



India is in the grip of tax terrorism, says BJP leader Yashwant Sinha

By Manish Anand | Express News Service | 2nd December 2017



Senior BJP leader Yashwant Sinha

Former finance minister and BJP leader Yashwant Sinha believes that India is in the grip of "tax terrorism". A sharp critic of the Modi government, the BJP leader also says that electoral victories have never been seen as endorsements for good governance.

Speaking to The Sunday Standard, Sinha said that the scale of "tax terrorism" unleashed unto the people post-demonetisation had never been seen in the country. "Income Tax department has reportedly issued over 1.16 lakh notices in the recent times. The government claims that it's battling menace of black money. Indeed, tax terrorism has started in the country," he said.

Arguing that the Modi government has squandered the windfall gain on the back of crude oil price crash, Sinha argued that the upcoming last formal Budget has no scope to unveil "corrective measures to repair damages done by demonetisation and flawed Goods and Services Tax

(GST)". "There will be not enough time for implementation of measures, which could repair the economy since the country will be heading to the Lok Sabha polls in another one year," Sinha said.

He questioned the government saying "it's a funny situation that a NITI Aayog member (Bibek Debroy) is heading the PM's Economic Advisory Council (PM-EAC)". NITI Aayog and PM-EAC have the same mandate—to advise the PM on economy, yet the two bodies have common experts, noted Sinha.

"I had favoured that the Central government should have about 10-12 schemes, which should be funded 100 per cent by the Centre. But scrapping of a large number of Centrally-sponsored schemes by the Modi government, and changing funding patterns of others to 50:50 and 70:30 between Centre and states, have made poorer states suffer," Sinha said, adding that the Planning Commission had maintained a balance between the needs of the Centre and states.

Sinha argued that electoral victory has never been an empirical parameter to measure good governance. "NDA lost the 2004 Lok Sabha elections despite the Atal Bihari Vajpayee government being hailed for good governance, while the reign of Lalu Prasad lasted for 15 years despite the hue and cry of jungle raj," Sinha added

Banking should be made fundamental right: AIBEA to Jaitley

Hyderabad, Dec 3 UNITED NEWS OF INDIA

All India Bank Employees' Association (AIBEA) has urged Finance Minister Arun Jaitley to see that banking be made a fundamental right and the rate of interest on Savings Bank Deposits revised upwardly by at least two basis points to encourage and incentivise domestic savings.

In a letter to Mr Jaitley, for providing AIBEA suggestions to consider in the next Budget 2018, its General Secretary C.H Venkatachalam on Saturday said the interest on Fixed Deposits should be increased and exempted from the purview of Income tax.

He said Banks should extend agriculture loan at the rate of 2 per cent per annum (simple). For very poor and marginal farmers, it should be interest free and added there should be a revival of Differential Rate of Interest Scheme for extending loan to low income groups at the rate of 4 per cent per annum (simple).

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 he said and added that the Banks should be advised to further extend the holiday period in case of students, who could not get their employment subsequent to their completing the course, by another 12-24 months depending on a case-to-case basis.

Mr Venkatachalam said all Private Sector Banks should be brought under the Public Sector, the Government should hold full control of public sector banks with 100 per cent equity holding and should not disinvest its shareholding.

To immediately tide over the crisis of capital in public sector banks, the Government, being the single largest owner, should provide adequate and hassle-free capital infusion to the banks.

Willful default of bank loans should be declared as a criminal offence through suitable amendment to law, the AIBEA General Secretary maintained and said Non-Performing Assets of the Banks have risen phenomenally and hence, the Government should institute more Debt Recovery Tribunals and Fast Track Courts to recover the high volume bad loans.

he Reserve Bank of India should be empowered to publish the list of defaulters, who owe to the banks more than Rs.1 crore and this defaulters list should be published every six months with updates, he said.

He said Willful bank loan defaulters should be prohibited from contesting in the elections, local body or Legislative Assembly or Parliament or to hold any public positions.

Such of those persons, who hold high offices and whose names figure in the defaulters list, should be asked to relinquish their positions.

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

and Banks should be advised to institute separate vertical, headed by General Manager, for recovery of "Prudentially Written Off/Technically Written Off" accounts.

Mr Venkatachalam said in his letter that the details of such recovery should be placed before the Boards of the Banks and submitted to the Ministry of Finance on a quarterly basis, Laws should be amended to confiscate the assets of the Directors in case of default by a Company, in which they are Directors by suitably amending the Companies Act.

A system to be evolved to ensure accountability and responsibility on the part of the Managing Directors & CEOs/CMDs/Executive Directors of the Public Sector Banks in respect of sanction of credit, which ultimately falls into distressed assets/quick mortality cases, he said Periodical review should be made to identify the persons whose debts/loans availed from the banks were written off with interest, There should be a strict supervision on corporate houses, who resort to External Commercial Borrowings, to ensure that the rules/guidelines envisaged by the Government are strictly adhered to instead of diversification.

The top Union leader said RBI should stop issuing licenses to private corporates to open banks and On Tap Licensing Policy should be scrapped.

In the interest of the rural population and to ensure proper rural credit, Mr Venkatachalam said the infrastructure of the Regional Rural Banks shall be utilized by merging them with the sponsor banks. Co-operative banking institutions should be strengthened and recapitalised by collective mechanism of funding them by both Central and State Governments by fully implementing the recommendations of Vaidyanathan Committee. A separate Recapitalization Fund be created in the budget for this purpose.

There should be expansion of public sector banks and to that effect, more branches should be opened in unbanked and rural areas.

Hence, there should not be merger and consolidation of public sector banks the top Union leader contended.

