

Ceiling on IT for salaried persons should be raised to Rs.7.5 lakh: AIBEA to Jaitley

The ceiling on Income Tax for salaried persons should be raised upwards to Rs 7.5 lakh with exclusion of fringe benefits like housing, medical and educational facilities.

The IT rate above Rs 7.5 lakh and upto Rs 12 lakh shall be 10 per cent and above Rs 12 lakh upto Rs 20 lakh 20 per cent and Rs 20 lakh and upto Rs 25 lakh it should be 25 per cent, All India Bank Employees' Association (AIBEA) General Secretary C H. Venkatachalam said while submitting suggestions for consideration in next budget being finalized by the Central government.

In a letter to Finance Minister Arun Jaitley, Mr Venkatachalam said the Income Tax slab for rich individuals should be raised significantly. For annual incomes between Rs 25 lakh and Rs 1 crore, tax rate should be 35 per cent and for annual Income above Rs 1 crore, it should be 40 percent.

He said Uniform tax rates for goods should be introduced throughout the country and adequate compensation should be paid to the state governments by the Centre for such introduction, for the revenues that would be affected by such move.

On the banking Sector, the AIBEA leader suggested to the Minister that the rate of interest on Savings Bank deposits shall have to be revised upwardly by at least 2 basis points and the interest on fixed deposits shall be exempted from the purview of IT.

The banks should extend agriculture loan at the rate of 2 per cent per annum (simple) and the banks should extend education loan at concessional rate of interest to the poorer sections of the people, at the rate of 5 per cent per annum (simple) with interest subvention.

Mr Venkatachalam also said in the letter that all private sector banks should be brought under the public sector, government should hold full control of public sector banks with 100 per cent equity holding and shall not disinvest its shareholding.

Willful default of bank loans should be declared as a criminal offence through suitable amendment to law and the RBI should publish the list of defaulters every six months with updates, who owe to the banks more than Rs 1 crore.

Mr Venkatachalam also said Fast track courts shall have to be vested with more powers to recover the bad loans and stringent laws should be enacted to ensure more recovery.

Laws should be amended to confiscate the assets of the directors in case of default by a company, in which they are directors, the top AIBEA leader suggested to Mr Jaitley.

There should be expansion of Public Sector banks and to that effect, more branches should be opened in unbanked and rural areas, he said, adding that the merger of Associate/Subsidiary Banks of SBI with State Bank of India should be abandoned, as this would adversely affect the regional economy of the states in which the Associate/Subsidiary Banks are operating and in such areas of operations, they perform better than the SBI.

On the Rural sector, the AIBEA General Secretary suggested Mr Jaitley to ensure minimum civic amenities, the Panchayati Raj institutions should be strengthened with adequate budgetary

allocations, education among rural children should be made compulsory through more enrolments in the government schools.

On Agriculture, he said, the investment in agriculture shall have to be made both by the Central and the state governments through increase in budgetary allocations, lands acquired by the banks in Settlement of loans by the small and marginal famrers must be returned to the original owners on repayment of installments on the basis of similar deals in respect of commercial companies.

Touching Education, Mr Venkatachalam said education to children should be made compulsory and the government schools should be recruited with qualified teachers to provide worthy education and added Child Labour Act should be amended so that the children should not be made to work even in 'family run' business. National Health Policy should be adopted and there should be National drug policy and prices of life-savings and essential drugs should be controlled, he mentioned on Health Care.

On prices, Agricultural Market Produce Committees (APMC) Act should be repealed and abolished, as these compels and forces the farmer to sell his produce to middlemen in authorized Mandis (Markets). Farmers should be allowed to sell their products directly in the market without intermediaries/wholesalers/middlemen, he added.

On Labour Laws, Mr Venkatachalam urged the Minister that the judgement of Supreme Court be implemented to ensure "equal pay for equal work" at all private and public sector establishments, the Contract Labour (Regulation & Abolition) Act, 1970, should be amended to absorb the contract workers in permanent employment of the 'principal employer' if contract labour is abolished by the government.

On Public Sector Units, he said budgetary allocation should be made to all the sick, revivable and potentially viable public sector units, appointments of Chiefs of Public Sector Units that are remaining vacant should be expedited and massive investments in Public Sector should be made to make concerted efforts to generate public employment.

All Foreign Trade Agreements (FDA), Bilateral Investment Treaties (BITs), Double Taxation Avoidance Agreements (DTAAs) should be reviewed comprehensively in country's economic interest as through these treaties and agreements, the black money stashed away are ploughed into India as FDI the AIBEA leader said and added that FDI in Public Sector Units, LIC, Private Sector banks, Services, Defence should not be allowed and such policy decisions should be scrapped.

Source: <http://www.aibea.in/>