Chapter - III - THE ORGANIZATION AND THE STUDY

3.1 Selection of the unit of study

It has been highlighted at the end of the foregoing chapter that bureaucratic functioning can be better understood in the context of a specific bureaucratic organization. In our present work, the Directorate of Commercial Taxes in West Bengal is chosen as the unit of study for the following reasons. This Directorate, which is popularly known as the 'Sales Tax Office', collects the major portion of revenue of the State Government. The effective functioning of this organization is a pre-requisite for good governance by the State Government. However, the task of the officials of this organization does not merely consist in the enforcement of the rules in a mechanical manner. The officials, especially the higher ones, are vested with enormous discretionary and quasi-judicial powers which are exercised by them in a subjective manner. Therefore, the effective functioning of this organization depends on the extent of conformity with certain norms by the officials. Corruption may hamper their effective functioning; so also may do inefficiency on the part of the officials. The question of maintenance of integrity in public life is often discussed with reference to the revenue departments. Hence, this Directorate offers an excellent site for examination of whether the features of an ideal administration -- namely honesty, impartiality, rule of
law, efficiency etc. — are being vitiated by the phenomenon of corruption. Another consideration, that guided the choice of this organization, is that public dealings are huge in a revenue department. This Directorate has a large clientele frequently visiting this office and interacting with the officials. This clientele, primarily composed of the business community, is also a very powerful segment of the contemporary Indian socio-economic and political system. The nature of dealings of the officials of a bureaucratic organization with the clientele and the impact of such relationship on bureaucratic operations may be highly relevant for the sociologists to analyse. The nature of such dealings may be an index of the interplay between organizational forces and wider societal influences. Bureaucratic functioning in such organizations may be viewed as the product of such interplay. Social processes can be better understood in a bureaucratic organization with a sizeable clientele than in a bureaucratic organization which operates in relative isolation without any specific clientele.

The most forceful consideration, that guided the present choice of the unit of study, is the fact that the researcher was employed as a Commercial Tax Officer in the Directorate of Commercial Taxes, West Bengal from August, 1984 to March, 1991. It was felt that the insider's role, that he had played during this
service period, would be highly helpful for him in the subsequent study of the particular organization. The present researcher's experience and intimate knowledge of the functioning of the Directorate, his acquaintances with the officials and his comparatively easy access to the documents and literature of this organization — all these would make the study more meaningful because of the advantage of the insider's point of view.

However, whether one should study his own society or group or organization is an issue which creates a great deal of controversy among the sociologists. T.N. Madan, who studied the kinship system prevailing in his own community of the Kashmiri Pandits, remarks that in the contemporary world, the study of one's own society is emerging as a popular enterprise among the social anthropologists and the sociologists. But, Madan admits, the scholar is placed in a particularly difficult position. He is an insider who adopts the role of an outsider by virtue of his being a sociologist. He hopes to achieve new understanding of the hitherto known phenomenon. The insider-outsider dichotomy is not so acute here since the insider tries to be successfully converted into a detached observer. But the tension remains, because the success of such attempt is a doubtful one. Madan remarks, "... the attempt to study
one's own culture and society is the act of simultaneous amputation and restoration."¹

According to Madan, excessive importance has been attached to the study of other cultures in sociology and social anthropology. But one may as well start with one's own society. Some risk is obviously involved in this kind of study. One should be aware of the danger of personal involvement and subjective bias which may crop up here. The scholar should cultivate detachment -- or, as Dumont calls it, "distantiation" -- which means the ability to step outside and look back, sharp and deep, at his own society.²

The principle that sociology and social anthropology may begin at home is accepted nowadays almost as a dictum. Bronislow Malinowski writes, "It is true that self-knowledge is the most difficult to gain, then undoubtedly an anthropology of one's own people is the most arduous, but also the most valuable achievement of a field worker".³ The potential of the studies

² Ibid., pp.150-151.
of indigenous societies, cultures, groups and organizations have been fully realized by the contemporary sociologists and social anthropologists. Some other studies of this sort have received worldwide acclaim.⁴

However, it must be admitted here that Srinivas and Madan had, obviously, been separated from their own societies before they undertook studies thereof. In fact, M.N. Srinivas, in his study of Rampura village, dealt with a culture and society which he might have been familiar with but which was not exactly of his own. The ancestral village of Srinivas was close to Rampura. But Srinivas himself was brought up in Mysore city and afterwards went to England for higher education. In fact, Srinivas considered the proximity of his ancestral village to Rampura as a specific disadvantage of his study.⁵ Separation from indigenous culture and society not only helped to remove their subjective bias and personal involvement but also enabled them to look afresh to the phenomena they were earlier acquainted with. This separation is lacking in the case of the present study because


it has been undertaken immediately after the present researcher left his service in the Directorate of Commercial Taxes and started a teaching career. Owing to this reason, it was more imperative to carefully avoid subjective bias, personal involvement and impressionistic narration which may vitiate the entire enterprise. Therefore, we had to remain specially careful in selecting the methodology that might be helpful in removing these problems. Details about this methodological choice will be discussed later.

3.2 Approach of the work

Before detailed discussion of the organizational structure of the unit of our study, it is necessary to have an understanding of the approach followed in this work. The study is essentially a single-unit study or case study as it is popularly called by the sociologists. In the study of bureaucratic organizations, we often hear of the dichotomy of case study and comparative study or multi-unit study. N.P. Mouzelis beautifully sums up the essentials of case study in the following manner:

The single case study is the usual research pattern. The investigator chooses one organization for an intensive examination of its internal structure or for testing of a limited set of interconnected hypotheses. As for data collection, apart from analysis of organisational documents
and charts, both direct observation and various types of interviewing are used. It is on the basis of such data that the various hypotheses put forward are accepted or rejected.\footnote{Nicos P. Mouzelis, \textit{Organisation and Bureaucracy} (London: Routledge and Kegan Paul, 1967) p.57.}

According to Blau and Meyer, case studies consist of analysis of data about one organization. The researcher is generally interested in one or two broad problems. But it is not always possible to delimit in advance the range of variables to be included in a case study. It is possible to gather additional information continually as new variables emerge and become relevant. It is not necessary for the researcher to specify in advance detailed hypotheses in a case study. He may tentatively have a list of testable hypotheses; but these can be modified and reframed subsequently in course of research. This flexibility is a great advantage of case study. This method also yields another advantage which, like the previous one, is lacking in comparative study. In a case study, it is possible to secure intensive information in depth about social processes. But the serious weakness of case study is that inferences made therefrom may not hold good for other organizations. That is to say, findings of a case study are generally not representative. There
is no guarantee that a particular bureaucratic organization would necessarily resemble multiple bureaucratic organizations of diverse variety. 7

