

Rural Development have proposed some amendments to the Regional Rural Banks Act, 1976 with a view to streamlining the organisational structure etc. of the Regional Rural Banks. Proposals in this regard when concretised will come before the Houses of Parliament in the form of legislative proposals.

Incentives for Persons Declaring True Income

2983. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state;

(a) whether any incentives have been announced by Government for those persons who declare their income;

(b) if so, the nature of incentives offered and whether those making such declarations would be exempted from penal provisions of the Income Tax Act which they would have attracted otherwise; and

(c) if so, the number of persons who have come forward to make such declarations in the first fortnight of its declaration and the likely trend in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Government has assured that the assessee, both old and new, who want to come forward voluntarily to make a full and true disclosure of their income can do so by filing estimates of Advance tax based on true incomes for the current year, by March 1986, without fear of any penal consequences such as penalty or prosecution. It has also been clarified that such assessee would not be subjected to any roving enquiries nor would their earlier assessments be opened/reopened only on the basis of such higher estimates.

(c) It is not possible to ascertain the exact number of persons who have made such voluntary compliance. However, the collection of Income-tax (including corporation tax) has considerably increased. Upto 31-10-1985 it was Rs. 2100.35 crores as against Rs. 1674.45 crores in the corresponding period of last year, thus recording an increase of Rs. 425.90 crores.

The future trend of voluntary compliance is expected to be brighter.

Opening of New Branches of Banks in Rural Areas during Seventh Plan

2984. SHRI JAGANNATH PATTA-NAIK : Will the Minister of FINANCE be pleased to state :

(a) the policy of Government in regard to the opening of new branches of banks in rural areas of the country;

(b) the total number of bank branches proposed to be opened during the Seventh Five Year Plan period in the rural areas; and

(c) the performance of the bank branches already functioning the rural sector *vis-a-vis* the urban bank branches ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Branch Licensing Policy for 1985-90 has been finalised recently by Reserve Bank of India (RBI). The main objective of the policy is to achieve a coverage of 17,000 population per bank office in rural and semi-urban areas of each block and to eliminate large spatial gaps in the availability of banking facilities. RBI has advised the State Governments and the Lead Banks to identify unbanked pockets in various blocks and the question of opening more branches would be considered in the light of branch licensing policy on the basis of the lists of centres received from the State Governments and requests received from the banks. The total number of branches to be opened during the Seventh Plan Period has not been quantified. This would depend on the number of centres identified as per RBI guidelines.

(c) RBI has not carried out any study to compare the relative performance of rural, urban and metropolitan branches. As the nature of operations, potential for business and availability of infrastructural facilities in rural, urban and metropolitan areas are not uniform, any comparison between the branches located in such areas may not be appropriate.