



SYNDICATE BANK EMPLOYEES' UNION(Regd.)

(Affiliated to A.I.B.E.A)

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CIRCULAR NO. 13/XXVIII/2017/CO

Dated: 20.01.2017

TO ALL THE OFFICE BEARERS & STATE SECRETARIES – for onward circulation among members.

Dear Comrades,

Reg:- Budget Suggestion of AIBEA to Finance Minister.

We are forwarding herewith letter written by General Secretary of AIBEA to Shri Arun Jaitely Hon. Finance Minister of India submitting therein the suggestion for consideration in the ensuing budget being finalized by the government, for information of our members.

With Warm Greetings,

Yours Comradely,

(Suresh Kumar Sangtani)
General Secretary

AIBEA/AIBOA – ZINDABAD ZINDABAD
SBEU/AISBOF – ZINDABAD ZINDABAD



Reproduction of Letter of AIBEA dated 17.01.2017

To
Shri Arun Jaitley,
Hon Finance Minister
Govt. of India
New Delhi

Dear Sir,

We submit herein the suggestion of **All India Bank Employees Association** for consideration in the ensuing **Budget** being finalized by the Government.

BANKING SECTOR:

- Right to Banking should be made a fundamental right.
- The rate of interest on Savings Bank Deposits shall have to be revised upwardly by atleast 2 basis points.
- The interest on fixed deposits shall be exempted from the purview of Income tax.
- The Banks should extend agriculture loan at the rate of 2% 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 annum (simple) with interest subvention.
- All Private Sector Banks should be brought under the Public Sector.
- The Government should hold full control of public sector banks with 100% 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.
- 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 bad loans.
- The Reserve Bank of India should publish the list of defaulters, who owe to the banks more than Rs.1 crore. This defaulters list should be published every six months with updates.

- Willful bank loan defaulters should be prohibited from contesting in the elections, local body or Legislative Assembly or Parliament. Such of those persons, who hold high offices and whose names figure in the defaulters list, shall have 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.
- Assets Reconstructions Companies should be closed down. Instead measures should be taken to recover the bad loans instead of selling them to ARCs.
- Banks should be advised to institute separate vertical, headed by General Manager, for recovery of "Prudentially Written Off/Technically Written Off" accounts. The details of such recovery shall have to 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.
- 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.
- Periodical review should be made to identify the beneficiaries, 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.
- 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, 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 recapitalized by collective mechanism of funding them by both Central and State Governments by implementing the recommendations of Vaidyanathan Committee. A separate recapitalization fund of Rs.10 lakh crores be allocated in the budget for this purpose.
- A fund of Rs.2 lakh crores shall have to be allocated every year in 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.

- 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.
- 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 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 State Bank of India.
- 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.
- 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.

RURAL SECTOR

- All villages should be provided with minimum civic amenities for decent and hygienic living.
- To ensure minimum civic amenities, the Panchayati Raj institutions should be strengthened with adequate budgetary allocations.
- Community Public toilets to be provided for men and women separately.
- Government schools shall have to be provided with amenities such as water supply, exclusive and clean toilets for men and women.
- The education among rural children should be made compulsory through more enrollments in the government schools.

AGRICULTURE

- All futures and commodity trading must be banned.
- The investment in agriculture shall have to be made both by the Central and the State Governments through increase in budgetary allocations.

- Easy credit to all categories of cultivators, especially small and marginal farmers, should be provided through bank credit or cooperative institutional credit in order to free them from private and usurious moneylenders.
- There should be a ban on converting agricultural land for commercial purpose.
- Lands acquired by the Banks in settlement of loans by the small and marginal farmers must be returned to the original owners on repayment of installments on the basis of similar deals in respect of commercial companies.
- No farmer should be forced to surrender his land for the failure to repay his loan owing to crop failure, nature's fury etc.

EDUCATION

- The right to education should be made a fundamental right.
- Education to children should be made compulsory and the Government schools should be recruited with qualified teachers to provide worthy education.
- The quality of teachers should be periodically assessed and periodical training should be imparted on the teachers.
- Child Labour Act should be amended that the children should not be made to work even in "family run" business.