In another context, Blau, speaking of the advantage of case study, remarks, "Access to different research techniques improves the accuracy of the data collected as well as their range. The most pertinent technique to ascertain a given fact can be used." 8

What Blau, Meyer and Mouzelis call case study method has been termed as "clinical approach" by Crozier. According to him, generalisations in the clinical approach is made from examination and intimate understanding of particular cases. It is better than a systematic approach which is apparently more scientific in the effort to establish rigorous laws. The reason is that the development of the study of bureaucratic organizations is still at its exploratory phase. At this stage, it is sufficient to develop descriptive hypotheses that would help to have a comprehensive understanding of the case under investigation. Conclusions gained therefrom may be valid only for the particular case under investigation.

study and these may furnish only examples, and not laws, of model systems of interrelations and interactions. But such an approach is still more meaningful to the sociology of institutions and the sociology of action than an approach having premature scientific rigour and excessive preoccupation to offer casual laws upon examination of a number of cases. What is gained in precision in the latter approach is lost in insight and comprehension. Also, in the clinical approach, it is modestly possible to make effective exchanges between theoretical reflections and empirical research. Crozier also speaks of the flexibility of clinical approach:

In the case under discussion, that of the 'bureaucratic' aspects of the functioning of modern organizations, a clinical approach will enable us to insert a greater number of givens into the traditional schema borrowed from Weber, whose ideal type, in our opinion, corresponds to an inadequate description. The clinical approach will, above all, enable us to advance from a static fragmentary image of the model all of whose elements are interdependent.


10 Ibid., p.5.
More often than not, case study is taken as a complete method of research than an indicator of the study of a single unit. It is also felt in some corners that survey method cannot be employed in a case study; case study is more dependent on observation, whereas comparative approach is essentially linked with survey method. It would be pertinent to clarify this dilemma since in the present study, although it is restricted to a particular bureaucratic organization, sample survey has been employed as a method of data collection. Mouzelis, in a discussion of the relative merits and demerits of case study and comparative approach, expresses this attitude by identifying survey method with comparative approach:

It has become a commonplace to speak of the case study-survey dilemma in organisational literature: on the one hand the one-case study is alleged to give many insights and fruitful hypotheses about the functioning of a particular organisation but to provide no possibility of testing such hypotheses. On the other hand, by a survey study of many organisations, there is the possibility for generalised and methodologically more valid findings — but of a superficial or trivial character. This superficiality is due to the fact that by the survey of numerous organisations one tries to relate in a highly abstract manner a few organisational variables without taking seriously into consideration the larger environment within which such
variables are embedded. Thus a choice seems inevi-
table between theoretical substance and methodolo-
gical sophistication.\textsuperscript{11}

However, Blau and Meyer contradict this opinion. To quote them,
"Case studies of organizations are not necessarily qualitative; similarly, comparative research on organizations does not invo-
lve quantification."\textsuperscript{12} Survey research obviously implies adop-
tion of statistical devices and quantification. Qualitative
study involves other techniques like observation, use of docu-
mentary evidences etc. to the exclusion of survey method. The
above-noted co-authors further state, "Not all quantitative
studies are comparative ones, on the other hand. Systematic
observations or surveys of members' attitudes may yield rigo-
rrous quantitative data, but as long as the procedures are con-
fined to one organization, the investigation remains a case
study."\textsuperscript{13}

Blau opines that it is wrong to say that only impressionistic
information is derived from case study and that such information,
although a good source of insight, cannot be applied to test
hypotheses. Even in a case study, it is possible to quantita-
tively express the causal nexus. Quantitative information can

\textsuperscript{11} N.P. Mouzelis, \textit{op.cit.}, p.66.
\textsuperscript{12} Peter M. Blau and Marshall W. Meyer, \textit{op.cit.}, p.84.
\textsuperscript{13} \textit{Ibid.}, pp.84-85.
be derived from records, and interviews can be conducted wherein responses in quantitative forms are obtained. Indeed, a variety of data-gathering techniques are available in a case study and it is possible to use the most effective ones. Owing to this advantage, more systematic and reliable knowledge can be obtained through case study.\textsuperscript{14} Blau proceeds further and advocates adoption of quantitative case study by highlighting its advantages in the following manner:

The significance of a quantitative case study, then, is that it stimulates the kind of theoretical insights that can be derived only from quantitative analysis as well as the kind that results from close observation of an empirical situation, and that it provides more severe checks on these insights than does an impressionistic study and thus somewhat increases the probable validity of the conclusions.\textsuperscript{15}

However, it appears that use of the terms like 'case study' and 'comparative study' may create some confusion. It is precisely because, as has been noted earlier, case study is often taken as a complete methodology than as a mere indicator of the study of a single organization. Also, there are divergent opinions among scholars on whether survey method is compatible with case study. So, we should use in future such less confusing terms like 'single-unit study' and 'multi-unit study' which are free from

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\textsuperscript{14} Peter Michael Blau, \textit{op.cit.}, p.302.
\textsuperscript{15} Ibid., p.272.
\end{flushright}
the aforesaid encumbrances.

3.3 The structure of the organization

A description of the formal structure of the organization and the formal aspects of its working procedures is a sine qua non for comprehending the actual functioning of the organization, the interpersonal relations which are formed and the social processes which operate within the organization. Blau, explaining Merton's view in this context, says that the latter focuses attention on the influences which social structure exerts on patterns of behaviour. Here a reference is made to the concept of structural constraints. Merton's concern was the way social regularities in behaviour become institutionalized and modify the social structure. But the emphasis is given on the interrelations between some elements of social structure and an observable pattern of conduct rather than on the interrelations among various elements of social structure as such. Blau opines that the compelling pressure of the social structure upon human behaviour is most prominent and apparent in bureaucracy. Subsequently, a school of writers on organizations including H. Simon and C. Barnard, who have been classified as the proponents of "organization theory" by Mouzelis, has reaffirmed the necessity of studying the formal structure of the organization. It has been realised that the formal structure is not an

16 Ibid., pp.269-270.
organization chart or code-book left forgotten in an office drawer but an institutional system which requires careful and detailed study. Organization theory has shown that it is imperative to study the formal structure of an organization as it is before we can formulate principles about how it should be.\(^17\)

It may, prima facie, appear that the formal structure of an organization is of interest to the students of Public Administration only. But Elton Mayo and his disciples, whom Mouzelis has classified as the advocates of "human relations approach", have propagated to break down the artificial barriers created between different social sciences and to adopt an inter-disciplinary approach in the sphere of organizational studies. The focus of attention, however, is not so much on the structure of the organization but on the impact of the structure on the individual members.\(^18\)

The Directorate of Commercial Taxes in West Bengal is entrusted with the responsibility of collecting sales tax, purchase tax etc. This Directorate came into being in 1941. The head of this Directorate is at present known as the Commissioner of Commercial Taxes and Commissioner of Profession Tax, West Bengal. This Directorate is an organization under the

\(^{17}\) Nicos P. Mouzelis, *op.cit.*, pp. 120-127 and p.136.

