

ORGANISATIONAL SET-UP OF THE GOVERNMENT OF INDIA

The Government of India comprises of: -

- i) Legislature
- ii) Executive
- iii) Judiciary

2. India is a Sovereign Democratic Republic. The Constitution gives it a parliamentary form of government. The executive authority of the Government is accountable for all its decisions and actions to the people through its elected representatives.

3. **The President**—The executive power of the Union formally vests in the President and may be exercised by him either directly or through officers subordinate to him, in accordance with the Constitution.

4. The Council of Ministers —

In the exercise of his functions, the President is aided and advised by a Council of Ministers headed by the Prime Minister. In actual practice, the executive power of the Union resides in the Council of Ministers.

5. The Council of Ministers consists of three categories of Ministers, namely,-

- (a) Cabinet Ministers;
- (b) Ministers of State; and
- (c) Deputy Ministers.

6. The Cabinet, which consists of Ministers of the first category only, is responsible for shaping the overall policies of the Government in discharging its responsibilities. It sometimes functions through its Committees.

7. Under Article 77(3) of the Constitution, Rules of Business have been framed to regulate the transaction of Business of Government. Among the rules issued by the President for the convenient transaction of the business of the Government, are:-

- (a) **The Government of India (Allocation of Business) Rules, 1961** (as amended from time to time); and
- (b) **The Government of India (Transaction of Business) Rules, 1961** (as amended from time to time).

8. The Allocation of Business Rules allocates the business of the government among its different departments which are assigned to the charge of the Ministers by the President

on the advice of the Prime Minister. In relation to the business allotted to a Minister, these rules also permit the association of another Minister or Deputy Minister to perform such functions as may be specifically assigned to him. A Minister without Portfolio may be in charge of a specific subject of great importance.

9. The Transaction of Business Rules seeks to define the authority, responsibility and obligations of each department in the matter of disposal of business allotted to it. While providing that the business allotted to a department will be disposed of by, or under the direction of, the Minister-in-charge, these rules also specify;

- (a) cases or classes of cases to be submitted to the President, the Prime Minister, the Cabinet or its Committees for prior approval; and
- (b) the circumstances in which the department primarily concerned with the business under disposal will have to consult other departments concerned and secure their concurrence before taking final decisions.

The details of Allocation of Business Rules and Transaction of Business Rules are available on the website of the Cabinet Secretariat (www.cabsec.nic.in).

10. Functions and duties of a Department are as under:-

(1) A Department is responsible for formulation of policies of the Government in relation to business allocated to it and also for the execution, monitoring and review of those policies.

(2) For the efficient disposal of business allotted to it, a Department is divided into wings, divisions, branches and sections/units/cells

(3) A Department is normally headed by a Secretary to the Government of India who acts as the administrative head of the department and principal adviser of the Minister on all matters of policy and administration within the Department.

(4) The work in a department is normally divided into wings with a Special Secretary/Additional Secretary/Joint Secretary in charge of each wing. Such a functionary is normally vested with the maximum measure of independent functioning and responsibility in respect of the business falling within his wing, subject to the overall responsibility of the Secretary for the administration of the department as a whole.

(5) A wing normally comprises a number of divisions each functioning under the charge of an officer of the level of Director/Joint Director/Deputy Secretary. A Division may have several branches, each under the charge of an Under Secretary or equivalent officer.

(6) A Section is generally the lowest organizational unit in a department with a well-defined area of work. It normally consists of Assistants, Technical staff such as Investigators, Research Assistants, Technical Assistants, Data Entry Operators etc. and clerks supervised by a Section Officer. Initial handling of cases (including noting and drafting) is generally done by Assistants and aforementioned staff who are also known as the dealing hands.

11. Functions of various levels of functionaries in a Department:-

(a) **Secretary** — A Secretary to the Government of India is the administrative head of the Ministry or Department. He is principal adviser of the Minister on all matters of policy and the administration within his/her Ministry/Department, and his responsibility is complete and undivided.

(b) **Special Secretary/Additional Secretary/Joint Secretary**—When the volume of work in a Ministry/Department exceeds the manageable charge of a Secretary, one or more wings may be established with Special Secretary/Additional Secretary/Joint Secretary, in charge of each wing. Such a functionary is entrusted with the maximum measure of independent functioning and responsibility in respect of all business falling within his wing, subject to the general responsibility of the Secretary for the administration of the wing as a whole.

(c) **Director/Deputy Secretary**—Director/Deputy Secretary is an officer who acts on behalf of the Secretary. He holds charge of a Secretariat Division and is responsible for the disposal of Government business dealt within the Division under his charge.

He should not only provide able leadership but also ordinarily dispose of the majority of cases coming up to him on his own. He should use his discretion in seeking orders of the Joint Secretary/Secretary on important issues either orally or by submission of papers.