An announcement to be made in the Budget on reimbursement of cost of demonetisation and other Government Schemes to Banks by the

Government. Banks should not pass on the burden of corporate NPAs on bank customers by hiking charges and the increase Service Charges made in the name of GST should be reversed, the AIBEA General Secretary said.

All India Bank Employees' Association (AIBEA) on Saturday urged Finance Minister Arun Jaitley to see that disinvestment of shares of profit-making public sector units be stopped.

Giving AIBEA suggestions to incorporate in next budget 2018, its General Secretary C H Venkatachalam said Budgetary allocation should be made to all the sick, revivable and potentially viable public sector units.

He said appointments of Chiefs of Public Sector Units that are remaining vacant should be expedited, Workman/Officer Director posts in Public Sector Banks' Board to be filled up without any delay to comply with the Act and Schemes therein.

The Government holding in the public sector units shall not be divested to reduce the fiscal deficit or to meet the fiscal deficit target, he said, adding that it should not be the policy of the government to tackle fiscal deficit by sale of shares from public sector units.

Mr Venkatachalam said massive investments in public sector should be made to make concerted efforts to generate public employment and Foreign Direct Investments (FDI) in Banks and Insurance should be scrapped.

All India Bank Employees Association' (AIBEA) on Saturday urged Finance Minister Arun Jaitley to consider raising the ceiling on Income Tax to Rs 7.5 lakh for salaried persons excluding fringe benefits like housing, medical, educational facilities etc.

In his letter to Mr Jaitley, AIBEA General Secretary C H Venkatachalam giving suggestions to be incorporated in the next budget 2018 said the income tax rate above Rs 7.5 lakh and upto Rs 12 lakh shall be 10 per cent and above Rs 12 lakh up to Rs 20 lakh should be 20 per cent and above Rs 20 lakh and up to Rs 25 lakh, it must be 25 per cent.

He 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, the tax rate must be 40 per cent.

Mr Venkatachalam said adequate steps to be initiated by the government to recover the tax dues from industrialists, high networth individuals and companies, corporates, through law enforcement agencies.

The Central Excise, Income Tax and Sale Tax exemptions to Corporates and industrialists should be scrapped and abolished.

The AIBEA General Secretary said Uniform tax rates for goods should be introduced across 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. The tax on all stock market and futures' transactions should be collected.

There should be a total Exemption of Income Tax on Gratuity and Leave Encashment on retirement, Mr Venkatachalam said.

Labour Ministry rolls back proposal allowing firms with over 300 employees to lay them off

The Labour Ministry has removed the proposal allowing units with more than 300 employees to lay off workers or close down without government approval from the Industrial Relations Code (IR Code).

Moneycontrol News



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A **Financial Express** report stated that the ministry is also mulling over other proposals including the barring of outsiders from becoming office-bearers of unions in the organized sector and reducing their influence in the unorganized sector. And proposals aimed at making unions with negotiating powers more representative, like a stipulation that at least 10 percent of workers are needed to form a union.

Sources told the paper that no decision has been taken towards barring of outsiders from becoming office-bearers of unions; however, the mandatory 14-day notice period for strikes is retained in the final draft. The IR Code also proposes to enhance the severance pay to 45 days' wages for every completed year of service from 15 days' wages.

Some of these proposals are implemented in about eight states including Madhya Pradesh, Rajasthan and Andhra Pradesh.

The ministry has also posted another draft code on social security on its website for public comments. These proposals were a part of the government's major labour reform involving all the stakeholders — trade unions, employers and the government.

These reforms aim at drafting four labour codes on wages, industrial relations, social security and welfare and safety and working conditions by simplifying and rationalising the existing central labour laws.

The code, which is likely to be tabled in the budget session of the Parliament, will soon be sent to a group of ministers headed by Finance Minister Arun Jaitley for consideration, said the report.

The move proposing a simplification of 44 existing labour Acts received stiff opposition from trade unions, including the RSS-affiliated Bharatiya Mazdoor Sangh, resulted in the slowdown of the reforms' pace, said the report.

“Job creation needs a bold state. And, given the growing dissatisfaction around the same, sending the rights signals is crucial. Hence, this roll-back is disappointing and is contrary to the central theme of the present government,” said Rituparna Chakraborty, Executive Vice-President and Co-Founder, Teamlease.

Moody's upgraded India's sovereign credit rating by a notch to 'Baa2' with a stable outlook citing improved growth prospects driven by economic and institutional reforms. It stressed that “a strong and durable recovery of

the investment cycle as well as long-delayed land and labour market reforms” could put upward pressure on its India rating.

Earlier, the government introduced the code on wages subsuming four existing laws — the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976 — that proposed a universal minimum wage for the entire working population, including unorganised sector workers.

The IR Code which simplifies four — the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 — Acts includes a proposal to introduce fixed-term employment across all sectors. The proposals is expected to encouraged businessmen to hire workers for seasonal and other jobs.

The labour reforms often regarded as industry-friendly also proposes codes to enhance the workers’ privileges such as the code on wages proposal that aims at making the minimum wage a statutory right and extending it to all employees — currently the relevant Act applies to 51 “scheduled employments” only.

The proposal could remove the disparity in minimum wages across states as the central government will notify a “national minimum wage” below which no state can fix its minimum wages. The code proposes to revise this minimum wage every two years and every five years if dearness allowance becomes part of the minimum wages.

AIBEA THIS DAY – 3 DECEMBER	
1955	Observance of All India No Wage Cut Day.
1996	23rd Conference of AIBEA at Calcutta. Concluding Session. Com. N Sampath and T Chakraborti elected as President and General Secretary. Com Rajen Nagar elected as Treasurer and Com C H Venkatachalam elected as one of the Joint Secretaries.
2007	strike against mergers by Associate Bank Unions
2009	March to Parliament AIBEA & AIBOA oppose against banking sector reforms

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