Department of Finance of the Government of West Bengal. The Commissioner, although subordinate to the Finance Secretary, enjoys certain amount of independence in the administration of the Directorate except in matters of grave importance which are generally decided at the ministerial and secretarial levels.

At this juncture, it would be pertinent to tell something about the clientele of this directorate since references to such clientele have to be made now and then in the discussion of the organizational set-up of this Directorate. This clientele comprises the tax payers who, generally, are businessmen. They are also called 'assessees' because assessment of their tax liability is made by the officers of this directorate. But technically they are called 'dealers'. Section 2(c) of the Bengal Finance (Sales Tax) Act, 1941 gives the definition of 'dealer' in the following manner: "... 'dealer' means any person [who may also be a juristic person like a limited company] who carries on the business of selling goods in West Bengal ...."¹⁹ 'Dealer' is not only a legal term; it is very much in vogue in the common vocabulary of this directorate. Hence, it would be pertinent to use this term in future throughout this thesis while references will have to be made to the clientele of this Directorate comprising ordinarily the business community.

¹⁹ Bengal Finance (Sales Tax) Act, 1941, Section 2(c).
The following chart will clarify the general hierarchical positions of the officials in this Directorate.

Commissioner of Commercial Taxes  
| Additional Commissioner of Commercial Taxes  
| Assistant Commissioner of Commercial Taxes  
| Commercial Tax Officer  
| Inspector of Commercial Taxes  
| Head Clerk  
| Upper Division Clerk  
| Lower Division Clerk/ Steno-typist  
| Record Supplier  
| Orderly-Peon

An Additional Commissioner of Commercial Taxes is not, speaking strictly from a legalistic standpoint, subordinate to the Commissioner of Commercial Taxes although the former is amenable to supervision and control of the latter, at least in certain matters. A Head Clerk, although inferior in rank to an Inspector
of Commercial Taxes, is not subordinate to him. Similarly, an Upper Division Clerk, in spite of his being inferior in rank to a Head Clerk, is not subordinate to him. An Inspector of Commercial Taxes, a Head Clerk, an Upper Division Clerk, a Lower Division Clerk or a Steno-typist, a Record Supplier, an Orderly-Peon -- the personnel being mentioned in the consecutively descending order -- should all be subordinate to a Commercial Tax Officer or an officer superior in rank to the Commercial Tax Officer.

Only the Commercial Tax Officers and the officers superior to them are regarded as officers in this Directorate. Exercise of effective quasi-judicial powers is made by such officers only although the Inspectors of Commercial Taxes often exercise quasi-judicial powers in a limited manner. In 1990-91, the total strength of the employees of all categories of this Directorate stood at 5494.20

The Commissioner of Commercial Taxes is generally a senior officer belonging to the Indian Administrative Service. He is considered a non-departmental man since his tenure in this Directorate is generally restricted to a few years only.

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Recruitment to the posts of Additional Commissioners of Commercial Taxes and Assistant Commissioners of Commercial Taxes is made on the basis of promotion only. The Commercial Tax Officers are recruited on the basis of promotion from the rank of Inspector of Commercial Taxes or on the basis of a competitive examination, namely the West Bengal Civil Service (Executive) and certain other services examination, held by the Public Service Commission, West Bengal. The process of recruitment of the employees of other echelons is not relevant for our present purpose.

The structure of this Directorate should be understood from two different angles -- the judicial and the administrative. From judicial and legalistic point of view, all the officers are vested with quasi-judicial powers. The officers of different categories have to discharge their respective functions in accordance with some tax statutes, e.g. the Bengal Finance (Sales Tax) Act, 1941, the West Bengal Sales Act, 1954, the Central Sales Tax Act, 1956 etc. and the rules made thereunder. The general nature of the functions, which the officers belonging to a particular category have to perform, are also delineated in such tax statutes and the rules; only the territorial area of operation of an officer is generally determined administratively by orders relating to transfer and postings. In his respective area of operation, each officer is

21 Ibid., pp. 1-6.
theoretically independent in so far as he can exercise his legal powers in the manner he pleases. Whether a particular order of an officer is ultra vires and has been passed whimsically and capriciously, ignoring the principles of natural justice, should be determined by the next superior officer upon challenge to be made in the prescribed manner by the particular dealer whose interest has been adversely affected by such order. Here the higher officer acts as a higher judicial forum and can quash (often with a direction to pass fresh order), modify or uphold the order of the officer next subordinate to him. But the matter, which takes the form of a litigation, cannot be settled in an ad hoc manner by way of giving administrative direction from the top to the officer who passes the order. In practice, however, the powers of such quasi-judicial authorities are curbed by general administrative orders know as 'departmental circulars', specific administrative orders communicated in a confidential manner and even verbal directions.

Preliminary orders touching the interests of the dealers are passed by the Commercial Tax Officers. These orders can be challenged by the aggrieved dealers in the forms of appeals or revisions before the Assistant Commissioners of Commercial Taxes.

22 Bengal Finance (Sales Tax) Act, 1941, Section 20; West Bengal Sales Tax Act, 1954, Section 12; and Central Sales Tax Act, 1956, Section 9(2).

23 Appeals refer to challenges against orders relating to assessment of tax, interest and penalty and revisions refer to challenges against other orders of miscellaneous nature.
In disposal of such cases, the Assistant Commissioners of Commercial Taxes pass some orders which can be challenged either before the West Bengal Commercial Taxes Tribunal (if these are appellate orders) or before the Additional Commissioners of Commercial Taxes (if these are revisional orders). The orders passed by the West Bengal Commercial Taxes Tribunal and the Additional Commissioners of Commercial Taxes can be challenged before the West Bengal Taxation Tribunal. In its respective sphere, it wields the powers of the High Court.  

Administratively viewed, West Bengal is, at present, territorially divided into sixteen Circles and such Circles are again sub-divided into sixty-seven Charges according to the commercial tax structure. Charge offices and Circle offices mainly deal with the assessee or dealers. In addition to this, there is one wing named Assessment Wing which, not being a territorial unit, deals with the files of large dealers paying sales tax of more than Rs. 10,00,000/- in a year throughout West Bengal.  

