

KYC - GST - Know Your Central GST

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YOU ask any GST officer, "**what do you actually do?**", he would say, "**I collect GST**".

"Collect GST! How do you actually do it? don't the taxpayers just pay it, what exactly do you do?"

"Well, well, it is not that simple, you see there are several complications blah blah"

. You will not get a clear specific answer, but by this time you must have known that nothing in GST is simple and uncomplicated. Now KYC is the ultimate mantra. To prove that you are you, you need to submit several documents like PAN, Aadhaar, address etc., It is really beyond God's perception that people in India are able to clear the KYC. Suppose you need a GST registration - you are required to submit your

1. Aadhaar
2. PAN card
3. Bank Account
4. Address proof of the business premises.

Now all of these are linked to each other. Suppose you are a NRI just landed patriotically into India to start a new business. You need an Aadhaar and for that you need an address and an identity proof and to get those you may need an Aadhaar. To get any of the above documents, you need at least one other of the above documents. And how do you start? This is not at all cumbersome. As per the UIDIA website 130.04 crore Aadhaar numbers have been generated, that is more than 99% of India's adult population has Aadhaar numbers. Last year the government announced that the allotment of PAN in the country is about 60 crores and out of them 32.71 crore permanent account numbers (PANs) have been linked with biometric ID Aadhaar. So, most of the country is Aadhaarised. And many of the PAN holders are linked to Aadhaar. When you look at the sheer numbers, it is stunningly huge.

Sorry, I started with KYC. While everybody, that is everybody in the government with whom you have some transaction - physical, virtual or faceless, would like to know you (KYC), let us try to do a KYC on the Central GST Department.

If you have gone to any Central Tax department's office, you must have come across the long arm of the government in the shape of an Inspector. He is your first contact point with the department. He is the most powerful officer of the Department. It is said that in GST matters, there are only two authorities whose decisions are final - one, you can easily guess - it is the Supreme Court and the other, hold your breath, is the Inspector. It is the Inspector who decides whether you have to pay more tax; you are eligible for input tax credit; your e-way bill is correct; your classification conforms with HSN and anything else which you may be confronted with. The Inspector has enormous powers to decide whether you are wrong or wronged. He can decide whether you deserve a show cause notice. He can decide to drop proceedings **ab initio** and if he does not do that you have had it. No other officer in the department will ever take a decision in your favour contrary to the initial view taken by the Inspector. If the Inspector seriously raises an objection, be sure that you will get a notice which will be adjudicated against you and even if you do get a favourable order in some Tribunal or High Court, the case will not leave you till the Supreme Court. **Since litigation was begin in the minds of Inspectors, it is in the minds of Inspectors that the defences of reason, justice and peace must be constructed.**

The Inspector's job is the strangest government job in the country. Nobody knows what he is expected to do but everybody knows that if you want to get something done, you have to ask the Inspector. He will type, make xerox copies, open, make and carry files, do technical research, prepare show cause notices/summons and serve them, call taxpayers, prepare draft adjudication orders, prepare complicated reports, repair the computers, order supplies, run errands, chaperone officers, send mails, make calls regarding revenue and everything else, do protocol duties for senior officers, and anything else you can possibly think of. If the computer fails or the Commissioner flares, you can depend on the Inspector to sort it out. Leave it to the Inspector, like in 'leave it to Psmith'. He is very responsible - whenever anything goes

wrong, he is held responsible. And the buck stops with him - there is nobody beneath him to pass it on.

Sometimes you can see him in khaki uniform with all the aura and smell of power.

Two to five inspectors are assisted by a Superintendent. Superintendent is an Inspector with ten to twenty years of experience. They do almost the same work as the inspector - only a little slow because of years of unproductive and unrecognised work. Everything about the Inspector is *mutatis mutandis*

applicable to the Superintendent. Over the Superintendent, there is Assistant Commissioner/Deputy Commissioner. This is a peculiar cadre. Assistant Commissioners and Deputy Commissioners exercise the same powers, but are not of the same rank. Assistant Commissioner (AC) is promoted as Deputy Commissioner (DC) after four years of posting as Assistant Commissioner and gets a higher pay. The cadre consists of two castes - the direct recruits and the promotees. One who joins as Inspector is likely to become an Assistant Commissioner in about thirty years. A less than thirty-year-old who could crack the civil services can also become an Assistant Commissioner. Officers from Assistant Commissioner and above are called IRS (Indian Revenue Service) officers. Thus, as far as the public is concerned, there is no difference between the AC and the DC, but if you commit the blunder of calling a DC as AC, you are condemned forever. Above the DC, there is a Joint Commissioner/Additional Commissioner (JC/ADC). Like the AC and DC, the JC and Additional Commissioner have equal powers, but in the cadre, the Additional Commissioner enjoys a higher status. The ADC is not the boss of the JC, but has a substantial higher salary. Above the ADC, there is a Commissioner/Principal Commissioner. Again, they are of equal rank for the public and their posts are interchangeable. But departmentally, for a Commissioner, the Principal Commissioner's post is a promotion and prestige addition. Above the Commissioner is a Chief Commissioner/Principal Chief Commissioner. Both are publicly equal but internally, for a Chief Commissioner, the post of Principal Chief Commissioner is the penultimate prize. Reigning supreme over the Chief Commissioners is the pinnacle Board - the Central Board of Indirect Taxes and Customs (CBIC) with six members and a Chairman. Well, the Board may look the ultimate, but it is only an attached authority in the Revenue Department headed by the Revenue Secretary. Even this Revenue Department is only a department in the Finance Ministry headed by the Finance Secretary under the Finance Minister.