(d) **Under Secretary**— An Under Secretary is in charge of the Branch in a Ministry/Department consisting of two or more Sections and in respect thereto exercises control both in regard to the disposal of business and maintenance of discipline.

Work comes to him from the Sections under his charge. As Branch Officer, he provides the necessary leadership to the Sections under his control; he disposes of as many cases as possible at his own level, but he takes the orders of Deputy Secretary or higher officers on important cases.

(e) **Section Officer**- He is in charge of section.

12. Where the execution of the policies of the Government requires de-centralisation of

executive direction and establishment of field agencies, a Ministry under it has subsidiary organizations called: -

- i) Attached Offices;
- ii) Subordinate Offices.

Attached Offices

- i) They are responsible for providing executive direction required in the implementation of the policies laid down by the Ministry to which they are attached.
- ii) They also serve as a repository of technical knowledge on the functions of the Ministry.

Sub-ordinate Offices

- i) They function as field establishments responsible for the detailed execution of the decisions of the Government.
- ii) They generally function under the direction of an attached office or in cases where the volume of executive direction involved is not considerable, directly under the Ministry.

Set Up of Ministry of Finance and Department of Revenue: -

13. The Finance Ministry is responsible for the administration of the finances of the Central Government and for dealing with financial matters affecting the country as a whole. It arranges for raising resources for developmental and other purposes and controls expenditure of the Central Government including transfer of resources to states. The Ministry is headed by the Finance Minister who is assisted by Ministers of State.

14. The Finance Ministry comprises of the following departments, namely:

- i) Department of Economic Affairs;
- ii) Department of Expenditure; and
- iii) Department of Revenue.
- iv) Department of Financial Services
- v) Department of Disinvestment

Department of Revenue

15. The Department of Revenue exercises control vested in it in respect of revenue matters relating to all direct and indirect union taxes through two statutory Boards under

it, namely the CBDT and the CBEC. The Department of Revenue is mainly responsible for the following functions: -

- All matters relating to levy and collection of Direct Taxes.
- All matters relating to levy and collection of Indirect Taxes.
- Investigation into economic offences and enforcement of economic laws.
- Framing of policy for cultivation, export and fixation of price of Opium etc.
- Prevention and combating abuse of Narcotic drugs and psychotropic substances and illicit traffic therein.
- Enforcement of FEMA and recommendation of detention under COFEPOSA.
- Work relating to forfeiture of property under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and Narcotics Drugs and Psychotropic Substances Act, 1985.
- Levy of taxes on sales in the course of inter-state trade or commerce.
- Matters relating to consolidation/reduction/exemption from payment of Stamp duty under Indian Stamp Act, 1899.
- Residual work of Gold Control
- Matters relating to CESTAT.
- Cadre Control of IRS (Group-A) and IRS (C&CE) (Group-A).

16. The Department of Revenue functions under the overall direction and control of the Revenue Secretary. Matters relating to levy and collection of all direct taxes are looked after by the Central Board of Direct Taxes, whereas those relating to levy and collection of Customs, Central Excise and Service Tax fall within the purview of the Central Board of Excise and Customs. The two statutory Boards were constituted under the Central Board of Revenue Act, 1963. Each Board has a Chairman and six Members who are also ex-officio Special Secretaries to the Govt. of India.

17. Matters relating to administration of the Central Sales Tax Act, 1956 and Foreign Exchange Management Act, are allotted to the Additional Secretary (Admn.). In addition, the Additional Secretary (Admn.) looks after enforcement/technical coordination in the Department of Revenue as between the two Boards and various enforcement and intelligence agencies functioning under these two Boards, apart from the administration of the headquarters establishment of the Department.