Apart from Circles and Charges, there are various other divisions of this Directorate to perform different functions. As for instance, there are the Head Office, Audit and Vigilance  

25 Ibid., p.8 and Notification published by the Govt. of West Bengal in the Ananda Bazar Patrika (a Calcutta-based Bengali daily newspaper) on 1.11.92.
Section, Staff Establishment, Information Systems Division, Public Relations Division, Training Cell, Law Section etc.\(^\text{26}\)

Central Section and Bureau of Investigation are two specialised agencies for carrying out different enquiries, investigations, verifications, raids, searches and seizures.\(^\text{27}\) The Certificate Organization is entrusted with the task of realising unpaid taxes by way of attachment of different movable and immovable properties of the defaulting dealers and by subsequent sale thereof.\(^\text{28}\) There are certain border Checkposts generally situated on the highways and Checkposts situated at railways stations and yards, Calcutta Port, Dumdum Airport etc. to check whether transportation of certain items within West Bengal from outside is being made in accordance with law.\(^\text{29}\)

According to profession tax structure also, West Bengal is territorially divided into certain Ranges some of which are again subdivided into several Units.\(^\text{30}\) The catchment of profession tax is definitely wider than that of commercial taxes since not only the

\(^{27}\) Ibid., p.9 and p.19.
\(^{28}\) Ibid., p.21; Bengal Finance (Sales Tax) Act, 1941, Section 11(4); West Bengal Sales Tax Act, 1954, Section 10(2); and Central Sales Tax Act, 1956, Section 9(2).
\(^{30}\) Ibid., p.9.
dealers but also different employees working under different employers and different persons carrying on independent professions have to pay profession tax. But, in terms of amount of collection, commercial taxes far outweigh profession tax. As for instance, the collection of profession tax for the year 1990-91 stood at Rs. 738.60 millions while the combined collection of commercial taxes, coal cess and profession tax for the same year came at Rs. 15096.10 millions.\textsuperscript{31}

For the purpose of simplicity, different offices within this Directorate may be classified into four categories -- (1) the Head Office or the Commissioner's Office, (2) different other offices performing miscellaneous and ancilliary functions, (3) the Circles and (4) the Charges. The pattern of postings of the officers needs some elaboration here. The Commissioner of Commercial Taxes and the Additional Commissioners of Commercial Taxes are posted in the Head Office and supervise the functions of the officials of other categories. Often, some of the Additional Commissioners of Commercial Taxes are posted in some of the other offices performing ancilliary and miscellaneous functions (e.g. Bureau of Investigation). The Assistant Commissioners of Commercial Taxes are posted mainly in the Circles and also in the other offices performing miscellaneous and ancilliary functions. The Commercial Tax Officers are posted mainly in

\textsuperscript{31} Ibid., p.10.
the Charges and also in the other offices, performing miscellaneous and ancilliary functions, and occasionally in the Circles. A few Assistant Commissioners of Commercial Taxes and Commercial Tax Officers are posted in the Head Office too.

The statutory head of a Circle is an Assistant Commissioner of Commercial Taxes who, generally being the seniormost of several Assistant Commissioners of Commercial Taxes posted in the same Circle, is called the 'Administrative Assistant Commissioner'. The other Assistant Commissioners of Commercial Taxes, posted in the same Circle, are called the 'Appellate Assistant Commissioners.' The main function of the Assistant Commissioners of Commercial Taxes, posted in the Circles, is hearing of appeal and revision cases arising out of the orders passed by the Commercial Tax Officers. In addition to that, the Assistant Commissioners of Commercial Taxes have to hear some other cases and dispose of different petitions made by the dealers. Finally, the Assistant Commissioners of Commercial Taxes, especially the Administrative Assistant Commissioner, have to exercise general surveillance and control over the Charges falling under their domain. They have to monitor collection of revenue in the Charges.  

Commercial Tax Officers on serious matters — whether such matters relate to Charge administration or are solely within the quasi-judicial competence of the Commercial Tax Officers.

"Under the existing scheme of administration, 'Charges' may be said to be the Units of administration in this State in respect of sales tax matters because it is in the Charges that most initial work such as ... assessment of dealers is carried out."\(^{33}\)

The dealers are primarily attended to in the Charges where their various legal requirements are met. "The Charge is the basic unit for collection of taxes, and administration of the various sales tax laws of the state. It is the archstone of the administration and on its effective functioning depends the success of the tax administration as a whole."\(^{34}\)

The Charge is headed by a Commercial Tax Officer who, generally being the seniormost of several Commercial Tax Officers posted in the same Charge, is called the 'Charge Officer'. Sales Tax Study Committee outlines the position of such Charge Officers in its


\(^{34}\) Ibid., p.26.
They are selected from among Commercial Tax Officers in each 'Charge' and are responsible for the administration of respective Charges. However, their organisational status vis-a-vis Commercial Tax Officers in the Charge is that of a 'first among equals'; they do not form any hierarchical tier in the organisation separate from that of Commercial Tax Officers.\textsuperscript{35}

The Charge Officer generally maintains close contact with the Administrative Assistant Commissioner. The files related to the dealers, falling within the jurisdiction of a particular Charge, are again distributed among several groups. Generally, each Commercial Tax Officer is assigned the responsibility of running one group although, in case of dearth of Commercial Tax Officers in a Charge or during the long absence of such an officer, more than one group may be entrusted to a Commercial Tax Officer in that particular Charge. The allotment of the groups to the Commercial Tax Officers is made by the Administrative Assistant Commissioner in consultation with the Charge Officer. Each Commercial Tax Officer working in a Charge is assisted by a Dealing Assistant and an Orderly-Peon. "In the present set-up, there are 3 control points, namely the Commissioner, administrative Assistant Commissioners and Charge

\textsuperscript{35} Report of Sales Tax Study Committee, p.76.
3.4. **The modus operandi**

The legal, procedural and practical positions regarding the way of functioning of this Directorate will be discussed in nutshell here. This discussion may have little relevance with Sociology as such, but it is indispensable in order to have a proper understanding of the actual bureaucratic operations of this organization.

