WBCTS officer constantly needs to consult law books and law journals for which an annual grant of Rs.6000/- is proposed (see para 6.39 and 6.40).

j) Training in Professional courses.

A WBCTS officer should constantly upgrade his knowledge of law and personnel management to be in tune with the changing trends of revenue administration (see para 6.36 to 6.38).

- Changes in existing allowances
 - a) Increase in House Rent allowance from 15% to 30% without any upper limit(see para 6.16 to 6.19).
 - b) Disbursement of Dearness Allowance at par with the recommendations of 6th Central Pay Commission (see 6.0 to 6.30).
 - c) Introduction of cashless Insurance scheme covering life, health and accident benefits instead of Medical Allowance (see para 6.22).
 - d) Extension of Leave Travel Concession and Home Travel Concession to once in a year (see para 6.20).
 - e) A personal BSNL landline telephone bill reimbursement of Rs.600/- every two months should be extended to the officers of WBCTS from the rank of DCCT onwards (see para 6.32).
- Retirement age should be extended to 62 years (see para 7.0)
- Interest rate on Provident Fund should be hiked to at least 10%(see para 7.2)
- Full pension eligibility should be brought down to 30 years of service instead of 33 years (see para 7.3).
- Leave Encashment limit should be extended from the present 300 days to 500 days (see para 7.4).
- The upper limit of Gratuity should be scrapped. (see para 7.5).

Annexure I**Acts administered**

	Sl. No.	Acts Administered	Remarks
Basic Act	1	Bengal Finance Act 1941	West Bengal was included after independence
	2	Adaptation of Bengal & Punjab Acts 1948	Post Independence order
	3	West Bengal Sales Tax Act 1954	
	4	Central Sales Tax Act 1956	Inter-state trade and commerce
	5	West Bengal Sales Tax Act 1994	
	6	West Bengal Motor Spirit Act 1974	
	7	West Bengal Raw Jute Taxation Act 1941	
	8	West Bengal Value Added Tax Act 2003	
	9	West Bengal State Tax on Profession, Trades, Callings and Employments Act, 1979	Profession tax
	10	West Bengal Taxation Tribunal Act 1987	Taxation Tribunal
	11	West Bengal Sales Tax (Settlement of Disputes) Act, 1999	SOD
	12	West Bengal Sales Tax on Consumption or use of goods Act, 2001	Consumption tax
	13	West Bengal Primary Education Act, 1973	
	14	West Bengal Rural Employment and Production Act 1976	
	15	West Bengal Transport Infrastructure Dev Fund Act 2002	
	16	West Bengal Luxury Tax Act, 1994	Tax on luxury goods

Annexure - II**Acts Generally Referred to**

	Sl. No.	Acts Referred	Remarks
Ancillary Act	1	Indian Contracts Act 1872	Ascertaining validity of sale contracts
	2	Sale of Goods Act 1930	Validity of transactions
	3	Indian Evidence Act 1872	
	4	Indian Partnership Act 1934	Bonafide of business
	5	Indian Companies Act 1956	
	6	Central Excise Tariff Act 1944	Central Excise tariffs
	7	Income Tax Act 1961	Investigations into business
	8	Indian Customs Act 1962	Validity of import/export
	9	Indian Service Tax Act	Commodity related issues
	10	Factories Act 1948	Manufacturing units
	11	Motor Vehicles Act 1988	Movement of taxable goods
	12	Common Carriers Act 1865	
	13	Railways Act 1890	
	14	Indian Bills of Lading Act 1856	
	15	Carriage of Goods by Sea Act 1925	
	16	Merchant Shipping Act 1958	
	17	Carriage by Air Act 1972	
	18	Transfer of Property Act 1882	Validity of transactions
	19	Specific Relief Act 1963	
	20	Indian Penal Code 1860	Enforcement and prosecution
	21	Public Demand Recovery Act 1913	Recovery of tax
	22	Criminal Procedure Code 1973	Prosecution

Annexure III

THE STATE REPRESENTATIVE

One of the multi-faceted efficiency of the officers of the W.B. C.T.S finds expression in the role played by the State Representatives (S.R).

