

**INCOME TAX
EMPLOYEES
FEDERATION**



Since 1953

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28th September, 2017
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To
The Under Secretary, AD-IX
Central Board of Direct Taxes,
Ministry of Finance,
Hotel Samrat, New Delhi.

Sir,

Sub: *Settle Anomalies after implementation of 7th Central Pay Commission recommendation-*
Ref: *Letter in F.No.I-11020/01/2017-Ad-IX(Pt) dated 28th September, 2017*

Kindly refer to the above.

On behalf of the Organisation, sincere thanks for taking initiative for setting up of Anomaly Committee for the Ministry of Finance to settle the anomalies arising out of the implementation of the 7th CPC recommendations. I am forwarding hereunder the anomalies in assigning the pay levels to certain categories of the officials by the 7th CPC. The categories are:

1. Tax Assistant
2. Income Tax Inspector
3. Income Tax Officer
4. Administrative Officer & Private Secretary
5. Lower Division Clerks

1. Tax Assistants

The 6th CPC had assigned the Tax Assistants in Income Tax Department the Grade Pay of Rs 2400/- in PB- 2. The Auditors and Accountants in Indian Audit & Accounts Department (IA& AD) and other Accounting organizations viz. Defence Accounts, Civil Accounts, Railway Accounts, Postal Accounts etc. were assigned the Grade Pay of Rs. 2800/- . The nomenclature for the present Tax Assistants was UDC earlier and for the same/corresponding grade in Indian Audit and Accounts Department and other Accounting organisations are Accountants/Auditors (though both of two had been designated as UDC till 3rd CPC). Both the cadres i.e. the UDC/Tax Assistants in Income Tax Department and the Accountants/Auditors in IA & AD and other accounting organisations were in the same pay scale all along till the Government revised the pay scale of Auditors/Accountants in 2003 i.e. during the period when the 5th CPC pay scales were in operation. The said order was an executive fiat of the Government of India. It could be seen from the order that the demand of the Accounting Employees were considered and conceded by the Government to bring about parity of pay scales between the Accounting organisations and the Cadres of the Central Secretariat. However, when the orders were issued, the Auditors and Accountants were given a higher pay scale than even the UDCs in the Central Secretariat, thereby disturbing the horizontal relativity between the cadres in the Government of India Departments. We give hereunder a chart depicting the Pay Scales assigned by the successive Pay Commissions to the UDCs of various Government of India offices including the IA &AD. Had the upgradation of the pay scale not been effected in 2003, for which we have not been able to make out any reasons, the pay scales of the Tax Assistants and the Accountants/Auditors would have remained identical.

Aggrieved by this unilateral decision of the Department of Expenditure, Ministry of Finance, the ITEF took up the issue with the Government bilaterally and through the forum of the Departmental Council. However, no decision was taken on the specious plea that the Government having set up the 6th CPC would not like to go into the matter but would refer the matter to the 6th CPC. The 6th CPC did not go into the merit of the issue at all. They simply

assigned the replacement scales in the form of PB-2 and Grade pay of Rs. 2400 for Tax Assistant and for Accountant/Auditor, the Grade Pay assigned was Rs. 2800. The ITEF had taken up the matter with the Government in the Departmental anomaly Committee where the matter was discussed twice but no conclusions could be reached. The anomaly committee did not meet thereafter and the issue was made to pond indefinitely. Had the Government recorded disagreement in the Anomaly Committee meeting, the issue could have been got settled before the Arbitrator. The doors of negotiation were shut by not convening the meeting of the Departmental Council or the Anomaly Committee for ever. The ITEF took up the matter before the 7th CPC but they rejected the demand on the erroneous contention that there had been no horizontal parity or relativity between the UDCs of the Income tax Department (presently TAs) and Auditor/ Accountants in IA& AD and other Accounting organizations. **The Tax Assistant in Income Tax Department must, therefore be assigned in the Level 4, GP of Rs.2400 suggested by the 7th CPC in the Place of GP Rs. 2800.**