Generally, a dealer whose turnover during a period has exceeded a particular quantum acquires the liability to pay sales tax and to get himself registered by making an application to the appropriate Commercial Tax Officer. The next task in relation to the dealers is assessment of their liability to pay tax, interest and penalty. The dealers, who have attained the liability to pay tax, are generally assessed once in a year in respect of a particular period or accounting year although there is no bar to completion of assessments in respect of different periods or accounting years simultaneously or at short intervals. The registered dealers are liable to furnish periodical returns. A return is a statement of the amount of payable tax shown in a prescribed form, and it is to be accompanied by receipted challan for the

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36 Ibid., p.77.
corresponding amount of tax deposited. The chief aim of assessment in respect of the registered dealers is to examine whether such returns are correct and complete. For this purpose, a notice in a prescribed form is served on the dealer whereby intimation is given to him to appear before the concerned Commercial Tax Officer on a particular date. The date, so fixed, can be adjourned either suo motu or on prayer, verbal or written, made by the dealer. A number of adjournments in respect of a particular assessment case is generally granted to the dealer unless the assessment case approaches its limitation of time. The assessment case in respect of a particular period is hit by limitation or 'time-barred', as is commonly told by the sales tax officials, after the lapse of a few years counted from that particular period. That is to say, the particular case cannot be lawfully completed and no demand can be raised in respect of the dealer's unpaid tax, interest and penalty for the respective period. The concerned Commercial Tax Officer is under compulsion to complete the case before it is time-barred by hook and crook. Otherwise, he would be answerable to the higher authorities on detection of his lapse. If the dealer appears, the Commercial Tax Officer completes the case on hearing the dealer's arguments and on examination of the latter's books of account. If the dealer fails to appear with his books of account, the Commercial Tax Officer completes the case exparte. Generally, excessive
demand is raised in an exparte assessment order ignoring all the claims of exemption or taxation at concessional rate made by the dealer in his returns because the admissibility of such claims cannot be ascertained with reference to the books of account and other documents maintained by the dealer. Generally, the dealer prefers an appeal against an exparte assessment order and such an order is quashed by the appellate authority. Thereafter, reassessment or fresh assessment is made by the Commercial Tax Officer. The assessment order having been passed, a notice is served on the dealer instructing him to pay by a specific date the hitherto unpaid amount of tax, penalty and interest as assessed by the concerned Commercial Tax Officer. If the dealer fails to pay such amount by the specific date and, at the same time, he does not prefer an appeal against the assessment order and get the payment of his assessed dues stayed by the authority, the concerned Commercial Tax Officer may refer the matter to the Certificate Officer or may adopt some other measures to recover the unpaid amount.  

Often, the dealer makes excess payment of tax. The dealer is entitled to get refund of his excess payment on detection of it

37 Bengal Finance (Sales Tax) Act, 1941, Section 11; West Bengal Sales Tax Act, 1954, Section 9; and Central Sales Tax Act, 1956, Section 9.
at the stage of assessment or reassessment or modification.\textsuperscript{38} Refund may be made by issue of Refund Payment Order (Cash) or by deduction of such excess amount from the amount of tax, interest and penalty payable by the dealer in respect of other periods.\textsuperscript{39}

However, there are legal provisions to complete the assessments without checking the accuracy of the returns.\textsuperscript{40} In such cases, no direction is given to the dealers to appear before the Commercial Tax Officers and no scrutiny of their books of account is made. This is called 'deemed assessment' or 'summary assessment' in common parlance of this Directorate. Some dealers, on fulfillment of certain conditions, are declared eligible for being summarily assessed. The returns furnished by them are deemed to be correct and complete. Accordingly, no additional demand in respect of any unpaid tax, interest etc. is made to

\textsuperscript{38} The appellate authority may, instead of quashing the entire assessment, modify or partly change it. However, modified calculation of tax, interest and penalty is generally made by the Commercial Tax Officer on the basis of instructions given by the appellate authority.

\textsuperscript{39} Bengal Finance (Sales Tax) Act, 1941, Section 12; West Bengal Sales Tax Act, 1954, Section 11; and Central Sales Tax Act, 1956, Section 9.

\textsuperscript{40} Bengal Finance (Sales Tax) Act, 1941, Section 11E; West Bengal Sales Tax Act, 1954, Section 9A; and Central Sales Tax Act, 1956, Section 9.
them. Such assessments in respect of several years are completed at a time by brief orders passed in the file. This system of summary assessment or deemed assessment is generally meant for the benefit of the small and law-abiding dealers. It also clears the backlog of pending assessment cases and makes the files up-to-date. The programme of making summary assessments has been undertaken by the organizational authority of this Directorate in the years of 1985, 1987, 1990 and 1993.

Issue of declaration forms to the registered dealers is one of the regular functions of the Commercial Tax Officers. Declaration forms entitle the dealer to make purchase of the items, mentioned in his Registration Certificate, at concessional rates.\footnote{Bengal Finance (Sales Tax) Act, 1941, Section 5; West Bengal Sales Tax Act, 1954, Section 23A; and Central Sales Tax Act, 1956, Section 8.} That is to say, the purchasing dealer obtains declaration forms from the respective Commercial Tax Officer for making purchases and he hands over those declaration forms to the seller from whom he has made such purchases. The selling dealer charges lower rate of sales tax to such sales for which he has obtained declaration forms from the purchaser. He again deposits tax at lower rate for such sales. At the stage of assessment, he produces before the assessing Commercial Tax Officer the declaration forms so obtained. On scrutiny of such declaration forms, the assessing
officer admits the dealer's claim for concessional rate of taxation. One condition for issue of declaration forms is that the dealer should file up-to-date returns. If any return of the dealer falls due, he will not be entitled to get declaration forms.

The system of declaration forms is the source of much hazards and complications. Often declaration forms are misused by some dishonest dealers. That is to say, instead of making bonafide use of declaration forms, such dealers sell and purchase declaration forms at black market. In this process, a dealer, who has not made sales to a registered dealer, produces declaration forms, obtained through some clandestine dealings, before the assessing officer. The latter may, then, erroneously charge lower tax rate to such sales which should have been taxed at a higher rate. Whether, in some cases, connivance between some officials and dealers paves the path of misuse of declaration forms is a separate question which is often muttered in sales tax office. But the fact remains that the high level authorities in this Directorate take a serious note of any detected misuse of declaration forms. Most of the disciplinary proceedings, instituted so far, have happened to be related with cases of misuse of declaration forms. Understanding the sensitive nature of declaration forms, the issuing and assessing officers also react accordingly. Excessive caution is generally taken is allowing the claims relating to declaration forms.
at the assessment stage. Applications for issue of declaration forms are rejected or kept pending on slightest pretext and, now and then, inadequate number of declaration forms are issued which do not meet the genuine requirement of the applicant dealers.

Other common functions of the Commercial Tax Officers attached to Charges are issue of permits and 'Sales Tax Clearance Certificates.' A few articles, which are generally brought in West Bengal from other states or abroad or in the trading whereof there is a general tendency of tax evasion, are to be supported by permits for being brought in West Bengal.\textsuperscript{42} The officials attached to Checkposts verify whether the incoming consignments of such items are accompanied with the requisite permits or not and take necessary punitive measures in case of absence of permit. 'Sales Tax Clearance Certificates,' which generally testify tax compliance by the concerned dealers,\textsuperscript{43} become necessary for some dealers to obtain new contracts or to apply for tenders, especially in their

\textsuperscript{42} Rules 89, 89A and 93 of Bengal Sales Tax Rules, 1941 and Rules 14, 15 and 15A of West Bengal Sales Tax Rules, 1954 prescribe that the consignments of notified items have to be accompanied with permits during their entry in West Bengal.

