

Income-tax relief on bad and doubtful debts of Scheduled Commercial Banks

1460. SHRI VIJAY KUMAR YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether Government have a proposal under consideration to give income-tax relief on bad and doubtful debts of the scheduled commercial banks;

(b) if so, the details of the proposal; and

(c) The details of the bad and doubtful debts of the nationalised banks during the last three years, year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) and (b). Banks are allowed deduction, in the computation of their taxable profits, the amount of debt which is established to have become bad during the previous year subject to certain conditions. Further scheduled commercial banks are allowed deduction in respect of provisions made by them for bad and doubtful debts relating to advances by their rural branches subject to a maximum of $11\frac{1}{2}\%$ of such aggregate average advances. It is now proposed to further liberalise this provision so that the limit is raised to 10% of the profit or 2% of the aggregate average advances made by the rural branches of banks whichever is higher.

(c) According to the forms of Balance Sheet and Profit and Loss Account prescribed in the Third Schedule of Banking Regulation Act, 1949, banks are given statutory protection from disclosing the particulars and quantum of bad and doubtful debts for which provision is made to the satisfaction of auditors. The required information therefore cannot be made available.

Inclusion of more consumer items under price control

1461. SHRI RAM BHAGAT PASWAN : Will the Minister of

FINANCE be pleased to state :

(a) whether Government propose to bring more consumer items under price control during the Seventh Five Year Plan; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Seventh Plan is currently under formulation.

(b) Does not arise.

Suggestion to tax Agricultural Sector and Rural Non-Poor

1462. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state:

(a) whether several leading economists have suggested to Government of taxing agricultural sector and rural non-poor;

(b) if so, the reaction of Government thereto; and

(c) whether Government propose to enlist these suggestions in the new economic policy ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) and (c). Taxation of agricultural income falls within the fiscal jurisdiction of the States. Action in this regard can be considered only by the States.

Lifting of Excise Duty on Machinery and Custom Duty on Capital Goods

1463. PROF. RAMKRISHNA MORE : Will the Minister of FINANCE be pleased to state :

(a) whether Indian Merchant Chamber have urged Government to lift