FIGURE 1: ORGANIZATIONAL CHART OF DEPARTMENT OF REVENUE

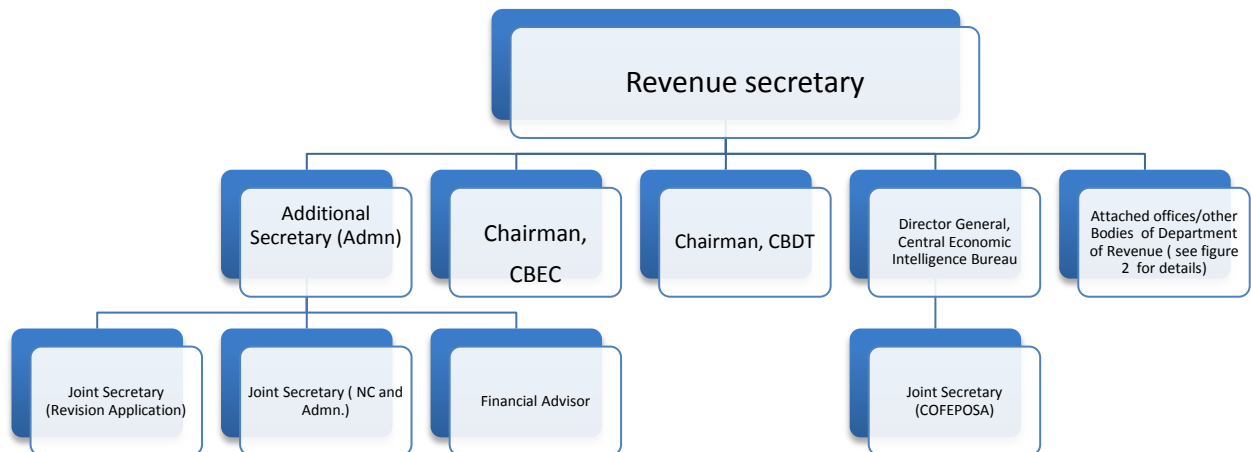


Figure 2: Attached offices and other bodies of Department of Revenue



[Source: www.cbec.gov.in]

18. Functions of the various Divisions/ Organisations in Department of Revenue are as under:-

(1) Administration Division:

All administrative matters of Department of Revenue. Maintenance of CR Dossiers of the staff and officers of the Secretariat proper of the Department and IRS (Group-A), IRS (Custom & Central Excise) (Group-A). Coordination work and work relating to translation of languages and implementation of Hindi.

(2) Sales Tax Division:

Administration of sales tax laws (Validation) Act, 1956, Central Sales Tax, State-level Value Added Tax (VAT), Indian Stamp Act, 1989 etc.

(3) Narcotics Control (NC) Division :

Framing of licensing policy for cultivation of Opium poppy, production of opium and export and pricing of opium. Coordination of the working of Committee of Management and issues relating of UN and International Organizations.

(4) Committee of Management:

Administering the departmental undertakings viz. Govt. Opium and Alkaloid work , Neemuch (M.P.) and Ghazipur which are engaged in processing of raw opium for export purposes and also for extraction of alkaloids from opium, which are used by the Pharmaceutical industry.

(5) Revision Application (RA) Unit:

Work relating to revision applications filed against the orders of Commissioners of Customs (Appeals) and Commissioners of Central Excise (Appeals) and the cases filed before 11.10.1982 against CBEC.

(6) Integrated Finance Unit (IFU):

Tendering advice in all financial matters pertaining to Department of Revenue and the field formations under CBDT & CBEC. Deals with expenditure and financial proposals. Prepare expenditure budget for grants relating to Department of Revenue, Direct Taxes & Indirect Taxes.

(7) Central Board of Excise and Customs (CBEC):

All matters relating to levy and collection of indirect taxes.

(8) Central Board of Direct Taxes (CBDT):

All matters relating to levy and collection of direct taxes.

(9) Competent Authority Cell:

Administration of Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and issues relating to Competent Authorities and Appellate Tribunal for Forfeited Property.

(10) Competent Authorities:

Work relating to forfeiture of property under Smugglers and Foreign Exchange Manipulators (Forfeiture of property) Act, 1976 and Chapter VA of Narcotics Drugs and Psychotropic Substances Act, 1985.

(11) Appellate Tribunal for Forfeited Property:

Adjudication of appeals filed by persons against orders of forfeiture of properties passed by Competent Authorities under the SAFEM (FOP) Act, 1976 and Chapter V A of NDPS Act, 1985.

(12) Customs, Excise, Service Tax Appellate Tribunal (CESTAT):

Hearing appeals against the orders of Executive Commissioners, Commissioner (Adjudication) and Commissioners (Appeals).

(13) National Committee for Promotion of Social and Economic Welfare:

Recommending projects of social and economic welfare to the Central Government for issuance of notification under section 35 AC of the Income Tax Act, 1961.

(14) Authority for Advance Rulings (AAR):

Giving advance rulings on a question of law or fact specified in an application filed by Non-Residents in relation to transaction, which has been undertaken or proposed to be undertaken by the applicant.

(15) Customs and Central Excise Settlement Commission:

Settlement of applications filed by the assesseees under the Customs Act, 1962, Central Excise Act, 1944 and Finance Act, 1994.

(16) Settlement Commission (IT/WT):

Settlement of applications filed by the assesseees under the Income Tax Act, 1961 and the Wealth Tax Act, 1957.

(17) Central Economic Intelligence Bureau (CEIB):

Coordinating and strengthening of the intelligence gathering activities, the investigative efforts and enforcement action by various agencies concerned with investigation into economic offences and enforcement of economic laws.

(18) Enforcement Directorate (ED):

Responsible for enforcement of the provision of Foreign Exchange Management Act. Recommending cases for detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. Under Foreign Exchange Management Act, 1999, the Enforcement Directorate is mandated primarily as the investigation and adjudicating agency.

(19) Financial Intelligence Unit (FIU):

To coordinate and strengthen collection and sharing of financial intelligence through an effective national, regional and global network to combat money laundering and related crimes.

**