\textsuperscript{43} Bengal Finance (Sales Tax) Act, 1941, Section 21B; and Bengal Sales Tax Rules, 1941, Rule 84A.
dealings with government or semi-government organizations.

The officials not below the rank of Inspector of Commercial Taxes may require the dealers to produce their documents, accounts and registers and to furnish any relevant information relating to their stock of goods, sales and purchases, whenever necessary. The inspecting official may, in his discretion, make the inspection at the dealer's premises. Such officials are also vested with enormous powers of making search and seizure in the dealer's premises. The latter kind of activities are mentioned as 'raids' in common parlance. However, it should be remembered that such raids are not the normal activities of the officials posted at Charges. Such activities fall within the normal domain of Central Section and Bureau of Investigation which are specially meant to carry out such operations. While inspection at the dealers' places of business is a regular duty of the Commercial Tax Officers and Inspectors of Commercial Taxes posted at Charges, their purpose is to check whether the dealers are making regular payment of taxes and also to alert the latter lest they dare evade taxes. Also, the officials occasionally visit the business places of the dealers to request them to make advance

*Cf. Bengal Finance (Sales Tax) Act, 1941, Section 14; and West Bengal Sales Tax Act, 1954, Section 13.*
payment of taxes. That is to say, the dealer is urged upon to deposit in advance the tax payable for sales to be made in a future period. The tax paid in advance is deducted from the tax payable in future. This is not the statutory function of the officials. Yet they have to perform this under administrative directions. Nor it is the statutory obligation of the dealers to make advance payment of tax. So, they are requested by the officials to do so. Such request is generally made to the dealers in the month of March, that is, before formation of the Government Budget. Of late, allegations are being heard from the dealers that they are being unduly pressurised to make advance payment of taxes. 45

3.5 Research objectives

It has been pointed out in section 3.1 that this Directorate is an ideal site for examination of the nature of interaction of the bureaucratic officials with their clientele and also of the extent of maintenance of normative standard in public life. Actually, these two matters are not isolated phenomena, but related ones. The question of maintenance of normative standard

45 A report was published in the Ananda Bazar Patrika on 15.1.93 containing allegations of the business community regarding the pressures created upon them by the Sales Tax authorities for making advance payment of taxes.
by the bureaucratic officials becomes particularly meaningful in day-to-day discharge of the duties by such officials regarding their clients, especially where such clients have enormous financial power and are a highly organized and powerful segment of the contemporary society. In the present study, one important research objective has been to examine the extent of prevalence of corruption and inefficiency among the bureaucratic officials of this Directorate with reference to daily discharge of their official duties in relation to their clients who are called 'dealers'. Also, it was felt necessary to ascertain the extent of satisfaction or dissatisfaction of such clients with the functioning of this Directorate. Further, attempts have been made to ascertain the views of the officials of this Directorate about the dealers, especially with reference to the alleged dishonesty prevalent among the business community. In this respect, the level of cooperation made by the dealers in compliance of their tax commitment has been a highly pertinent point to examine. Besides, there is a large section of middle-men (i.e. Advocates, Chartered Accountants and other categories of sales tax practitioners) who plead before the officers on behalf of the clients. In this respect, this Directorate resembles a few other government departments where the middlemen have an important role to play. As for instance, in the building department of the municipal corporations, the architects play
the role of such middlemen. It was felt relevant to examine how the relation between the officials and their clients is affected by the role of the middlemen in this Directorate and to what extent their role is affecting the functioning of bureaucracy according to the established norms and standard.

The pattern of interaction of the bureaucratic officials with their clients is but one side of the coin. No less important is the pattern of interaction persisting among the officials themselves in their day-to-day office work. A good deal of bureaucratic functioning of an organization evolves around maintenance of hierarchywise command and control among the officials. Maintenance of such command and control, again, involves interaction among the officials according to the official regulations. But such official regulations may have their own imperfections to successfully maintain authoritative relations between the superiors and the subordinates. Therefore, another important research objective has been to analyse the nature of interaction among the officials themselves in their daily office work. Attempts have been made to understand the nature of the formal, authoritative relations that are expected to prevail among the employees along official hierarchy, imperfections of such authoritative relation, if any, and complementary devices evolved to balance the

46 Cf. V. Jagannadh and N.S. Bakshi, Citizen and the Municipal Bureaucracy (Delhi: Delhi Printers, 1971) p.95.
deficiencies of purely formal authority.

Deviations from standard and norm on the part of the bureaucratic officials warrant the operation of the provisions for disciplinary proceedings. Efforts have been made to ascertain the most potent factors of institution of disciplinary proceedings in this Directorate, the reasons for failure of most of such disciplinary proceedings, impact of such disciplinary proceedings upon the officials and their performance, relative success and failure of such disciplinary proceedings to ensure compliance with standard and norm and the reasons thereof, and resistance offered by the employees at their individual and collective levels to institution of such disciplinary proceedings. A detailed analysis of the role of service associations has been deemed meaningful in this context.

An important objective of the study has been to ascertain the nature of use of rules by the bureaucratic officials and appraisal of rules by such officials and their clients. Regarding use of rules by the officials, there are two predominant types of views. One mode of view is represented by Gouldner and Crozier. It has earlier been pointed out that Gouldner views rules as providing the employees the knowledge about minimum requisite acceptable behaviour. This may induce the employees to perform the minimum tasks required to maintain their jobs. And Crozier
views — as we have already seen — rules as providing the lower level officials the means of human resistance. Rules are used by different groups of employees as the means of enhancing group prerogatives and of ensuring independence from arbitrary interference by the bosses.\textsuperscript{47} Another point of view on application of rules is represented by Merton, Blau and Meyer. Merton opines that — it has earlier been discussed — displacement of goals takes place where a premium is placed on strict observance of the particular working details required by rules than on fulfillment of the aims of the organization. We have also seen that in the opinion of Blau and Meyer, extreme rigidity in bureaucratic functioning stems from the fear of the superiors. An official, having once been reprimanded by his boss for an incorrect decision, will prefer to apply rules blindly in similar cases and refrain from exercising discretion lest he again may be reprimanded. Overconformity to rules protects him.\textsuperscript{48} Efforts have been made to ascertain the validity of the above-mentioned propositions regarding use of rules, especially the rules that guide superior-subordinate relationship and make provisions for institution of

\textsuperscript{47} Cf. discussion on Gouldner and Crozier in sub-section 1.2.4 of Chapter I.

\textsuperscript{48} Cf. discussion on Merton and adjoining comments by Blau and Meyer in sub-section 1.2.3 of Chapter I.
disciplinary proceedings, in the context of the particular organization under study. In addition to this, efforts have been made to ascertain the views of the bureaucratic officials and their clients regarding the efficacy of the taxation rules in the domain of sales tax administration.