Before 1987, the hierarchy of adjudication, appeal or revision in the C.T. Directorate was as follows,

Against assessment or any other order passed by the Commercial Tax officer, appeal/revision lay before the Assistant Commissioner. If aggrieved by the order of the ACCT, one could prefer application before the W.B.C.T. Tribunal. The Tribunal consists of one judicial member appointed from the W.B.H.I.S. who acts as the President, one Accounts Member and several Administrative Members. The orders of Tribunal can only be challenged before the High Court.

In 1976, the Parliament enacted Article 323A and Article 323B of the Constitution by way of the much talked about 42nd Amendment Act. Article 323B empowers the Parliament and the State Legislatures to constitute tribunals for adjudication of disputes with respect to tax, industrial disputes etc.

In the year 1987, the West Bengal State Legislature passed the West Bengal Taxation Tribunal Act, 1987 and established the W.B.T.T. as a substitute to the High Court. All the power, authority and jurisdiction of the High Court relating to West Bengal Sales Tax Acts were transferred to the Tribunal. Any person aggrieved by any judgment of the W.B.T.T. could only file appeal to the Supreme Court.

The W.B.T.T. started functioning from 1989. From the very beginning the Revenue has been defended usually by senior officials of W.B.C.T.S who are appointed as State Representatives (S.R.) while dealers are represented by professional lawyers and eminent advocates. The job of the S.R. requires not merely good communication skill but more importantly, sound knowledge of constitution, various statutes, principles of interpretation court procedure.

In *L. CHANDRA KUMAR –v- UNION OF INDIA* decided on 18/03/1997 and reported in (1997) 105 STC 618, a seven member bench of the Supreme Court held that judicial review over legislative action is vested in the high Courts under Article 226. This power of the High Court can never be ousted or excluded, The Supreme Court directed that all decisions of the Tribunal constituted under Article 323A or 323 B will be subject to scrutiny before a division bench of the High Court within whose jurisdiction it falls, From the decision of the division bench, the aggrieved party could move the Supreme Court. *After the judgment of L Chandra Kumar, appeals against the judgments of the W.B.T.T. are made before division bench of the High Court.*

Since then, the State representatives have continued to defend successfully, the constitutionality of various laws in the W.B.T.T., which had subsequently been upheld by the High Court and the Hon'ble Supreme Court. Not only did these result in revenue mobilization,

they substantially facilitated revenue administration in the later stages, as well. Few landmark cases are outlined in brief.

- By introducing Section 10a in the B.F. (S.T.) Act, 1941, the State Legislature levied interest on delayed payment of tax. It was challenged as unconstitutional in the W.B.T.T. in the case of Kingsway Co – vs - State of W.B. (1990) 76 STC 119 P.K. Chakraborty, S.R. successfully defended the amendment. The decision of the Tribunal has been upheld by the Supreme court in CALCUTTA JUTE MFG. CO. v C.T.O. (1997) 106 STC 433.
- The State Legislature imposed turnover tax on the small scale units enjoying tax holiday. D. Majumder, S.R, successfully defended its validity in the W.B.T.T. in Kejriwal Electronics Pvt. Ltd. vs- CTO (23 STA. 317). This decision has been affirmed by the Supreme Court in Sun oil co. Pvt. Ltd. vs State of W.B. 33 STA 27.
- Selvel Advertising Pvt. Ltd. acquired landed property on lease and erected structures thereon. It fixed hoardings on such structures and ltd it for use upon payment of rent. The assessing authority imposed tax on the rent. D. Majumdar S.R. successfully defended the issue.
- Before 01.04.2003, industrial units which were allowed tax holiday could enjoy unlimited tax exemption during the period of entitlement w.e.f. 01.04.2003. The State Government amended the law and limited tax exemption to 200% of the value of assets invested in the unit. This amendment was challenged in the W.B.T.T. by all the *141 affected units. In the case of Alexandra Jute Mills and others vs – State of West Bengal, Sri J.K. Goswami, S.R. successfully defended the legislative action against legal luminaries, the likes of Dr. Debi Prasad Pal, Mr. S.C. Bose, Mr. S.N. Bose, Mr. K. K. Saha, (R.N. 186/2003). An appeal against the said judgment is pending before the Hon'ble High Court. Even a cursory reading of the judgment shows the high level of special skill specialized required of a State Representative.

These apart, some vital cases are also referred in the table below, to give a feel of the involved importance for revenue augmentation and consequent governance of the state.

