



# The Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley holds his 7th Pre-Budget Consultation Meeting with the representatives of the Banks and Financial Institutions (FIs) in national capital today;

FM: In order to strengthen the banks, which are the key pillars of the economy, the Central Government has decided to take a massive step to recapitalize the Public Sector Banks (PSBs) in a front-loaded manner which in turn would help in credit growth and job creation among others.

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The Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley said that in order to strengthen the banks, which are the key pillars of the economy, the Central Government has decided to take a massive step to recapitalize the Public Sector Banks (PSBs) in a front-loaded manner. He said that the Government has decided to infuse capital worth Rs.2.11 lakh crore in PSBs in next two years through budgetary provisions of Rs.18,139 crore, and Rs. 1,35,000 crore through Re-capitalisation Bonds, and the balance through raising of capital by banks from the market. The Finance Minister Shri Arun Jaitley was making the Opening Remarks during his 7<sup>th</sup> Pre-Budget Consultation Meeting with the representatives of the Banks and the Financial Institutions (FIs) in the national capital here today. The Finance Minister, Jaitley said that capital adequacy of the banks will help in credit growth and job creation among others.

Along with the Union Finance Minister Shri Jaitley, the Pre-Budget Consultation Meeting was also attended among others by both the Ministers of State, Shri S.P Shukla and Shri Pon Radhakrishnan, Dr. Hasmukh Adhia, Finance Secretary, Shri A.N. Jha, Secretary, Expenditure, Shri Subhash Chandra Garg, Secretary (Economic Affairs), Shri Rajiv Kumar, Secretary (DFS), Shri Sushil Kumar Chandra, Chairman, CBDT, Shri Sanjeev Sanyal, Principal Economic Adviser (PEA), and other senior officers of the Ministry of Finance.

Stakeholders representing the Banking and Financial Institutions who attended today's meeting included Shri N.S. Vishwanathan, Deputy Governor, Reserve Bank of India, Shri Jatinder Bir Singh, Chairman Indian Banks Association, Shri Rajnish Kumar, Chairman SBI, Shri Ashwani Kumar, Chairman & Managing Director, Dena Bank, Ms. Chanda Kochhar, MD & CEO, ICICI, Shri Rajeev Rishi, CMD, Central Bank of India, Shri Mahesh Kumar Jain, MD & CEO, IDBI Bank Ltd., Shri H K Bhanwala, Chairman, NABARD, Shri Sunil Kakar, MD & CEO, IDFC Limited Ms. Sunita Sharma, Managing Director, LIC of India, Ms. Shikha Sharma, MD&CEO, AXIS Bank, Shri Aditya Puri, Managing Director, HDFC Bank Ltd., Shri Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank, Shri Adhil Shetty, CEO, Bank Bazaar, Shri M.G. George Muthoot, Chairman, The Muthoot Group, Shri N. S. Venkatesh, Chief Executive, Association of Mutual Funds in India (AMFI), Shri Raman Aggarwal, Chairman, Finance Industry Development Council (FIDC), Shri Milind Kamble, Chairman, Dalit Indian Chamber of Commerce and Industry (DICCI), Shri Yashish Dahiya, CEO, Policybazaar, Shri Uday Kotak, Vice Chairman & MD, Kotak Mahindra Bank, Shri Rashesh Shah, Chairman & CEO, Edelweiss Group, and Shri Vijay Mahajan, Chairman Basix- Microfinance among others.

Various suggestions were given by the representatives of the Banking and Financial Institutions. It was suggested that TDS limit for Bank interest should be raised from the current Rs.10,000/- especially for senior citizens and pensioners given the current scenario. The limit of Rs.10,000/- was last set in the year 1997. It was also suggested to have a Credit Guarantee Fund to encourage investment in Agriculture Sector.

It was suggested that premium up to Rs. 1 lakh on life Insurance policies be exempted from income tax.

Small and Marginal farmers have come together to form FPOs rather than Cooperatives - should get the same benefits as those of companies; Incentives should be given for investments to promote agriculture and infrastructure; Crop Insurance benefits and interest subvention on agriculture credit be given through DBT to avoid misuse; Incentives for incremental jobs among others.

Among other suggestions include to encourage affordable housing, even rental properties need to be given tax benefits; Time limit of recognition of bad debts should be aligned - RBI gives 180days and IT Act 90 days; Monthly reporting by banks to Income Tax Department should be waived - only annual reporting;

It was suggested to incentivise digital transactions to make 2018 as a year of Paperless Access to Finance; it was suggested to extend the date of Masala Bond TDS which expires in June 2018 among others.

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