

**Dissatisfaction amongst Class II  
Income-tax Officers.**

\*323. SHRI P. N BISI :  
SHRI SARDAR AMJAD ALI :  
DR. R K CHAKRABARTI :  
SHRI K. B CHETTRI :  
SHRI SHOWALESS K.  
SHILLA :  
SHRI N R CHOUDHURY :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a simmering discontent is prevailing amongst the Class II Income-tax Officers;

(b) whether it is also a fact that the Class I and Class II Income-tax Officers are handling the same type of work and their positions are interchangeable, and

(c) if so, what steps Government have taken to meet their grievances?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (K. R  
GANESH). (a) to (c) A statement is  
laid on the Table of the House.

**Statement**

Prior to 1944, Income-tax Officers were all in Class II Service. The Class I Service of Income-tax Officers was created in the reorganisation scheme of 1944 with the object of improving the Income-tax Administration. The following grades of Income-tax Officers were created with the adoption of the reorganisation scheme —

ITOs, Grade III (Class II Service)  
ITOs, Grade II (Class I Service)  
ITOs, Grade I (Class I Service)

With effect from 1-7-1959, the various grades of Income-tax Officers were abolished on the recommendations of the Second Pay Commission and the categories of

The question was actually asked on the floor of the House by Shri P N Bisi

Income-tax Officers were reduced to two, as follows —

ITOs, Class I (Pay Scale Rs. 400—  
1250)  
ITOs, Class II (Pay scale Rs 350—  
900)

2 The Class II officers have, for a long time, been pressing for abolition of the Class II cadre and conversion of all Class II posts into Class I. The question whether it was desirable to discontinue the two classes of ITOs has been examined from time to time by high level Committees/Commissions, namely the First Pay Commission, the Direct Taxes Administration Enquiry Committee (The Tyagi Committee of 1958-59), the Second Pay Commission, the Administrative Reforms Commission, the Direct Taxes Enquiry Committee (Wanchoo Committee), and the Third Central Pay Commission. None of these high-powered bodies was in favour of abolition of the Class II cadre in the Income-tax Department.

The Income-tax Employees' Federation, representing the non-gazetted staff of the Income-tax Department, has represented to the Government against the abolition of the cadre of ITOs, Class II, which provides a channel of promotion to Inspectors of Income-tax to the grade of ITOs, Class II, the matter has been receiving attention of the Government also, in the context of the recommendations made by the high level Committees/Commissions as also independently

3. The rationale of two categories of I.T.O's has been given by the Wanchoo Committee in their recommendation, in para 6111 on page 148 of the Report. For certain reasons, there has been continuing shortage of Class I Officers for some years. This shortage is attributable to the fact that while new posts were sanctioned to meet requirements, the number of direct recruits taken each year has to be kept within limits in order to maintain the quality of the cadre and for considerations of career management, and the quota pres-

cribed, in 1951, for promotion from Class II (33-1/3 per cent of the vacancies in Class I) was small. While there was persistent shortage of officers in the Class I cadre, there was continuing litigation over the seniority as between the direct recruits and the promotees. The matter is still pending before the Supreme Court and is likely to come up for hearing shortly. The result was that large number of vacancies in Class I could not be filled in a regular manner. In the circumstances and having regard to the need for maintaining the man-power resources in the interest of work, the Government had to post a large number of Class II Officers against the vacancies in Class I. This in turn led to the grievance from the Class II officers that they were performing the duties and discharging the responsibilities of the higher post without being given the pay and status attached thereto. As on date, the sanctioned strength of I.T.Os., Class I, is 1244. However, 315 of these posts are vacant and are being manned by Class II I.T.Os. The total working strength of I.T.Os., Class II, is 2148.

4. The grievances of the I.T.O's Class II have been considered from time to time. As a result, the following steps have been taken:—

(i) The quotas prescribed in 1951 for direct recruitment and promotion to the grade of I.T.Os., Class I, was held by the Supreme Court to have become inoperative after 15-1-1959. In pursuance of the directions contained in the relevant judgment of that Court, dated 16-3-1972, Government have promulgated a fresh seniority rule on 9-2-1973, providing for adjustment of the seniority of direct recruits and promotees in a roster in the ratio of 1:1. This would enable as many Class II I.T.O's to be promoted to Class I on a regular basis each year as the number of persons recruited directly to Class I. This constitutes a significant improvement over the earlier promotion quota of 33-1/3 per cent. Within the framework of this rule, it has been possible to order promotions

of 190 I.T.Os., Class II, to Class I in August, 1973.

(ii) Even after the promotion of 190 Class II Officers to Class I, 315 posts in the grade of I.T.O's., Class I, still remain vacant against which an equal number of I.T.Os., Class II, are being accommodated. Since the rule, do not permit any more regular promotions to be made immediately, it has been decided to fill all the vacancies in the grade of I.T.O's., Class I, by making *ad hoc* promotions from Class II cadre on a short-term basis.

It will be necessary to review the position regarding these *ad hoc* promotions after the Supreme Court has given its final judgment in regard to the validity of the new seniority rule promulgated on 9-2-1973.

