

Annamalai gets selected for three-month fellowship in UK



BJP's Tamil Nadu state president, K Annamalai, is all set to go on a three-month sabbatical from his political career, as he has been selected for the United Kingdom Foreign Office's Chevening Gurukul Fellowship for Leadership and Excellence programme. The fellowship programme begins in mid-September and will conclude in November. According to sources, Annamalai had applied for the programme before the 2024 Lok Sabha elections and had attended the interview in Delhi in May. Sources close to Annamalai told TNM that he has requested the BJP high command to relieve him from the duties as a state president until he completes the course in the UK. Annamalai had applied for the Chevening Gurukul Fellowship program me as the founder of 'We The Leaders' foundation, an NGO he started after he quit civil service. The program me is hosted by the University of Oxford within the Department of Politics and International Relations, according to the Chevening website. The UK foreign office has been running the fellowship programme for more than 20 years for "young high-flyers and mid-career professionals and professionals from diverse backgrounds with strong and demonstrable leadership potential," the website says. The British High Commission will make an announcement on July 26. Around ten other professionals are part of the programme this time. The Chevening Gurukul Fellowship is a 12-week programme for which 12 candidates are selected each year as Gurukul Fellows from India. The 12-week residential course will be held at the Department of Politics and International Relations at the University of Oxford. Sources told TNM that Annamalai has already attended a couple of pre-orientation programs related to the fellowship and will be heading to Oxford University in September. Meanwhile, the BJP high command is expected to appoint an acting president for the state and hectic parleys are underway as there are too many contenders for the post. The former IPS officer joined the BJP in August 2020. He called himself a 'loyal foot soldier of the party'. Since he joined the party, Annamalai has been the centre of several controversies in the state. The first major issue was in July 2021 when he faced a massive scandal involving state general secretary KT Raghavan. Madan Ravichandran, a former journalist, BJP member and confidante of Annamalai, released a video of Raghavan allegedly asking for sexual favours from a woman party worker. Madan claimed he had proof to show the involvement of at least 15 other senior party leaders in similar issues. The next one was in January 2022, when 17-year-old Lavanya died in Thanjavur district. Her parents and the BJP alleged that she died by suicide after she was under pressure to convert to Christianity. It was Annamalai who rallied the party leaders to work closely with the VHP to politicise the incident. Following that, a series of four audio tapes were released by Annamalai in 2023, through which he alleged that the DMK government was involved in corruption. Titled 'DMK files', he claimed that the assets listed in part one of the audio tapes, purportedly worth Rs 1.34 lakh crore, are owned by 12 individuals, including Stalin's family members and other senior leaders.

Income Tax in India after Independence: You would shudder at these rates

When Finance Minister Nirmala Sitharaman rises to present her seventh budget in the last week of July, predictably all eyes will be on the income tax rates. Almost all taxpayers are eagerly waiting for a relaxation of income tax rates or slabs to be tweaked so that their tax outgo climbs down. But do you know what rates at which our earlier generations used to pay tax in this country. A look at the income tax rates in the decades following Independence appears nothing short of an economic thriller.

Colonial India's first budget

Income was first taxed in India by James Wilson, a man from Scotland serving the British government on April 7, 1860, when he presented the first budget of the administration in this country. He was supposed to be the first finance minister of colonial India. After Independence, the first finance minister of the country R K Shanmukham Chetty presented the first budget on November 26, 1947.

97.75% peak rate and 11 tax slabs

Income tax rates stood at 97.75% after Independence. There were as many as 11 tax slabs. For a government that was seized with poverty, hunger, lack of development and infrastructure, raising resources was obviously the overriding challenge. In 1949-50, finance minister John Mathai brought down income tax rates on annual income up to Rs 10,000 by a quarter of an anna from one anna to nine pies. In undivided India, an anna was equal to 1/16 of a rupee. One anna was further divided into 4 paise or 12 pies. Therefore, a rupee was 64 paise and 192 pies.

Y B Chavan's balm

French Aviation major Dassault Aviation SA is in the process of acquiring land near Jewar international airport for a maintenance, repair and overhaul (MRO) facility for India's Mirage 2000 and Rafale fighters, setting the stage for the local manufacturing of latest versions of Rafale fighters in the country to meet the Indian Air Force's long-pending requirement of around 100 twin-engine multi-role fighters that will be needed over the next two decades, according to two people familiar with the matter. Notwithstanding the political ferment in France - the French far-right front National Rally won the first round of voting for the National Assembly, with 33% of the votes, ahead of the ruling coalition's 20% - the Emmanuel Macron government and Dassault have offered in writing to manufacture Rafale fighters in India under the "Make in India" rubric with locally sourced components to meet IAF's demand, the two people added, asking not to be named. This comes even as engine maker Safran SA is setting up a MRO facility to handle Rafale fighter engines (if numbers are enough) at Hyderabad adjacent to the company's LEAP engine facility for civilian aircraft, which will be ready by 2025. Safran, the people added, has conveyed that if there is a Rafale order for IAF, it is willing to manufacture the M-88 en-

