

*recommended that vacancies at all levels arising as consequence of this restructuring should be filled by promotions only, the effective ration would be a substantial improvement over the existing ratio. Nevertheless, the existing ratio must be maintained and **this aberration corrected in the course of the expansion of different cadres consequent to increase in the number of tax payers in the future.***

From the above, it is clear that **CBDT has categorically admitted in CR-2001 that promotional prospects of ITO are adversely affected due to the altering of the ratio between ITO and DCIT/ACIT** and had resolved to rectify the same in future CR exercise. The said ratio, before and after CR-2013 is as under :

| | No. of ITO | No. of DCIT/ACIT | Ratio of ITO : DC/AC |
|----------------------|------------|------------------|-------------------------|
| Before CR-2013 | 4448 | 2092 | 2.13 : 1 |
| After CR-2013 | | | |
| Without Reserves | 5942 | 2294 | 2.59 : 1 |
| With Reserves | 5942 | 2914 | 2.03 : 1 |
| With ACIT Vacancy | 5942 | 960 | 6.19 : 1 |

Thus, while the said ratio of ITO to DCIT/ACIT has improved marginally with the Reserves i.e. from 2.13 to 2.03, but the decision to stagger the process of filling-up the ACIT vacancy over 5 years, **would result in deterioration of the said ratio to 6.19 and even after 5 years** from the date of implementing the CR-2013 **the said ratio would be 2.57** i.e. worse-off than pre-CR 2013 position.

- f. A fair and equitable stance in this regard is crucial, so as to ensure a **robust organisation for Income Tax Dept. that can contribute to national growth**. Moreover, the Cadre Review proposal **was never discussed with recognized Service Associations** and CBDT has furnished fallacious figures/working for getting approval of Union Cabinet, **for furthering the interest of direct recruit IRS Officers** (less than 5% of total employees), even at the cost of negative impact on the I.T. Dept. as a whole.

Suggested Remedy / Solution

All vacancies as a result of Cadre Restructuring-2013, in the grade ACIT (i.e. 527+202) be filled-up by promotion and that too at one go, as was done in the CR-2001. Similarly, 620 Reserves (in the grade of ACIT) be either filled-up at one go or in 2/3 years starting from the 2013-14.

For effecting the above suggestions, Recruitment Rules be relaxed accordingly.

The above suggestion is due to the fact that sufficient number of ITOs with Assessment experience of 10 to 12 years are readily available in the Department.

- c. As already mentioned, CBDT is planning to fill up 135 vacancies per year in next five years by way of Direct Recruitment. These vacancies will be in addition to the regular vacancies of around 135 per year which will result in total Direct Recruitment of 270 per year in next five years totaling to 1350. For effective cadre management and as per UPSC norms the ideal DR quota shall be around 150 per year and UPSC will not be inclined to recruit more. Accordingly, 600 posts of ACIT i.e. (1350 less 750) will remain vacant, even after 5 years of CR-2013. Further, as per DOPT OM No. **No. I-11011/1/2009-CRD** dated 14-12-210 *"The Cadre Controlling Authorities are, however, advised not to resort to any bulk recruitment as it would create a bulge in the structure leading to stagnation at later stage. This may be kept in view while projecting recruitment planning."* **It is surprising to note that as to how CBDT lost sight of such important advice of DOPT and planned DR in large scale.**
- d. Keeping a large number of posts vacant, in the grade of ACIT (incumbents of which handle all high revenue yielding cases) and/or JCIT, for a period ranging from 5 to 10 years is bound to **adversely affect the revenue collections**. Besides, it will create a real bottleneck directly affecting promotion prospects of ITOs, the only feeder cadre for ACIT. Stagnation level in the grade of ITO is presently more than 12 years. Thus, present scheme of filling-up 1349 posts of ACIT in 5 years and that too in the ratio of 50% by Promotion and 50% by Direct Recruitment, will have demoralizing effect on more than 90% officers at the cutting edge level (ACIT & ITO). If such large number of posts at cutting edge level are kept vacant, it is anybody's guess as to how the promised growth in revenue collections in the coming years will be achieved. **We are sure that these intricacies would not have been duly highlighted in the proposals submitted by the CBDT.**
- e. Here it is pertinent to mention that **Cadre Restructuring is for those who are already in service & not for those who are in school & college and likely to join service in future i.e. 5/10 years**. In Cadre Restructuring - 2001, (para 40 & 41 of the report) it was specifically provided that:

*"In chapter III of this report we have highlighted the stagnation in terms of promotion at all levels in the department ... With a view to removing these inhibiting factors, we recommend that a one-time relaxation should be made to the recruitment rules such that **all vacancies at all levels, arising as a consequence of this restructuring, are filled by promotion from the feeder cadres** without insisting on the present eligibility conditions"*

*"...Consequent to the restructuring proposed, the existing ratio between DCIT (present level ACIT-Sr. Scale), ACIT (present level ACIT-Jr. Scale) and ITO **is marginally altered to the detriment of future promotion prospects of ITOs**. However, since we have*

**NOTE ON ADVERSE IMPACT OF CADRE RESTRUCTURING-2013
OF INCOME TAX DEPARTMENT ON REVENUE COLLECTIONS**

- a. In the Cadre Restructuring (CR) - 2013 (notified on 31-05-2013), 527 supervisory posts (CCIT to JCIT) have been created whereas 822 posts (including 620 reserves) have been created at the cutting edge level i.e. DCIT/ ACIT.

The consequential vacancies at the level of ACIT will be 1349 and it is proposed by the CBDT to fill up these vacancies in next 5 years i.e. 270 for each year @ 50% by promotion and 50% by Direct Recruitment. **In effect, majority of these posts are going to remain unfilled for next three to five years.** Particularly, in F.Y.s 2013-14 and 2014-15, a total of only 270 vacancies are likely to be filled by way of promotions as the corresponding 270 DR vacancies of these two years will actually be available only after two years as recruitment process of UPSC cannot commence before Feb, 2014. Further, **as on date there are around 550 vacant posts of DCIT/ACIT** mainly on account of non-filling up of consequential vacancies due to ad-hoc promotions of DCIT of the 2000 to 2003 batches to the grade of JCIT.

- b. The net vacancy position at the level of ACIT after CR-2013 will be around 1900 and CBDT do not have any plan to fill-up these immediately. The number of sanctioned and working strength in the level of DCIT/ ACIT is analysed here below :

| | Sanctioned Strength | Working Strength | Vacancy |
|--|--------------------------------|-----------------------------|----------------|
| Before CR-2013 | 2092 | 1542 | 550 |
| After CR-2013 (with 620 Reserves) | 2914 | 960* | 1954 |

* 1542 as reduced by consequential vacancies due to 190 JCIT promotions of 2004 batch and 527 CR promotions in the higher grades + 135 promotions i.e. 50% of 270 to the grade of ACIT in the current year. (1542 - 190 - 527 + 135 = 960). In the above calculation, the annual regular vacancies in the grade of DCIT/ ACIT have not been considered, which will only increase the overall vacancy position.

In the present scheme, **the only way to reduce vacancy of 1954 in DCIT/ACIT, is to leave matching number of JCIT post vacant.** But, JCIT being the first supervisory authority, any vacancy in that grade will also have a telling impact on Revenue Collections and will defeat the very purpose of CR proposal.