

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:246
ANSWERED ON:08.12.2006
SERVICES TO SENIOR CITIZENS
Owaisi Shri Asaduddin;Rawale Shri Mohan

Will the Minister of FINANCE be pleased to state:

- (a) the number of complaints received from senior citizens against banks for taxing the exempted earnings during the current year;
- (b) whether the Reserve Bank of India has pulled up banks for taxing the tax exempt earnings of senior citizens as reported in the Times of India dated November 11, 2006;
- (c) if so, the facts and details thereof; and
- (d) the steps taken by the Government to provide proper services to the senior citizens?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (d) :- A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. 246 FOR 08.12.2006 REGARDING SERVICES TO SENIOR CITIZENS
TABLED BY SHRI MOHAN RAWALE AND SHRI ASADUDDIN OWAI SI.

(a) to (c): A number of complaints have been received by the Government/Reserve Bank of India(RBI) relating to non-acceptance of Form No. 15H and 15G by banks and continuance of tax deduction despite the depositor filing or offering to file these forms. RBI has, therefore, reiterated instructions to banks for not making any deduction of tax at source where the depositor has filed the Form 15H or Form 15G or a certificate under Section 197(1) of the Income Tax Act, 1961.

(d): Services provided by banks to senior citizens, inter-alia, include higher rates of interest on fixed deposits under the Senior Citizens Savings Scheme, loans against pension, loans to meet medical expenses etc. Further, wherever practicable and especially at Personal Banking Service or Savings Bank branches, banks consider providing `no queue` facility to senior citizens, offering assistance in filling up forms etc.