Now if your Inspector takes a decision, just imagine what it takes to reach the Finance Minister.

The Board is not just a small set-up of Chairman and six Members. It is a humongous organisation. The Chairman and Members of the Board and all the Principal Chief Commissioners are almost in the rank of Secretary to the Government of India. All of them get the salary of a Secretary to the Government, which is called the Apex scale. The Board Members are Special Secretaries. There are about 20 Commissioner level officers working in the Board who are called either Commissioner or Joint Secretary to the Government. Now this Commissioner in the Board is almost a Joint Secretary. The Board has under its control about 20 directorates headed by Chief Commissioner/Principal Chief Commissioner who are called by different names like Director General, Principal Director General etc., Some of the Directorates, I could discover are:

1	DG Analytics and Risk Management
2	i DG Anti-Profiteering ii National Anti-Profiteering Authority
3	DG Audit
4	DG Export Promotion
5	DG GST Intelligence

6	DG GST
7	DG HRD (HRM)
8	DG HRD (I&W, EMC)
9	DG NACIN
10	DG Performance Management
11	DG Revenue Intelligence
12	i DG Systems & Data Management ii Directorate of Data Management
13	DG Taxpayer Services
14	DG Valuation
15	DG Vigilance
16	Directorate of International Customs
17	Directorate of Legal Affairs
18	Directorate of Logistics
19	Directorate of Central Revenues Control Laboratories

What do all these directorates direct? Apart from collecting taxes that is. Have you heard of DG, Taxpayer Services? Has any taxpayer ever received any service from this directorate? The CBIC website gives out important information about this directorate.

This Directorate is primarily responsible firstly for publicity campaigns concerning public awareness of Service Tax, Central Excise and Customs and for this purpose all the available media including print media, electronic media and Internet are used. The second important assignment of this Directorate is to maintain public relations.

The Commissioner of this Directorate is also a nodal Officer for implementation of Citizen's Charter and Public Grievances.

Obviously, this information was updated prior to launching of GST, as it does not mention anything about GST. The last one heard of this department was in March 2021 when they published a beautiful book called SAMPARK giving the telephone numbers and addresses of all the officers of and above the rank of Assistant Commissioner.

The Board has the following offices under it.

No. of GST Zones	21
No. of GST Taxpayer Service Commissionerates	107
No. of GST Audit Commissionerates	48
No. of GST Appeal Commissionerates	49
No. of Customs Zones	11
No. of Customs/Customs(P) Commissionerates	60
No. of Customs Appeal Commissionerates	10
No. of Directorates General / Directorates	22

The Board has 14 Principal Chief Commissioners, 38 Chief Commissioners, 99 Principal Commissioners, 336 Commissioners, 931 ADC/JCs, 4165 AC/DCs, 15526 Superintendents and 20638 Inspectors. They also have other employees like drivers, secretaries, searchers all totalling about 85000. The Chairman, in his weekly letter yesterday, announced that about 3700 Havildars will be recruited soon.

But sadly, there is no GST Appellate Tribunal to sort out the tons of litigation generated diligently.

The officers in your service are reasonably well-paid. The gross monthly salaries of the officers in a metro city are approximately like this.

Â Rank	Minimum (Rs)	Maximum (Rs)
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Principal Chief Commissioner	3,57,966	3,57,966
Chief Commissioner	3,27,586	3,57,036
Principal Commissioner	2,91,626	3,56,571
Commissioner	2,32,726	3,47,426
Additional Commissioner	2,00,021	3,43,861
Joint Commissioner	1,31,356	3,33,476
Deputy Commissioner	1,14,151	3,32,701
Assistant Commissioner	96,171	2,84,341
Superintendent	78,388	2,38,813
Inspector	74,203	2,25,328

What do they all do? Collect taxes, no assist you in paying taxes.

Until Next Week. Â