(iii) Expeditious action is being taken to confirm the eligible I.T.Os., Class II, against the permanent posts which fell vacant in August, 1973.

(iv) The Direct Taxes Enquiry Committee (Wanchoo Committee) has, *inter alia*, recommended that jobs should be classified according to their importance and then cases should be assigned to officers according to the degree of responsibility involved. Early action is being taken to implement the recommendation.

5. Decisions (ii), (iii) and (iv) were taken after discussions with the All India Federation of Income Tax Gazetted Services Associations which represents also the I.T.Os., Class II. The Federation felt fully satisfied with the decisions taken.

SHRI P. N. BISI: Is it a fact that there are about 400 vacant posts in Class I cadre, and the Finance Minister and the Minister of State committed themselves to fill up these vacancies by a definite date, the 15th November 1973? If so, why have these posts not been filled up as yet, and when are they likely to be filled up?

SHRI K. R. GANESH: Sir, the hon. Member is right. There are not exactly 400, but I think about 315 vacancies in Class I. Sir, these vacancies are proposed

to be filled up by *ad hoc* promotions. Probably the hon. Member is aware that as far as the seniority of these officers is concerned, the matter is now pending before the Supreme Court, and unless the Supreme Court decides on the principle of seniority, it will not be possible for us to fill these posts on a permanent basis. Therefore, Sir, in a discussion with the Federation of the Income-tax Gazetted Officers, it has been decided to fill these posts on a purely *ad hoc* basis. The procedural steps are being worked out.

**SHRI P. N. BISI:** If there is no job distinction between Class I and Class II officers, what is the reason for this delay in filling up the vacancies? Is it the policy of the Government not to tackle the problem unless it becomes critical?

**SHRI K. R. GANESH:** I have already indicated that the procedural steps are being taken to fill up these vacancies on an *ad hoc* basis.

**SHRI SARDAR AMJAD ALI:** Will the hon. Minister agree that the reason for the dissatisfaction among the Class II officers is the lack of opportunity for promotion? May I also know whether these promotions have been held up because of the whims and fancies of the Chairman of the Direct Taxes Enquiry Committee?

**SHRI K. R. GANESH:** This question of promotional avenues for Class II officers has a very long history. As the hon. Member knows, many committees have gone into this question. There has been a large scale litigation in the Supreme Court. We have now come to a stage where it is possible to find some solution to this problem. I had a series of discussions with the representatives of the Federation of Income-Tax Gazetted Officers and certain solutions are being found out. One step in this direction is the filling up of posts on an *ad hoc* basis and then awaiting the decision of the Supreme Court.

**SHRI SARDAR AMJAD ALI:** My question is not answered. I wanted to know whether this promotion matter is being held up because of the whims and caprices of the Chairman of the Central Board and the Direct Taxes Enquiry Committee. We have some such information.

**SHRI K. R. GANESH:** I do not agree with the hon. Member.

**DR. R. K. CHAKRABARTI:** In view of the fact that it is difficult to abolish Class II posts altogether and that there is no proper division of work amongst the Class I and Class II officers in the Income Tax Department, may we get a clear assurance from the hon. Minister on the floor of this House that after proper job classification, fresh recruitment will be made to the Class I posts from the date of implementation of the Third Pay Commission report, that all the existing Class II officers will be promoted to vacant Class I posts immediately depending upon the number of vacancies and that all the remaining Class II officers will be given personal promotion on the basis of a minimum period of 10 years' service so that these Class I posts will revert back to Class II posts when the present incumbents retire? This system of personal promotion exists in the universities under the U.G.C. This is just a suggestion to solve the problem. Will the hon. Minister give us a clear assurance that this practice will be followed in order to avoid this anomaly which has been existing for such a long time and which has been creating a tremendous dissention amongst the gazetted officers in the Income Tax Department which is so vital for the development of our country?

**SHRI K. R. GANESH:** I have already indicated that *ad hoc* promotions will be made and the vacancies will be filled up. The hon. Member has also made a number of other suggestions for solving this problem of Class II officers, their promotional avenues and various other things. The Department itself is considering various proposals by which this problem will be

solved to the substantial satisfaction of Class II officers. The suggestion that he has made will also be considered.

**DR. R. K. CHAKRABARTI:** Can we get some date? This problem has been continuing for the last 3 years.

**SHRI K. B. CHETTRI:** Is it not a fact that the hon. Minister had answered to Starred Question No. 370 of 8th December 1972 in the Lok Sabha that quite a substantial number of Income Tax Officers in Class II who are holding various charges in West Bengal would be promoted? May I ask him why is there so much of delay and hesitation in solving the problem? This can be done very easily in the light of the suggestion made by our hon. colleague, Dr. R. K. Chakrabarti.

**SHRI K. R. GANESH:** He has raised precisely the same problem. We have taken one more step now to fill up these posts on an *ad hoc* basis.

