THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) and (b) With a view to encourage and enhance public participation in the national effort to improve sanitation facilities and rejuvenation of river Ganga, Clause 21 of the Finance Bill, 2015 proposes to amend section 80G of the Income-tax Act so as to incentivise donations to the Swachh Bharat Kosh and Clean Ganga Fund. It is proposed to provide that donations made by any donor to the Swachh Bharat Kosh and donations made by domestic donors to Clean Ganga Fund will be eligible for a deduction of hundred per cent from the total income. However, any sum spent in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013, will not be eligible for deduction from the total income of the donor.

(c) to (e) Do not arise in view of (a) and (b) above.

Random selection procedure for IT defaulters

502. SHRI SALIM ANSARI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income-Tax (IT) Department is using Random Selection procedure every year to select Income-Tax defaulters;

(b) whether selecting honest Income-Tax payers through random selection procedure is 'non-transparent' as I.T. payers are randomly selected without any 'valid reasons' and have become a tool of harassment at the hands of Income-Tax officers; and

(c) if so, what steps Government proposes to take to discontinue Random Selection procedure so that honest IT payers selected are not humiliated?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) Every-year, cases for scrutiny are selected in a centralized manner through CASS (Computer Assisted Scrutiny Selection). The cases are selected based on detailed analysis of risk-parameters and three-hundred and sixty degrees data profiling of the taxpayers. Some cases are also identified manually for selection based upon pre-determined revenue-potential based guidelines. These guidelines are also circulated in public domain for wider information of the taxpayers.

(b) The selection process which is essentially based on the analysis of risk-parameters is fully transparent and does not aim at harassment of the taxpayers. If no tax evasion is detected in a case so selected, even the returned income is accepted as such.

(c) The cases for scrutiny are not selected on random basis. Further, to reduce compliance burden and address various other concerns of the tax-payers regarding

conduct of scrutiny proceedings the Central Board of Direct Taxes has recently issued two Instruction/Orders namely:

(i) Instruction No. 7 of 2014 dated 20.09.2014 restricting the scope of enquiry in scrutiny cases selected on the basis of third party information contained in AIR/CIB/26AS data.

(ii) OM dated 07.11.2014 regarding non-adversarial tax regime.

Licenses for small finance banks and payment banks

503. SHRI RAJEEV CHANDRASEKHAR : Will the Minister of FINANCE be pleased to state:

(a) the steps being taken by the Reserve Bank of India (RBI) to ensure that private companies which are rushing to get licenses for small finance banks and payment banks have had no past history of Income Tax violation or allegations of money laundering; and

(b) the details of criteria set by the RBI for companies that are trying to apply for these licenses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) and (b) In terms of the Reserve Bank of India (RBI) guidelines issued for Licensing of Small Finance Banks and Payments Banks on November 27, 2014, Promoters / Promoter Groups as defined in the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009 should be 'fit and proper' in order to be eligible to promote small finance banks, RBI would assess the 'fit and proper' status of the applicants on the basis of their past record of sound credentials and integrity; financial soundness and successful track record of professional experience or of running their business, etc. for at least a period of five years, RBI will assess the 'fit and proper' criteria of the applicants which includes due diligence of promoters and group entities. As part of the due diligence process to assess the track record of the applicants, confidential information will be sought from various investigative and regulatory agencies.

The other criteria as per the guidelines for the small finance and payments banks are given below:

Small Finance Banks:

- The objectives of setting up of small finance banks will be for furthering financial inclusion by (i) provision of savings vehicles primarily to unserved and underserved