

powers which inter alia include the power to call for information or for production of account books including bank pass books in connection with any enquiry relating to assessment of income of any person. The said provisions of the Income-tax Act are not violative of the Constitution.

Expansion of Private Sector Banks

1603. SHRI RAM SAGAR (Saidpur):
SHRI VASANT SATHE:

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to permit bank employees to acquire an equity stake in banks, if so, the details thereof and Government's response thereto;

(b) whether the Government propose to substantially relax restrictions on the expansion of private sector banks;

(c) the number of applications from private sector banks pending with the Reserve Bank of India for permission to open more branches;

(d) the period since when these applications are pending, application-wise; and

(e) the steps taken to sanction these applications at the earliest?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH):

(a) In so far as banks in the private sector are concerned, there is no prohibition on the employees of the banks contributing towards the equity of the share capital of the concerned banks. As regards the public sector banks, no such proposal permitting the employees to contribute to the capital fund of these banks is under consideration of the

Government.

(b) to (e). Keeping in view the growth of the banking business in the country, the Reserve Bank of India (RBI) have been permitting opening of bank branches on the basis of business potential and financial viability of the proposed branches.

Under the branch licensing policy for the year 1985-90, allotment of centres was made by the RBI generally on the basis of list of centres identified by the lead bank groups and finalised by the State Governments and not on the basis of applications from concerned banks. The RBI has recently issued guidelines for future branch expansion to all Indian commercial banks including private sector banks. Under the new policy, permission to open branches in rural/semi urban areas is proposed to be given the RBI on the basis of individual applications submitted by the banks by the end of 31st December, 1990. These applications would be considered by the RBI on a consolidated basis as per its policy. As regards urban and metropolitan centres, RBI has set up working groups for identification of unbanked/underbanked centres. Allotment of new centres will be made by the RBI as per its norms in due course.

Director Tax collection

1604. SHRI RAM SAGAR (Saidpur):
Will the Minister of FINANCE be pleased to state:

(a) whether direct tax collections during April-October, 1990 has been lower than the collections made in the same period in 1989;

(b) if so, the reasons therefor;

(c) the amount of direct tax collected between November, 1990 till date and how the same compares with the collections in the same period last year; and