

<i>Name of State</i>	<i>No. of branches opened during last three years</i>
Meghalaya	4
Mizoram	6
Orissa	20
Punjab	47
Rajasthan	27
Tamil Nadu	14
Uttar Pradesh	72
West Bengal	69
Tripura	6

(b) and (c). There is no such policy. However, applications, if received, for opening branches at such centres will be considered by Reserve Bank of India on merits and the norms of their extant branch Licensing policy.

[English]

Income Tax on Co-operatives

1414. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of FINANCE be pleased to state:

(a) whether income tax is charged from co-operatives on their interest earnings;

(b) if so, the details thereof;

(c) whether it has an adverse effect on the co-operative movement in the country and in turn the agricultural sector; and

(d) if so, the action taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Under section 80P of the Income-tax Act, 1961, the whole of the amount of profits and gains of business attributable to a variety of activities of co-operative societies is not liable to income-tax. The whole of the profits and gains of co-operative societies engaged in specified business is exempt from tax. In addition, income of consumers' co-operative societies is exempt from tax upto Rs. 40,000 and in the case of other co-operative societies upto 20,000.

(c) Since, the income of co-operative societies is, by and large, exempt from tax, income-tax does not have an adverse effect.

(d) In view of answer to part (c) of the question, reply does not arise.