This apart, it must be mentioned that Auditors, Accountants and Tax Assistants are recruited by SSC on passing the same Combined Graduate Level Examination (CGLE). It can be seen that the recruitment qualification stipulated for all these cadres are one and the same. Having been recruited through the same agency and the through the same examination, these categories of employees are to be placed in the same scale of pay or grade pay or pay level. The 5th Central Pay Commission had enunciated this dictum while upgrading certain cadres in certain department. Ever since, this has been followed by the Government. Even in the case of organised Group A Services and the All India Service (AIS) cadres (viz. IAS. IFS. IPS etc) who are recruited through the Civil Service Examination are all assigned the same pay scale/Grade Pay/Pay level in the beginning.

**COMPARISON BETWEEN THE SCALES OF PAY OF UDC/TA OF DEPTT. OF REVENUE
& AUDITOR/ACCOUNTANT OF IA & AD**

| DEPARTME NT | II CPC | III CPC | IV CPC | V CPC | VI CPC | VII CPC |
|----------------------|---------------|-----------------|--------------------|--------------------|---|---|
| IA & AD | Rs. 130 - 280 | Rs.330 - 560 | Rs. 1200 - 2040 | Rs.4000 – 6000@ | GP-2400 (upgraded To GP of Rs.2800) | Level 5 (Replacement of GP Rs.2800) |
| DEPTT. OF REVENUE | Rs. 130 - 280 | Rs.330 - 560 | Rs. 1200 - 2040 | Rs.4000 - 6000 | GP-2400 | Level 4 (Replacement of GP Rs.2400) |

@ The Government by the order dated 19.02.2003 (w.e.f. 19.02.2003 but notionally from 01.01.1996) revised the pay scale (4500-7000) to concede the demand of the Audit and Accounts employees. The said decision resulted in an unintended creation of horizontal disparity between the personnel of I.T. Department and the Department of Indian Audit and Accounts. The anomaly was an issue before the Departmental Anomaly committee of the Ministry of Finance which was not allowed to conclude the issue by the official side. Neither disagreement was recorded nor was it disallowed at the time of entry as an agenda item. The said item is technically pending even now. It is very much necessary that the anomaly committee must set right the disparity and upgrade the pay of Tax Assistant similar to GP of Rs.2800.

2. Inspectors of Income Tax

The 5th CPC had suggested Rs 1640-2900 as the Pay scale for Inspectors of Income Tax, where as it had assigned the Pay Scale of Rs 2000-3200 for Inspectors of IB and CBI, thereby disturbing the parity that was all along in existence. There had been no valid reasoning advanced by the 5th CPC for making this recommendation. This was agitated before the Government by the ITEF as also by the Inspectors of Central Excise and Customs. The Inspectors of Central Excise approached the Central Administrative

Tribunal to set aside the irrational decision of the 5th CPC. The Court after hearing the case directed the Government that they must consider the plea as there was sufficient reason and force in the contention of the applicant, The Government setup a High Power Committee and after long deliberations, the issue was finally settled by issuance of an the order, in F.No.6/37/98-IC dated 21.04.2004, whereby the Inspectors of Income tax, Central Excise and Customs were granted the Pay Scale of Rs 2000-3200 at par with the Inspectors of CBI and IB. The present nomenclature of Inspectors of IB is ACIO Grade I. The 6th CPC again disturbed the said parity by placing the Inspectors of IB and CBI on a higher pedestal by granting them Grade Pay of Rs 4600/- where as the Inspector of Income tax, Central Excise and Customs were kept in the GP 4200/-. The anomaly was set right by the Implementation Committee of the Department of Expenditure, Ministry of Finance granting parity in the pay scales

by upgrading the Grade Pay to Rs. 4600 in the case of Inspectors of Income Tax, Central Excise and Customs (OM from **F. No. 1/1/2008-IC dated 13.11.2009**).

