



TAMILNADU BANK EMPLOYEES' FEDERATION

(Affiliated to AIBEA)

Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001
Phone:2533 1422, Fax:2533 1522 e mail ~ tnbefchennai@gmail.com

CIRCULAR LETTER NO.22/107/2017/24

4TH DECEMBER, 2017

To All Affiliated units:

Dear comrades,

AIBEA'S SUGGESTIONS FOR CONSIDERATION IN THE BUDGET.

We Append hereunder letter addressed to Shri Arun Jaitley, Minister for Finance by our All India General Secretary, containing suggestions for incorporation in the forthcoming budget 2018-19. Among the various suggestions we urged the Finance Minister to see that banking be made a fundamental right and the rate of interest on Savings Bank Deposits revised upwardly to encourage and incentivise domestic savings.

With greetings

Reproduced by:

**Union Bank Employees' Union - Tamilnadu
Circular No.152:2017 Dated: 04.12.2017**

Yours Comradely,

**(E.ARUNACHALAM)
GENERAL SECRETARY**

TEXT OF LETTER ADDRESSED TO FINANCE MINISTER BY AIBEA.

To
Shri Arun Jaitley,
Hon. Minister for Finance,
Government of India,
North Block
New Delhi

Dear Sir,

AIBEA's suggestions for consideration in the Budget

We understand that the Government under your Ministry is in the process of soliciting various views and suggestions for incorporation in the ensuing Budget.

From All India Bank Employees' Association, the oldest and largest trade union of bank employees in our country, representing about half a million bank employees working in public sector banks, private banks, foreign banks, Regional Rural Banks and Co-operative Banks, we submit herein our views and suggestions for consideration by the Government in the Budget proposals.

Thanking you,

Yours faithfully,

Sd/-

**C.H. VENKATACHALAM
GENERAL SECRETARY**

BUDGET 2018 - Suggestions from ALL INDIA BANK EMPLOYEES' ASSOCIATION

Banking Sector

1. Right to Banking should be made a fundamental right.
2. The rate of interest on Savings Bank Deposits should be revised upwardly by atleast 2 basis points to encourage and incentivise domestic savings.
3. The interest on Fixed Deposits should be increased and exempted from the purview of Income tax.
4. Banks should extend agriculture loan at the rate of 2% per annum (simple). For very poor and marginal farmers, it should be interest free.
5. There should be a revival of Differential Rate of Interest Scheme for extending loan to low income groups at the rate of 4% per annum (simple).
6. The Banks should extend education loan at concessional rate of interest to the poorer sections of the people at the rate of 5% per annum (simple) with interest subvention.
7. 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.
8. All Private Sector Banks should be brought under the Public Sector.
9. The Government should hold full control of public sector banks with 100% equity holding and should not disinvest its shareholding.
10. 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.
11. Willful default of bank loans should be declared as a criminal offence through suitable amendment to law.
12. 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.
13. The Reserve Bank of India should be empowered to publish the list of defaulters, who owe to the banks more than Rs.1 crore.
14. This defaulters list should be published every six months with updates.
15. 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.
16. Such of those persons, who hold high offices and whose names figure in the defaulters list, should be asked to relinquish their positions.
17. 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.
18. Assets Reconstructions Companies should be closed down. Instead measures should be taken to recover the bad loans instead of selling them to ARCs.

19. Banks should be advised to institute separate vertical, headed by General Manager, for recovery of "Prudentially Written Off/Technically Written Off" accounts.
20. 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.
21. 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.
22. 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.
23. Periodical review should be made to identify the persons whose debts/loans availed from the banks were written off with interest.
24. 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.
25. RBI should stop issuing licenses to private corporates to open banks and On Tap Licensing Policy should be scrapped.
26. In the interest of the rural population and to ensure proper rural credit, the infrastructure of the Regional Rural Banks shall be utilized by merging them with the sponsor banks.
27. 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.
28. A special Fund to be created and allocation to be made every year from the budget to refinance the co-operative institutions in case of non-recovery of farm loans from small and marginal farmers owing to crop failure and nature's fury etc.
29. Profits of Co-operative Banking institutions should be exempt from the purview of income tax. To this effect, Sec. 80P of the Income Tax Act, 1961, be repealed.
30. 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.
31. To ensure more job opportunity, the number of recruitments in feeder cadres viz., sweepers, subordinate staff and clerical cadres, shall have to be made in large numbers to cater to the needs of the expansion of public sector banks and also for extending effective customer service.
32. To ensure more job opportunity in the banking sector, banks should be advised to promote Daily Deposit Schemes and to that end, more number of Deposit Collectors on permanent basis should be appointed by the banks.
33. Announcement to be made in the Budget on reimbursement of cost of demonetisation and other Government Schemes to Banks by the Government.

34. 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.

Taxation

35. The ceiling on income tax for salaried persons should be raised upwards to Rs.7.5 lakhs with exclusion of fringe benefits viz., housing, medical, educational facilities etc.

36. The income tax rate above Rs.7.5 lakhs and upto Rs.12 lakhs shall be 10% and above Rs. 12 lakhs upto Rs. 20 lakhs shall be 20% and above Rs. 20 lakhs and upto Rs.25 lakhs shall be 25%.

37. The income tax slab for rich individuals should be raised significantly. For annual incomes between Rs. 25 lakhs and Rs. 1 Crore, tax rate should be 35% and for annual income above Rs. 1 Crore, the tax rate shall be 40%.

38. 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.

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

40. 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.

41. The tax on all stock market and futures' transactions should be collected.

42. There should be a total Exemption of Income Tax on Gratuity and Leave Encashment on retirement.

Public Sector Units

43. Disinvestment of shares of profit-making public sector units should be stopped.

44. Budgetary allocation should be made to all the sick, revivable and potentially viable public sector units.

45. Appointments of Chiefs of Public Sector Units that are remaining vacant should be expedited.

46. Workman/Officer Director posts in Public Sector Banks' Board to be filled up without any delay to comply with the Act and Schemes therein.

47. The Government holding in the public sector units shall not be divested to reduce the fiscal deficit or to meet the fiscal deficit target'

48. It should not be the policy of the government to tackle fiscal deficit by sale of shares from public sector units.

49. Massive investments in public sector should be made to make concerted efforts to generate public employment.

50. Foreign Direct Investments (FDI) in Banks and Insurance should be scrapped.
