

OFFICE OF THE
PRINCIPAL CHIEF COMMISSIONER OF INCOME TAX,
ANDHRA PRADESH & TELANGANA,
10TH FLOOR, INCOME TAX TOWERS, AC GUARDS, HYDERABAD
Ph. 040-23237682 FAX: 040-23296498

F.No. CIT(Admin & CO/162/Outsourcing/2016-17

Date: 14.02.2017.

To
All the Range Heads
of Andhra Pradesh & Telangana Region.

Sub: Estt – IT Department, AP & Telangana – Outsourcing of Data
Entry Operators – Termination - Regarding.

Ref: F. No. CIT (Admin & CO) /162/ Outsourcing /2016-17 dated
01.12.2016.

* * * * *

Please refer to the above.

Vide reference cited above, it has been informed to everyone that outsourcing of data entry services have been dispensed off with effect from 31.12.2016. However, it is brought to the notice of the administration that in spite of such directions given, still outsourcing people are continuing to work on ITBA. In this regard, a surprise check was conducted at Signature Towers office building by the building caretaker and it was found that many outsourcing people are still working in Signature Towers.

2. Discontinuance of outsourcing people and making our own employees working on ITBA is very important for the following reasons:

(a) Compared to AST and ITD, ITBA is a much more comprehensive system eventually expecting the department Officers and officials to do everything including HR functions on Systems. Further, as more and more utilities become operational in ITBA within year or so, the required competence and training to work on system and ITBA environment would be vital. With information relating to I&CI, demonetisation and non-filers

information being pushed into the system directly, made available to field officers for verification, the need for the Assessing Officers and their supporting staff to familiarise themselves and work on the ITBA system becomes more important. It would also create certain security issues in future as Department has issued a series of instructions on Information Security Guidelines and constituted a Local Information Security Committee in preparation of future online exchange of information with other countries.

(b) Secondly, it is also seen that a number of Tax Assistants (239) and Inspectors (147) have been recruited and deployed in 2015-16 & 2016-17. With so many new employees who are direct recruits and well qualified coming into the system, they should be utilised and dependency on outsiders should decrease. Incidentally, the newly recruited TAs & ITIs are more than the Outsourcing people deployed.

(c) As per the JCM minutes, the Office Superintendents are also to do functions of Sr.TAs in view of shortage. Further, when working strength of OS, STA and TA (combined) is seen vis-à-vis sanctioned strength, in most of the Ranges, the working strength is almost 75% of sanctioned strength. 25% of shortage doesn't justify deployment of a large and varying number of outsourcing personnel. For instance, while one Range deploys 16 outsourcing people, in another Range it is less than 4. This would reflect more of the inability as well as unwillingness of one section of officers and officials to work on system rather than real shortage as such.

(d) The presence of outsourcing personnel in some circles / wards and with some of them working for more than a period of 7 to 10 years in the same Ward / Circle, is a cause of concern as they are becoming entrenched and are also the point of interface / contact and reference point for the taxpayers / auditors / rather than our own personnel. This is leading to power without responsibility as well as accountability.

(e) Persistent demands have been made by the staff as well as officers and associations namely ITEF and ITGOA since the last two JCMs, for stoppage of outsourcing personnel.

(f) It was also seen that what begun as a genuine need to reduce shortage with 3 or 4 personnel being taken on outsourcing, it soon became a habit and "free for all" type of parallel recruitment with Ranges and officers calling Karvy Data Management Services Ltd. / Raminfo Ltd. and hiring personnel directly without any check and the present average expenditure of this account under I.T. OE head is to the tune of Rs.2.5 crores to Rs.3 crores per year. Worse, the outstanding amount to be paid as on date is above Rs.1.5 crores with many offices not even paying the bills.

(g) The spending of Rs.2.5 crores to Rs.3 crores on outsourcing of Data Entry Operators further affects the modernisation programme. This assumes importance because in the recent audit of equipments done by the DD Systems, more than 400 computers were found obsolete and not fit for ITBA functions and need replacement. This matter has been taken up with DG(Systems) for approval for purchase of 400 systems by this year end out of our funds.

3.0 In view of the above points, a considered decision was taken to discontinue the outsourcing of DEOs with effect from 31.12.2016 after expiry of agreement term with Karvy Data Management Services Ltd and Raminfo Ltd on 31.12.2016.

4. It is also clarified that wherever certain offices need outsourcing help, they should make specific request indicating (a) the number of people (b) the period for which the services are required (c) the estimation of cost (d) the service for which for outsourcing personnel are required and a case by case approval would be considered and given by the Pr.CCIT.

5. A detailed background and reasons for discontinuation of such outsourcing service were given in para 2 so that the Range Heads who are the supervisory officers directly in the field understand and appreciate the long term interest and concern and communicate the same to their officers and staff so that they also understand the need to work in future on the system in their own interest.

6. You are, therefore, requested to ensure that your officers immediately stop engaging the outsourcing personnel for working on ITBA. As mentioned earlier at para 4, if there is any requirement for secretarial assistance, a list of such works to be attended by the outsourcing people along with a number of required personnel, the period for which they are required and the expenditure estimate, should be submitted for approval to Pr.CCIT and it is brought to your notice that any outsourcing personnel in future w.e.f. 16.02.2017, should be found to be working on ITBA only with the express approval of the Pr.CCIT.

7. It is also brought to your notice that officers utilising outsourcing services without approval, in future, will be held personally responsible for any untoward incident and necessary disciplinary action would be taken.

8. The above letter is issued with the approval of Pr.CCIT.



(M. RAVINDRA SAI)
Commissioner of Income Tax
(Admin., CO & TPS), Hyderabad.