The 7th CPC has again disturbed the said parity by providing higher Pay Level to the ACIO Grade I/ Inspectors of IB and CBI. They have been placed in the Pay Level equivalent to Grade Pay 4800, whereas the Inspectors of Income Tax and Central Excise and Customs have been assigned the normal replacement pay level equivalent to GP Rs. 4600. The 7th CPC has recommended the higher pay level to the Inspectors of IB (present nomenclature as ACIO Grade I) and Inspectors of CBI to bring parity in their pay level with that of the Inspectors of CPMF. In the process the Commission did not look into the horizontal relativity and parity in pay scales that was in existence for long and corrected whenever it was disturbed. We consider this as an aberration, which requires to be corrected as was done both after the 5th and 6th CPC. We give hereunder the table depicting the Pay Scale of Inspectors of IT, CBI and ACIO-I of IB and **request that the Inspectors of Income Tax be assigned the Pay level No. 8 equivalent to the Grade Pay Rs. 4800.**

In the VII CPC report it has been mentioned that there is historical parity between the executive cadre of IB and CBI and that such a parity has to be maintained. Since this Commission has approved upgradation of pay of ACIO I and ACIO II in IB, the pay of corresponding ranks in CBI viz., Sub Inspector and Inspector are also recommended to be upgraded similarly. The upgradation has also been recommended keeping in mind the nature of duties performed by these ranks in the organisation. Accordingly the pay of Sub Inspector is upgraded from GP 4200 to GP 4600 and that of Inspector from GP 4600 to GP 4800. But in order to doing so, the historical pay parity between the executive cadre of IB/CBI and that of the Department of Revenue (as depicted in the following Table) has completely been ignored, thus disturbing the horizontal relativity.

The chart showing the pay scale assigned by successive pay commissions to the Inspectors of Income Tax and Inspectors of IB & CBI

| CPC | POST | PAY SCALE RECOMMENDED | SUBSEQUENT DEVELOPMENT | REMARKS |
|-----------------|----------------------------|--|--|--|
| 3 rd | Inspectors of Revenue Dept | 425-800 (Ord. Grade);550-900 (Sr. Grade) | Ordinary Grade merged with Senior Grade subsequently in case of Inspectors of Revenue Department | There were two grades of Inspectors in two different pay scales of Rs. 425-800 and 550-900. The lower scale was abolished. |
| | CBI/IB Inspector | 550-900 | | |
| 4 th | Inspectors of Revenue Dept | 1640-2900 | No change | The Government's order revising the pay scale of Inspectors of IB/CBI was a unilateral one just a few months prior to the setting up of the 5 th CPC. |
| | CBI/IB Inspector | 1640-2900 | Upgraded to 2000-3200 vide GOI Notification dated 08.02.1996 | |
| 5 th | Inspectors of Revenue Dept | 5550-9000 (Replacement scale) | Granted 6500-10500 vide DoE OM No. 6/37/98 Dated, 21 st April, 2004 | The question of disparity was taken up with the government and the parity was re-established by issuance of order in April, 2004. |
| | CBI/IB Inspector | 5550-9000 (Replacement scale) | 6500-10500 during implementation of 6 th CPC by GoI | |
| 6 th | Inspectors of Revenue Dept | PB 2 GP 4200 | Upgraded to GP 4600 vide DoE OM No. 1/1/2008-IC dated 13.11.2009 | Parity established after 13.11.2009 OM |
| | CBI/IB Inspector | PB 2 GP 4600 | GP 4600 continued | |
| 7 th | Inspectors of Revenue Dept | Level-7 (Replacement scale of GP of Rs.4600) | No change so far | Again by assigning a higher pay scale the historic parity has been disturbed. |
| | CBI/IB Inspector | Upgraded** to GP 4800 and fixed corresponding replacement scale of Level-8 | Placed in Level - 8 | |

**Upgradation in case of CBI Inspectors was recommended merely to keep *historic parity* with IB Inspector (now ACIO-I), as ACIO's scale had already been recommended for upgradation by 7th CPC (*surprisingly CPC felt that keeping GP of ACIO or CBI Inspector at par with Inspector of Central Excise or Income Tax in 6th CPC was actually degradation for former two posts*).

