



Sandeep Jajodia addresses his first press conference as the new Assocham president along with secretary general D.S. Rawat in New Delhi on Wednesday.

— PRITAM BANDYOPADHYAY

Assocham prez: Economy is still in remonetisation stage

AGE CORRESPONDENT
NEW DELHI, FEB. 22

Industry chamber Assocham's new president Sandeep Jajodia said on Wednesday that the economy is still in the stage of remonetisation and people should be encouraged to start spending again.

He said that proposals like Tax Collected at Source on transactions above ₹2 lakh could be revisited to revive consumer demand. Enough cash in both rural area

■ **THE CENTRE** should further speed up infrastructure projects being financed by public funding in roads, highways, railways, ports and airports with high speed and efficient execution of such public projects

and cities, along with some bold and pragmatic decisions on issues like bank NPAs would be key drivers for reverting to 8

percent growth, he said.

Mr Jajodia said that it must be ensured that there shall not be any tax terrorism and fear psychosis among the consumers, especially of high value products and services. Besides, government officials at all levels should be made accountable for their actions, he said.

"As we slowly limp back to economic revival and remonetise our country we should not put disincentives to curb spending," Mr Jajodia said.

EASING NORMS

Tax officials to go soft on pensioners

■ Won't further verify cash deposits upto ₹5 lakh

New Delhi, Feb. 22: The tax department will not carry out any further verification for cash deposits up to ₹5 lakh made by people above 70 years of age post note ban, but the limit has been fixed at ₹2.5 lakh for other individuals.

"There is absolutely no cause for panic. We are not going after everyone who deposited their holding of the demonetised currency in bank accounts between Nov. 8 and Dec. 30, 2016. Very clear thresholds have been set for tax department to take up deposits for verification. I repeat, it is for verification and not scrutiny or assessment," a senior finance ministry official said.

The official also said that these verifications are being sought to be done online and any person of up to 70 years of age, who has deposited more than ₹2.5 lakh in cash, has to go to I-T department website and explain the source of deposit.

If the deposits match with previous income tax returns, the verification will be closed at that stage itself, he said adding only if a depositor does not verify, or there is suspicion on deposits not matching with known sources of income, will further clarifications be sought.

"The threshold for further verification of cash deposits is ₹2.5 lakh for persons upto 70 years age, and ₹5 lakh for taxpayers above 70 years where the source of such deposits is household savings and savings from past income and the individual does not have any business income," he said.



Sandeep Jajodia addresses his first press conference as the new Assocham president along with D.S. Rawat in New Delhi on Wednesday. — Pritam Bandyopadhyay

EARLY WARNING

■ THE OFFICIAL said that even the further non-statutory clarifications will be sought without issuing a showcause or any notice

The official said that even the further non-statutory clarifications will be sought without issuing a show-cause or any notice. "No inquiry or third party verification will be initiated outside the e-verification." The online verification of deposits made is being done to reduce compliance cost for persons under verification, he said.

Email and SMSes were sent to persons under verification for submitting online response on the e-filing, he said, adding those who have not yet registered on the e-filing portal must do so immediately.



Tax concerns Assocham President Sandeep Jajodia, with Secretary General DS Rawat at a press conference in New Delhi KAMAL NARANG

Review tax on cash deals: Assocham

New Delhi, February 22

The government must ensure there is no tax terrorism and fear psychosis among consumers and review its decision to impose 'Tax Collected at Source' on cash transactions above ₹2 lakh, Assocham said today. The industry body urged for abundant caution on the part of tax authorities so that no negative signals are sent to industry and consumers. "It must be ensured that there shall not be any tax terrorism and fear psychosis among consumers, especially of high value products and services, as also trade channels, must be avoided. "All tax officials should be made accountable for their action and no witch-hunt should be resorted to," Assocham's new President Sandeep Jajodia said at a press conference here. He said the economy is still in the re-monetisation stage which should encourage people to start spending again. PTI

Govt must review tax on cash deals over ₹2 lakh: Assocham

All tax officials should be made accountable for their action and no witch-hunt should be resorted to, says the industry body

New Delhi

The government must ensure there is no tax terrorism and fear psychosis among consumers and review its decision to impose 'Tax Collected at Source' on cash transactions above Rs 2 lakh, Assocham said on Wednesday.

The industry body urged for abundant caution on the part of tax authorities so that no negative signals are sent to industry and consumers. "It must be ensured that there shall not be any tax terrorism and fear psychosis among consumers, especially of high value products and services, as also trade channels, must be avoided.

"All tax officials should be made accountable for their action and no witch-hunt should be resorted to," Assocham's new President Sandeep Jajodia said at a press conference here.

He said the economy is still in the re-

monetisation stage which should encourage people to start spending again, and proposals like 'Tax Collected at Source' on transactions above Rs 2 lakh could be revisited to revive consumer demand. The economy may take almost a year to normalise and for demand to return to pre-demonetisation level, Jajodia said, reports PTI.

The Income Tax Department has been levying 1 per cent Tax Collected at Source (TCS) on cash purchase of bullion in excess of Rs 2 lakh and jewellery in excess of Rs 5 lakh since July 1, 2012 and there has been no change in that position. However, Finance Minister Arun Jaitley in his Budget 2016-17, had imposed TCS of one per cent on goods and services purchased in cash in excess of Rs 2 lakh. "As we slowly limp back to economic revival and remonetise our country we should not put disincentives to curb spending, Jajodia

said, adding that full and fast re-monetisation should be top priority for revival of economic sentiments and creation of employment.

"We are reeling under a huge lack of industrial demand," the Assocham President said, adding that incentives for investment into manufacturing, IT, infrastructure and other core industrial sectors would create employment for the youth. "The realty sector is a very big employment generator. If the realty sector is not revived then we would pose a huge threat to employment generation," he said.

Observing that government officials at all levels should be made accountable for their actions, Jajodia, however, said that despite the new RBI guidelines, banks are wary of taking hard decisions in terms of debt restructuring for fear of coming under the investigative scanner.