Sl No.	Case Reference	Cardinal Issue for adjudication	State Representative	Final Outcome
1	PARAMESWAR LAL BIHANI -V- C.T.O./MALDA CHARGE(1995) 99 STC 375	WHETHER DIESEL ENGINE PUMP SETS EXEMPT FROM TAX	J.K. GOSWAMI	Affirmed by the Supreme Court. S.L.P. (Civil) NO. 11592 of 1995
2	BLACK DIAMOND BEVERGES PVT. LTD.-VS- C.T.O./ CENTRAL SECTION	COMPANIES & FIRMS DID NOT PAY TAX ON THE FREIGHT PAID. This judgment decided that the dealers has to pay tax on the freight & transportation charges	P.K. CHAKRABORTY	Affirmed by the Apex Court
3	KALYANI BREWARIES Ltd. vs State of W.B.	The assessing authority taxed the security amount forfeited by beer manufacturers if bottles were not Returned by buyers	D. MAJUMDAR	Affirmed by the Apex Court. Civil Appeal No. 4524 of 1989 reported in (1998) 31 STA 15.
4	K.B. TEA PRODUCTS Pvt. Ltd.-v- C.T.O./ SILIGURI CHARGE	The Govt. amended the definition of manufacturer by deleting "blending of tea".	J.K. GOSWAMI, P. MANDAL	Affirmed by the Calcutta High Court
5	MANASI OILS & GRAINS PVT. LTD vs- ACCT/SPL. CELL(R.N. 391/2004)	Whether the blending of various types of oil amount to manufacture	T.N. BANNERJEE	Affirmed by the Calcutta High Court (W.P.T.T. 17 of 2008)
6	LALIT KR. KHETAWAT vs S.T.O./Duburdihi Check post(R.N. 168/2008)	Whether check post authorities are duty bound to provide 48 hours to transporters to enable them to furnish the required documents.	T.N. BANNERJEE	Affirmed by Calcutta High Court (W.P.T.T. 27 of 2008)
7	CHIEF WORKS MANAGER, S. E. RAILWAY -vs- ACCT/MIDNAPORE CIRCLE R.N. 151/2005	Whether Railway is liable to pay tax on overhauling of engines and locomotives	A.K. NATH	Affirmed by H.C. in W.P.T.T. 130/2007
8	M.R.F. Ltd. -vs- DCCT/CORPORATE DIVISION	Whether various types of discounts are deductible from turnovers	S. BHATTACHARYA	Affirmed by the Calcutta High Court

Annexure IV

E-governance initiatives

The important e-Services, mainly portal-based transactions on offer for the tax-payers are as follows,

- a. E-Application for Registration
- b. On line Application and Issue of Registration Certificate
- c. E-filing of return
- d. E-Issue & utilization of Central Declaration Forms
- e. E-Issuance of Waybill
- f. E-Payment of Tax and e-Application and refund of Tax
- g. TIN Verification of dealers and CST related forms
- h. Engagement of e-services for Dealer

Then, there are other portal based services like dealers may check

- a. Status of Return
- b. Payment of Tax and Refund Status
- c. Status of Waybill and Central forms
- d. Any Other Issues like Audit/Assessment/Appeal etc.
- e. Important information disseminated through the official website www.wbcomtax.gov.in

It is worthwhile to note that in terms of status of updation on website, and also in the TINXSYS platform, CTD of West Bengal is among the very few bests across the nation. In fact, in recent times, the quality of information and status of updation in the CTD website had won adulation from the concerned quarters.

It is no denying that economic offences have turned hi-tech these days. It has made detection of evasion difficult with the existing resources. Yet, CTD has envisaged to counter the growing sophistication of evading practices. There is a large incidence of mis-utilisation of statutory forms leading to evasion of tax. To rein in, we are in process of introducing dematerialization of statutory forms, very shortly. It is very akin to the present day pattern of screen-based trading on shares and commodities and, no wonder, a very technologically advanced scheme of things.

For the revenue administration, the e-Government would necessarily mean,

- Data security across the Directorate and Data consolidation
- Inter-office instant information sharing
- Electronic communication
- Electronically driven workflow
- Reduced paperwork and less physical movement of files

This is backed by robust backend systems including database of tax-payers and other stakeholders, tailor-made/customized modules to create Decision Support Systems (DSS) and generate Management Information System (MIS) reports for revenue administration.