Another purpose of the study has been to ascertain the impact of environment and gratification on performance. In this connection, the nature of working condition, the volume of workload and the level of job satisfaction of the officials have been probed into since these are important determinants of bureaucratic functioning. An important objective of the study has been to focus on the informal organization within the Directorate. In the opinion of Blau and Meyer — it has earlier been noted, congenial informality arises among the co-workers which mitigates bureaucratic impersonality. Also, formal rules of bureaucracy are often violated and unofficial practices develop that may ultimately help achievement of the organizational objectives. In this study, efforts have been made to ascertain how informal groupings and intimate relations among the employees affect bureaucratic functioning and whether unofficial practices, which violate formal official

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49 Cf. discussion on Blau in sub-section 1.2.4 of Chapter I.
standard, are inevitable for smooth bureaucratic functioning and realization of the goals of the organization.

3.6 Method of data collection and analysis of data

Having regard to the difficulty of studying one's own society, culture or organization that was discussed in details in section 3.1, we felt the necessity of adopting an appropriate methodology that would help make the study more objective. Hence, we thought of making a sample survey. In planning the sample survey, we felt it convenient to territorially restrict the universe to the 'greater Calcutta region' only since it would have been difficult to study the functioning of this Directorate throughout West Bengal. By the 'greater Calcutta region' is meant Calcutta District and four adjoining districts -- namely North 24-Parganas, South 24-Parganas, Howrah and Hooghly. At the time of the survey, there were ten Circles and fifty-one Charges in the greater Calcutta region (these numbers however included Assessment Wing which was conceived of as a Circle composed of a single Charge).  

Also, there were the Head Office and different other offices performing ancillary and miscellaneous functions within this greater Calcutta region. Among several categories of employees serving in this Directorate, it was decided to cover by this sample survey only

two categories of officers -- Commercial Tax Officers and Assistant Commissioners of Commercial Taxes. It has been earlier discussed in sub-section 3.3 that exercise of effective quasi-judicial powers is generally made only by the officers in this Directorate. While there are three categories of departmental officers -- namely Commercial Tax Officers, Assistant Commissioners of Commercial Taxes and Additional Commissioners of Commercial Taxes, the functions of the last category of officers are markedly different from those of the other two categories of officers. The Additional Commissioners of Commercial Taxes perform administrative and supervisory functions; exercise of quasi-judicial powers in relation to the dealers forms only an insignificant part of their works. Their public dealings or contact with the dealers is much less than the other two categories of officers. The functions of the Commercial Tax Officers and the Appellate Assistant Commissioners, although not identical, are much alike. And the schedule, which could be used both for the Commercial Tax Officers and the Assistant Commissioners of Commercial Taxes, would not be applicable in the case of the Additional Commissioners of Commercial Taxes. If separate schedules were used, the criteria also would have been different and the responses would not have been comparable. Having regard to this fact, it was decided to exclude the Additional Commissioners of Commercial Taxes from the purview of the sample survey. All the Commercial Tax Officers and
the Assistant Commissioners of Commercial Taxes—serving in the Charges, Circles, Head Office and other offices which fell within the greater Calcutta region—constituted the universe. At the time of beginning of the survey, there were 603 Commercial Tax Officers and 113 Assistant Commissioners of Commercial Taxes posted in different offices within the greater Calcutta region. Sixty Commercial Tax Officers and twelve Assistant Commissioners of Commercial Taxes, forming approximately ten per cent of each category of officers, were selected through random sampling after having prepared a compiled list of such officers. One set of schedules was administered to such officers. A few of such officers did not agree to respond, and they were replaced by other respondents chosen in the same manner.

Coming to the dealers, only those registered at the Charges within the greater Calcutta region formed the universe. But the number of such dealers were huge since there are generally five hundred to two thousand registered dealers in each Charge. Hence, it was necessary to conduct sampling at two stages. At first, the greater Calcutta region was sub-divided into two areas— the 'proper Calcutta area' and the 'area outside proper Calcutta'. Then, two Charges belonging to these two areas were chosen through random sampling (lottery method). The two Charges, so chosen, were Beadon Street Charge (which is within proper
Calcutta area) and Salt Lake Charge (which is outside proper
Calcutta since it administratively belongs to the District of
North 24-Parganas and, according to Commercial tax structure
also, falls under the domain of 24-Parganas Circle). Lists of
all the 'living registered dealers' in respect of these two
Charges were prepared in consultation with the officials pos-
ted in these two Charges and on examination of the lists of the
registered dealers maintained in these two Charges. The concept
of 'living registered dealers' needs some elaboration here.
Some registered dealers become defunct or wind up their busi-
ness after a lapse of time although their registrations are not
cancelled then and there. The reason is that it is imperative,
under the existing practices, to make some enquiry and/or to
give the dealer an intimation and a reasonable opportunity of
making representation against the proposal of cancellation of
registration (in case the dealer himself does not pray for can-
cellation of his registration). In view of this method, regis-
tration of such dealers continue to remain valid notwithstan-
ding the fact that such dealers have ceased to exist. While che-
cking the lists of the dealers registered in those two Charges,
such defunct dealers were carefully eliminated and only the
living dealers were taken into account. At the time of begin-
ning of the survey, there were 748 living registered dealers in
Beadon Street Charge and 931 living registered dealers in Salt
Lake Charge. Five per cent of such living registered dealers were chosen from each Charge through random sampling, the numbers being 47 in the case of Salt Lake Charge and 37 in the case of Beadon Street Charge. Some of the selected dealers refused to respond. They were substituted by other dealers chosen from the same Charges in the same manner. A separate set of schedules were administered to the dealers. The schedules both for the officers and the dealers contained questions with fixed alternative answers and open-ended questions.

Apart from the survey instrument, several other methods were employed for collection of data. Such methods included informal discussion (and subsequent recording thereof) with different categories of employees, dealers and middlemen on aspects which could not be effectively dealt with by the survey instrument. Another important method was examination of documentary evidences. Such documentary evidences included (1) different tax statutes and the annual reports (known as the Administrative Reports) of this Directorate, (2) the reports of different committees framed by the authorities to review the working of this Directorate, and (3) the mouth-pieces, leaflets, bulletins etc. published by different service associations and other pressure groups. Documentary evidences of the first category threw light on the formal structure of this organization, while information about actual functioning of this Directorate was obtained
from documentary evidences of the second and third categories. Analysis of some case data and observation were also undertaken to get more insight about the functioning of this organization. Last, but not the least in importance, was the present researcher's own experience gathered during his period of service here. Such personal experience and information collected as an insider provided valuable source material. His past acquaintances with the employees of this Directorate also made it easy to conduct the survey, get necessary information, and have easy availability of documentary evidences. However, it should be mentioned here that the structural and functional aspects of this organization, as they were up to March of 1994, have only been taken into account. Subsequent changes, if any, have not been incorporated in this thesis since that would have highly complicated the work.