1974-75 was a landmark year in the history of income tax since finance minister Yashwantrao Balwantrao Chavan brought down the marginal income tax rate from 97.75% to 75%. For those earning up to Rs 6,000 a year, there was no tax on income to be paid. Taxes were reduced on all tax slabs. The marginal rate of basic income tax was at 70% on the income above Rs 70,000. The surcharge was made uniform 10% for all income brackets. The total impact of income tax and surcharge would go up to 77% of the taxable income on the highest slab.

V P Singh halves tax slabs

The next big income tax reform came in 1985-86 when the administration under Vishwanath Prtap Singh slashed the income tax slabs from eight to four. The highest rate of marginal tax was brought down from about 62% to 50%. Anyone earning below Rs 18,000 did not have to pay tax on income. An annual income between Rs 18,001 and Rs 25,000 made one eligible to pay income tax at 25%. The next rate was 30% — applicable on yearly income between Rs 25,001 and Rs 50,000. It climbed to 40% for income between Rs 50,001 and Rs 1 lakh and beyond Rs 1 lakh a year any income attracted 50% tax.

Three slabs and 20% min rate

The inauguration of the economic reforms could not have left income tax untouched. Finance minister Manmohan Singh brought down the number of tax slabs to three and the lowest rate 20% was fixed for income between Rs 30,000 and Rs 50,000. The next slab was 30% for annual income between Rs 50,000



and Rs 1 lakh. The highest tax slab was 40% for those earning more than Rs 1 lakh.

Chidambaram's scissors

The 1997-98 budget presented by Finance Minister P Chidambaram is considered by many to be another landmark budget. He slashed the prevailing three income tax rates of 15%, 30% and 40% to 10%, 20% and 30% respectively. The lowest slab was applicable to those earning between Rs 40,000 and Rs 60,000, the second slab to those between Rs 60,000 to Rs 1.5 lakh, and finally the highest 30% rate was slapped on those with an income above Rs 1.5 lakh. The standard deduction of Rs 20,000 was made uniform for all categories.

Arun Jaitley halves lowest rate

In 2017-18, Finance Minister Arun Jaitley halved the tax rates for individuals earning between Rs 2.5 lakh and Rs 5 lakh a year to 5%. A new rebate was added under Section 87A of the Income-tax Act, 1961. The combined impact of the rebate and the reduction of the tax rate meant that anyone earning up to Rs 3 lakh a year would not have to pay any tax on income. Those earning between Rs 3 lakh to Rs 3.5 lakh would pay Rs 2,500.

Rafale's Make-in-India plans get shot in the arm

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gines in India. Given that HAL's LCA Mark II with GE-414 engines, which will replace the Mirage 2000, will not be ready before the middle of the next decade, the Rafale fighter will not only meet India's requirement but also allow India to export the same fighters to third countries. Dassault has already started sourcing titanium parts from companies in India for manufacture Rafale fighters and plans to add more local vendors to the supply chain list. According to the two people, the manufacture of Rafale fighters in India is a win-win for both close allies as Dassault already has some 300 fighter orders in hand from Croatia, Greece, Serbia, Egypt, Qatar, UAE and Indonesia and has no capacity to manufacture extra planes for India. The company is also in talks with Saudi Arabia for supply of fighters and the French Air Force has asked it for 42 more Rafales. IAF is already operating 36 Rafale fighters

with Hammer and SCALP missiles with the Indian Navy currently involved in price negotiations for 26 Maritime Strike Rafales for the INS Vikrant aircraft carrier. India already has base maintenance depots, repairs, training and simulators for Rafales in its Ambala air base. Given the gestation period for fighters and engines is over decades, the Modi government has also taken reassurance from France's stable licensing policy which will ensure there is no hiccup -- like Russia, France has been supplying aircraft to India since the Toofani fighter in 1953. The people added that Safran is also ready for a joint venture with an Indian company for manufacture of engines for Indian Multi-Role Helicopters (IMRH) so that India does not have to look for a third country for urgent supplies. With the Chinese PLA in an aggressive mood on the land and sea with India and equipped with its own fifth generation J-20 fighters, the Indian Air Force needs to be bolstered as its force levels are below its projected requirement. China has developed the WS-15 engine, reverse engineering it from the Russian AL-31, and is rapidly expanding its force levels on land, air and sea. "India can ill afford to further delay the acquisition of advanced multi-role fighters as the Chinese challenge will increase by the day," said a national security planner.