3. Income Tax Officers:

The Income tax Officers are the immediate supervisory officers in the case of Income Tax Inspectors. The Inspectors are to report to the Income Tax Officers (ITO) on all matters and especially of the specific functions entrusted to them. They are assigned the status of a Group B Gazetted Officer in the Department and are entrusted with various statutory functions including assessment work.

An ITO has the largest spectrum of job profile under his belt across all Central Government Group B officers. An ITO as an assessing officer (80% of assessing officers in Income Tax Department are ITOs) acts as a quasi-judicial authority (undertaking the work of a judicial officer or a judge), an investigator as well as law enforcing officer (undertaking the work of a Police Officer), a Pleader as well as Solicitor (discharging the duty of a law officer in MOL), an Accountant as well as an Auditor (performing the duty of an officer of Audit & Accounts Service), a Service Provider to Tax Payers (parallel may be drawn to job profile of the officers of any Social Sector Service Providing Department) and last but not the least an Administrator (heading an independent office thus acting just like a Central Secretariat Officer). The submission of the Association before the 7th Pay Commission was based on substances. It was categorically tried to impress upon that as ITOs discharge most complicated and widest range of duties (including the most precious job of decision making), they deserve the best across all Group B officers. The parity as in the case of Inspectors, had all along existed between the Income tax Officers and Superintendents of CBI/IB (whose designation nomenclature has been changing quite often by the Government; presently DCIO in IB and DSP in CBI respectively).

Till 07.02.1996, the pay scale of both promotional posts (Central Excise Superintendent/ITOs and DSP of CBI) was same, i.e., Rs. 2000-3500/-. Govt. of India vide OM No. 245/23/95 – AVD-II Dt. 08.02.96 of DOPT enhanced the pay scale of DSP of CBI to Rs. 2200-4000/- retrospectively w.e.f. 01.01.86 without any increase in their responsibilities. The Government has been giving for reasons obvious a preferential treatment to the personnel of these two organizations (CBI & IB); especially CBI, which being under the Department of Personnel, directly under the Prime Minister, has enjoyed such enviable treatment all along. The assigning of higher pay scales to the personnel of the departments of IB and CBI had been a charitable exercise and not borne of any sound reasoning. The fact that the said colourful exercise created disparity and generated discontent amongst the personnel of equally important departments viz. the Department of Revenue, is seldom taken note of. **The anomaly committee is therefore, requested to bring back the parity the pay scales of the Income tax Officers and assign the Pay level no.9 equivalent to the Grade Pay Rs. 5400, PB-2.**

There is another classic example of the coinage of “Historical Parity” betraying the cause of the ITOs/ Superintendent of Customs/ Central Excise or the Department of Revenue as a whole in 7th CPC recommendations, when pay scales of the posts in other Department have been equated or even surpassed at the instance of the Revenue Department. The following comparative chart of Department of Revenue vis-à-vis Department of Posts as implemented as per 7th CPC recommendations will reveal the true picture:

| Department | Name of the Posts | 6 th CPC | 7 th CPC | Remarks |
|------------|--|---------------------------------------|---------------------------------|--|
| Posts | Inspector (Posts) | GP-4200 | GP-4600 | “Historical Parity” Restored |
| Revenue | Inspector | GP-4600 | GP-4600 | |
| Posts | Asstt. Superintendent of Posts (ASPO) | GP-4600 | GP-4800 | As a consequence of upgradation in feeder post |
| Revenue | No such post | -- | --- | |
| Posts | Superintendent (Posts) Group B | GP-4800; GP-5400 (after 4 Yrs.) | GP-5400 | As a consequence of upgradation in feeder post in the case of former, thus disturbing the earlier parity in pay and surpassing the latter. |
| Revenue | ITO/ Superintendent of Customs /Central Excise | GP-4800; GP-5400 (after 4 Yrs.) | GP-4800; GP-5400 (after 4 Yrs.) | |

Hence partial application of the principle of parity has made the Department of Revenue a loser in comparison to the organizations like CBI or IB or Department of Posts.