HEALTHCARE

- Right to Health should be a fundamental right.
- Health and Medical services should be run by professionally qualified persons with proper allotment of funds to the Public Health Institutions and Government Hospitals.
- Health should be included in the concurrent list of the Constitution.
- National Health Policy should be adopted.
- There should be National Drug Policy and prices of life-saving and essential drugs should be controlled.
- Primary Health Centres should be established at all centres with availability of doctors round the clock.
- Government Medical institutions should be upgraded and strengthened instead of privatizing the medical care.

PRICES

- Computation of Consumer Price Index should be reviewed with the objective that it should reflect the cost of living of the common masses and should be linked to retail prices instead of Wholesale Price.
- Agricultural Market Produce Committees (APMC) Act should be repealed and abolished, as this compels and forces the farmer to sell his produce to middlemen in authorized Mandis (Markets). All middle men should be abolished and the Government should ensure that the farmers should get reasonable price for his produce and such support price should be index-linked and should be revised periodically.
- Farmers should be allowed to sell their products directly in the market without intermediaries/wholesalers/middlemen.
- The excessive stock of food grains should be distributed to alleviate hunger and food for work programme should be devised to ensure eradication of hunger.
- Strict laws should be enacted to curb hoarding and hoarders should be punished severely.
- Windfall gains tax should be introduced to curtail windfall profits earned by traders/speculators and hoarders from the sale of food grains.

LABOUR LAWS

- Minimum wages of workers should be linked to consumer price index and the minimum wage shall not be less than Rs.20000/- per month.
- The judgement of the Honourable Supreme Court of India should be implemented to ensure "equal pay for equal work" at all private and public sector establishments. As Contract workers were also covered under the judgement of the Honourable Supreme Court of India, "equal pay for equal work" shall be ensured to be paid through proper supervision by the "principal employer" as per the provisions of the Contract Labour (Regulation & Abolition) Act, 1970.
- The Central Government should ensure to issue notification prohibiting contract labour in permanent and perennial nature of work relating to sweeping, dusting and cleaning work in public sector undertakings and also guarding of the premises of the public sector undertakings after adhering to Sec. 10(1) and Sec. 10(2) of Sec.10 of the Contract Labour (Regulation & Abolition) Act, 1970.
- 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.

- The proposed labour law amendments should be scrapped.
- No casual, temporary and contract labour should be allowed for a regular, permanent and perennial nature of work.
- Government should constitute a machinery viz., Labour Laws Enforcement Commission, with judicial rights to enforce implementation of labour laws and also to punish violation of labour laws.
- The job creation in manufacturing sector should be accelerated through government investments to absorb the rising supply of potential workers.

TAXATION

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

PUBLIC SECTOR UNITS

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

- The Government holding in the public sector units shall not be divested to reduce the fiscal deficit or to meet the fiscal deficit target, and it should not be the policy of the government to tackle fiscal deficit by sale of shares from public sector units.
- Massive investments in public sector should be made to make concerted efforts to generate public employment.
- Foreign Direct Investments (FDI) in Public Sector Units, Banks and Insurance should be scrapped.

Foreign Direct Investments

- All Foreign Trade Agreements (FTA), Bilateral Investment Treaties (BITs), Double Taxation Avoidance Agreements (DTAAs) should be reviewed comprehensively in India's economic interest as through these treaties and agreements, the black money stashed away are ploughed into India as FDI.
- Foreign Direct Investments in Public Sector Units, LIC, Private Sector Banks, Services, Defence should not be allowed and such policy decisions should be scrapped.
- FDI in retail sector shall not be permitted as it would kill the indigenous industries and manufacturing units.
- The objectives of Foreign Investment Promotion Board (FIPB) shall be reviewed to cater to the domestic needs and economic improvement of the country instead of giving impetus to FDI to allow the foreign investor to make profits.

Thanking you,

Yours faithfully



C.H. VENKATACHALAM
GENERAL SECRETARY

Copy to: Chairman,
Indian Banks' Association,
Mumbai