**SHRI N. R. CHOUDHURY:** Sir, is it a fact that posts in gazetted cadres of this Income-tax Department are kept vacant only because the Chairman of the Central Board of Direct Taxes is not interested in looking after the work of this Department but is only interested in making foreign trips and that during his absence, the work of the Board comes to a stand-still as no other Member, no other officer does anything that it adds to the simmering discontent, and the grievances of officers are not looked into and no action is taken?

**SHRI K. R. GANESH:** Sir, the officers have been directly discussing with me. I have met them a number of times. The Chairman does not come here. But I have met these people and decisions are taken at my level and they will be implemented.

**SHRI K. P. SUBRAMANIA MENON:** According to the statement given by the Minister, this question has been considered many times. But may I know from the Government that irrespective of what the Wanchoo Committee's Report says about

the rationale of having two grades, has it not occurred to the Government that as a matter of fact there is no reason why there should be two grades of Income-tax Officers since the officers of both the grades are doing the same type of work and have the same responsibility? In view of this fact, will the Government consider the possibility of abolishing these two Classes and have a single grade from the present Class II to the higher posts in the present Class I, so that they can have promotions from one grade to another according to the time of service that they have put in and avoid discontentment and heart-burning among the people?

**SHRI K. R. GANESH:** Sir, this question of abolition of Class II cadre in the Income-tax Services is gone through by various Commissions and high-powered Committees, viz. the Second Pay Commission, hon. Member. Mr. Tyagi's Committee of Direct Taxes Administration, Administrative Reforms Commission, Wanchoo Committee and the Third Pay Commission. Sir, in all these Reports, there is a running thread and two facts emerged. One is that it is not possible to abolish Class II cadre because it is a channel for promotions from the Inspector cadre. And the second fact is that the Class II officers' channel of promotions should be more progressively increased and that there should be job classification so that lesser type of work, lesser onerous work could be taken up by the Class II officers and more serious work could be taken up by the Class I officers. Sir, the present position is that these promotions are taking place, and if the Supreme Court's decision comes and with the expansion of the Department, there will be a very large avenue for promotions, and this question of abolition of Class II will remain only academic. It is in this direction that the Department is very serious applying its mind.

**SHRI T. V. ANANDAN:** Sir, Class I and Class II distinction is not peculiar to the Income-tax Department alone. If the hon. Minister remembers—I think he must remember because he is very closely con-

nected with the Pay Commission—the Central Government Services have demanded for the abolition of Class II and to have only one class with a running grade. However, Sir, may I ask the hon. Minister whether he has gone into the administrative set-up of the Ashokan Empire and the Moghal Empire in this country?

MR. CHAIRMAN : How is it concerned with the present question?

SHRI T. V. ANANDAN : Is it not a fact that we are following the pattern that was handed over by the Britishers? What difficulty is there for the Government of India to abolish Class II and retain only one grade running from Rs. 500 to Rs. 1,500, thereby abolishing Class I officers of this country because it is the Class II officers who are doing the bulk of work in the Central Government in this country?

SHRI K. R. GANESH : Sir, I have already answered this question very extensively in reply to the question of an hon. Member.

MR. CHAIRMAN : Shri Kalyan Roy, last question.

SHRI KALYAN ROY : Sir, I want to know whether it is a fact that Mr. Ganesh met the Federation representatives on 23-10-1972 and assured them that there would be *ad hoc* promotion but unfortunately the Chairman of the Board of Direct Taxes, Mr. Shah—who has been given extension in an unjustified manner—has over-ruled Mr. Ganesh and proceeded on leave abroad for three months. He came back but he is again going on leave. He is mostly outside India rather than inside.

MR. CHAIRMAN : Do you want to put a question? Put it.

SHRI KALYAN ROY : Sir, is it a fact that Mr. R. D. Shah, Chairman, has stopped the promotions till he comes back and the Minister can do nothing about it?

SHRI K. R. GANESH : Sir, the agreement which I have with the Income-tax Officers Class II Federation—that agreement will be implemented.

\*324. [*The Questioner (Shri M. B. Singh) was absent. For answer vide col. 34 infra.*]

#### Overhauling the civil aviation department

\*325. SHRI A. G. KULKARNI :†  
DR. Z. A. AHMAD :  
SHRI CHANDRA SHEKHAR :  
SHRI GURUMUKH SINGH  
MUSAFIR :  
SHRI KOTA PUNNAIAH :  
SHRI J. S. TILAK :  
SHRI KRISHAN KANT :  
SHRI KALI MUKHERJEE :  
SHRI SITARAM KESRI :

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether the proposal to overhaul the Civil Aviation Department has since been implemented; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. SHRIMATI) SAROJINI MAHISHI) : (a) The Committee set up to review the organisational structure and functions of the Civil Aviation Department will take some time to submit its report.

(b) Does not arise.

SHRI A. G. KULKARNI : Sir, may I know whether this new Committee which has been appointed has submitted its report. Is it a fact that previously a Committee was appointed and that Committee has already given its report? If so, what

†The question was actually asked on the floor of the House by Shri A. G. Kulkarni