Moreover, the Inspectors are to be classified as Group B. Non gazetted and Non ministerial executive. In view of the functions and responsibilities assigned and the hierarchical status of Income Tax Officers, the question of placing both the cadre in the same pay level cannot arise. Once the pay level of Income Tax Inspectors is raised conceding the demand for parity with the Inspectors of IB and CBI, the pay level of Income Tax Officers, which is

presently in the replacement of the Grade Pay of Rs. 4800, PB-2 will have to be raised to the next stage **i.e. the replacement level of the Grade Pay of Rs. 5400 in PB. 2.** This is also required to be addressed to bring about the vertical relativity and parity between the Inspectors and Income-tax Officers. It may be mentioned that presently the Income Tax Officers, after completion of 4 years of service is placed in the Pay level equivalent to the Grade Pay of Rs. 5400 in PB 2. **The demand is to place the Income tax officers in the replacement level of Grade pay Rs.5400, PB 2. i.e. Level 9** It was in appreciation of the fact that the officers equivalent to the ITOs in IB and CBI are assigned higher pay scale, the Government in 2004 revised the pay scale of Income tax Officers, thereby bringing in horizontal parity between the two departments (both being investigative agencies). The 7th CPC has disturbed the said parity and it is necessary that the anomaly committee must set right the disparity.

4. AO/PS CADRES

The Administrative officers and the Private Secretaries in Income tax Department are Group B Officers. Prior to the implementation of the 5th CPC, no such cadre (AO) had existed in subordinate offices. In Income tax Department, when the posts were created, they were assigned the functions hitherto carried out by the Supervisors Grade I and some of the administrative functions of the Group B Officers. In the case of Private Secretaries, the pay scales are normally assigned on the basis of the level of the officers to whom they are called upon to function as Secretaries. Of late, the Department has created various higher levels at the senior officers' cadre (at the level of Joint Secretary onwards) viz. Principal Commissioners, Chief Commissioners and Principal Chief Commissioners, apart from Commissioner. However, the pay scales of the Private Secretaries and the Administrative officers, who are supposed to cater those senior officers, did not keep pace with the new levels of officers created. They are all classified as Officers Group and Gazetted. **The administrative officers Gr. III and the Private secretaries must therefore, be assigned the level equivalent to the erstwhile Grade pay of Rs. 5400 (in PB2) and corresponding higher levels set up to replace the grade II, and Grade I of the Administrative officers and Senior Private secretaries.**

In 5th CPC, the pay scale of entry grade in newly created Administrative Officer cadre and existing post of Private Secretary was at par with that of the ITOs. When the pay scales of the ITOs and Inspectors (ITIs) were upgraded w.e.f 21.04.2004, as discussed above, the parity of pay was shifted from ITOs to ITIs. Since then the parity of pay of entry grade in AO & PS cadres with ITIs has been maintained in 6th CPC and 7th CPC. Now the demand for replacement scale of GP 4800 for Inspectors (ITIs) has already been placed. **So it is quite logical to place the demand to upgrade the Pay Scale of the entry grade of AO & PS cadres, being Gazetted Cadres, to at least at par with the ITIs (i.e. replacement scale of GP 4800).** The pay scales of the higher grades in both the cadres should be upgraded accordingly.

5. LDCs are to be upgraded as Tax Assistant

There are very few posts of LDCs in the Department. They number about 311. In fact the first cadre restructuring proposals which were implemented in 2001 had initially suggested for the abolition of this cadre altogether. However, taking into account the need for providing for some promotional opportunities to the Group D employees, 311 posts were retained. On the introduction of MTS., the Group D cadres stand abolished. Moreover, in the present work scenario of the Department, there is little work for the LDCs. The computerised functioning at the lower level has made the cadre obsolete. The Staff Side National Council JCM in their letter to the Cabinet Secretary has suggested for upgradation of the existing posts of LDCs as UDCs. In our departments, the incumbents of the 311 posts of LDCs may be promoted as Tax Assistants, by up-grading the LDC posts as Tax Assistants.

Sir, I request your goodself to forward it to the Anomaly Committee with positive notes so as to enable us to present our issues for consideration.

With regards,

Yours sincerely,



(Rupak Sarkar)
Secretary General