

**By Dr G Shreekumar Menon, IRS (Rtd), PhD Narcotics**



**DDT 2930 MADE** sad reading, the one prominent thought that repeatedly flashes in the mind is the rise and fall of the IRS (C&CE). If the Prime Minister and a large chunk of the Bureaucracy want to keep CBEC and the IRS from playing any dominant role in the proposed GST, it is a sad commentary on the efficiency and competence of the IRS. In this context, the claim of the IRS Association of expertise and skill in taxation issues is going to be taken with a heavy dose of salt by everybody.

Can we do a post mortem of this dying service? Readers will recall that this Department rested on the tripod of -

- 1) Classification List
- 2) Price List
- 3) Show cause notice & adjudication

As the Prime Minister correctly put it, it was Tax Terrorism at its zenith. Corruption in the Department and plundering by Lawyers & Consultants resulted in a woeful situation for trade & industry.

As a concomitant, the transfer & postings of the officers emerged as a clandestine money spinning enterprise. A clique of politicians, their PA's, industrialists, brokers and touts, started fixing postings. "Public Interest", "Administrative Reasons", many such terms were coined to ensure that favorites remained undisturbed in choice places like Mumbai, Delhi, and North Western Indian cities like Ahmedabad, Jaipur and Chandigarh. Public interest became a private profit, much to the chagrin of a large number of officers, who were helplessly kicked around to unwanted postings.

What commitment to expect from sidelined officers except disinterestedness? That is exactly what transpired. Disenchantment with the system and revolt against the administration was expressed in the form of so called "revenue bias".

Illegal show cause notices, biased adjudications, irrelevant appeals, the entire system went berserk. This nonchalant attitude continued its uninterrupted run for decades, fortified by hardened and adamant officers who coined terms like "Confirm and Throw" and browbeat juniors to toe their line.

Some bold Finance Ministers struck down the pillars of Classification List and Price List to stem the rot. Now the only surviving pillar is that of show cause notice and adjudications. Utter high handedness and recklessness have been the hallmarks of the adjudication orders being churned out.

Volumes have been written by different legal forums about the poor quality of the adjudications, but the CBEC turned a blind eye to these admonitions.

GST has come like a sudden earthquake, threatening the very existence of the Department and the irrelevance of the IRS in the rapidly changing tax scenario. An avalanche of criticism is flooding every forum about the rank indiscipline plaguing the Department, be it in wearing uniforms, office timings, disposal of cases, granting of refunds, passing of reasoned adjudication orders, and even the lack of elementary courtesy.

The CBEC never read these ominous signs which came surfacing into public domains with repeated regularity, for the past few decades. Officers misinterpreted this nonchalance by the CBEC to be an appreciation of their conduct, leading to defiant behavior as standard operating procedure.

Today, defiance of Board's orders, court orders, and imperviousness to public criticism is routine and does not cause any consternation in anybody. Unscientific cadre reviews has resulted in creation of a behemoth department. Proliferating Commissionerates, innumerable hierarchies, unmanned posts, vacant posts, it is a chaotic mess.

Compare this to the State Commercial Taxes Departments, where a single IAS officer, controls the entire State machinery. How can we blame the Prime Minister if he places reliance and faith in IAS officers? If the Prime Minister wants to keep the CBEC and IRS at bay, from the proposed GST, can we really blame him? The sad reality is dawning on the IRS officers that they are rapidly slipping into irrelevance in the emerging new tax administration. Will their cries of expertise, technical know how, and quasi-judicial proficiency be taken seriously?

The Government needs to take a call on what they propose to do with the large workforce in the Customs & Excise department. During the last three years, recruitments into the IRS (C&CE) are between 200 to 250 officers. As DG NACEN I had protested against such indiscriminate, large-scale recruitment. The CBEC also had supported me in protesting against such mass recruitment, but the IAS Joint Secretary in the Ministry, claimed that this was done by him to remedy the skewed ratio of Direct Recruits vs Promotee officers!

Today IRS(C&CE) is an overcrowded Service, devoid of work. We are begging for consideration, claiming qualities which others are doubting. Will someone in authority condescend and give some benefit of doubt? Meanwhile, there are other Services like the Indian Economic Service, Indian Trade Service, Indian Civil Accounts Service, which are also seeking entry into the GST regime.

Something has gone wrong somewhere, who will answer what went wrong with us?

Has the time come to sing ode to the IRS and the Central Excise Department?

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