After the survey operation had been over, the data so obtained were processed manually. The schedules were examined. The responses given to the open-ended questions revealed several patterns and they were classified accordingly. Coding was made from different answers and, thereafter, data were presented in tabular form. Chi square test was applied to ascertain the significance level as revealed in several tables. In some of the open-ended questions, however, responses were sought in a
narrative manner or plural answers were invited. Consequently, such responses revealed pluralistic patterns. In such cases, the number of responses and percentage thereof, that were obtained against each particular type of answer, have been shown in a different manner. In the case of such questions, total number of different responses does not agree with total number of respondents.

Coming to the choice of variables, the hierarchy of the officers was decided to be the major variable in the case of data obtained from the schedules administered to the officers. Stratified random sampling was made accordingly in choosing the respondents from the officers. The Commercial Tax Officers are lower level officers, whereas the Assistant Commissioners of Commercial Taxes are comparatively higher level officers. The job experience and outlook of these two categories of officers are likely to differ. The common sense view is that the Assistant Commissioners of Commercial Taxes, being senior and more privileged than the Commercial Tax Officers, should speak less about the defects and vices of the organization they work in, should show a greater degree of job satisfaction, should be more skeptical about the success of the service associations, should have a high regard for formal authority and should show more adverse attitude towards the dealers and the middlemen.
than the Commercial Tax Officers. How far such broad assumptions derived from the common sense view remain valid would be evident from future analysis of data.

Regarding data obtained from the responses given by the dealers, it was primarily decided to use the location of the dealers as the determining variable which would account for the differences in the experience and outlook of such dealers. It was thought that the Calcutta-based dealers are likely to give responses that would differ from those given by the non-Calcutta-based dealers. But, on a preliminary scrutiny of the dealers' schedules, this idea appeared to be wrong. No significant difference was revealed between the response patterns of the dealers of Beadon Street Charge and those of the dealers of Salt Lake Charge. To illustrate this point, questions bearing numbers 9 and 18 in the dealers' schedule (which comprises 26 questions) are chosen at random, and part of the data obtained from the responses thereto are analysed below taking the location of the business centres of the dealers as the guiding variable. It transpires from the data that 54.05 per cent of the dealers belonging to Beadon Street Charge think that the sales tax rules are complicated whereas 53.57 per cent of the dealers belonging to Salt Lake Charge think so. Again, 21.62 per cent of the dealers belonging to Beadon Street Charge think that there is
rampant corruption in the Sales Tax Office, 62.16 per cent of such dealers opine that there is enough corruption in this organization, and 10.81 per cent of them hold that there is less corruption here. The corresponding percentage figures of the dealers belonging to Salt Lake Charge are 21.28, 63.83 and 10.64 respectively. No significant Chargewise difference of opinion was revealed among the dealers. Hence, the idea of using the location of business places of the dealers as the guiding variable was dropped.

While searching for a more reliable variable to analyse the responses of the dealers, we found that the magnitude of the business of the dealers can meet the requirement. The schedule for the dealers included a question on the turnover of the dealer during the last accounting year. The terms like 'turnover' and 'accounting year' need some explanation here. 'Turnover', used in relation to a period, means the aggregate of sales prices receivable (that is to say, the prices quoted in the bills that have been raised irrespective of whether the payments have been made or not) or actually received by the dealer during such period. 51 'Accounting year' or 'year' has been defined in the following manner:

51 Bengal Finance (Sales Tax) Act, 1941, Section 2(i).
'Year' used in relation to any particular dealer means the year by which, according to a declaration made by that dealer, the accounts of that dealer are ordinarily maintained in his books, and where no such declaration is made, the year commencing on the first day of January and reckoned according to the British calendar.  

Several types of such years or accounting years are in vogue. A few instances are English calendar year, Bengali calendar year, or those starting with some auspicious days like Dewali, Akshaya Tritiya etc. But most of the dealers have been maintaining their books of account following financial year (April to March) as their accounting year in accordance with the recently amended provisions of Income Tax Act, 1961.

On further scrutiny of the schedules, it was found that the differences in the turnover of the dealers may account for variations in their outlook and experience and consequent variations in their response patterns. The broad assumption framed here is that the big dealers have lesser allegations with the functioning of this Directorate than the small dealers, the latter being generally more adversely affected by the bureaucratic functioning of this organisation in the present set-up.

52 Ibid., Section 2(j).
Accordingly, the dealers were classified into two categories — the big dealers and the small dealers. The dealers with a turnover of Rs. 25 lakhs (2.5 millions) or more during the last accounting year were termed as the 'big dealers', and the dealers with a turnover of less than Rs. 2.5 millions during the last accounting year were termed as the 'small dealers'. This categorisation is not arbitrary. A tax called 'turnover tax' is imposed on the dealers having turnover of Rs. 2.5 millions or above. It implies that such dealers are differentiated, under sales tax laws, from other dealers whose turnover falls below Rs. 2.5 millions. It, therefore, seemed quite reasonable to us to fix a cut amount of Rs. 2.5 millions to differentiate between the big and the small dealers.

It is true that we did not make any stratified random sampling on ascertaining the proportion of the big dealers to the small dealers in these two Charges. So the numbers of the big dealers and the small dealers in our sample are no index of the distribution of these two types of dealers in these two Charges. This sampling defect is balanced by the fact that it would not have been possible for us to exactly ascertain such numbers. It

54 Bengal Finance (Sales Tax) Act, 1941, Section 6B; and West Bengal Sales Tax Act, 1954, Section 4AAA.
is because such ascertainment would have required scrutiny of the turnover of the dealers from the files, demand registers and other secret official documents which would inevitably have been denied to us, as was evident to us through subsequent discussion with the officers. Under the provisions of law, the particulars contained in the statement made and the documents and returns filed or produced by a dealer are treated as confidential, and the public servants are forbidden to disclose the same. Turnover of a dealer also forms part of such confidential records. We had only to depend on the common sense view that the small dealers are more numerous than the big dealers. Fortuitously, in our sample, there are 36 big dealers and 48 small dealers, and this distribution does not contradict this common sense view.

The findings derived from the analysis of survey data by using the above-noted variables and also of data gathered from other sources mentioned earlier will be discussed in the subsequent chapters. The present researcher's personal experience, it is hoped, will provide further insight in such analysis.

55 Bengal Finance (Sales Tax) Act, 1941, Section 25; West Bengal Sales Tax Act, 1954, Section 19; and Central Sales Tax Act, 1956, Section 9.