

institutions in a State is generally based on various factors which include the health of respective State Electricity Board and its paying capacity as well as techno-commercial viability of the project. Financial institutions do not discriminate between States in providing financial assistance to projects including power projects.

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

Definition of Assets for Wealth Tax and Capital Gains Tax

3639. SHRI K.S. RAO : Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes (CBDT) has sent any proposal to Government with regard to the change in the definition of "assets" for the purpose of Wealth Tax and Capital Gain Tax;

(b) if so, the rationale for changing the present definition of "Assets";

(c) whether the tax experts have opined what the change of definition is likely to affect the interest of tax-paying population adversely;

(d) if so, the details thereof; and

(e) the reaction of the government to the proposals?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R.JANARTHANAN) : (a) Though there is no specific proposal to amend the definition of "assets" for the purposes of capital gains tax, there is a proposal to amend the definition of "assets" for the purposes of Wealth Tax Act through the Finance (No.2) Bill, 1998.

(b) The present definition of "assets" is being modified in response to suggestions received from taxpayers and organisations. The effect would be a reduced Wealth Tax liability.

(c) No, Sir.

(d) and (e) In view of (c) above, does not arise.

Industrial Development Bank of India

3640. SHRI R. SAMBASIVA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether the fixed deposits and flexibonds are the main instruments for the Industrial Development Bank of India (IDBI) for raising the targetted amount of Rs.6,000 crores at the retail level during 1998-99;

(b) if so, the other main proposals being considered by the Industrial Development Bank of India to achieve the target;

(c) whether IDBI is considering to operate as a commercial bank; and

(d) if so, the time by which the final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R.JANARTHANAN) : (a) and (b) Industrial Development Bank of India (IDBI) has reported that fixed deposits and flexi-bonds are the main instruments being offered to retail market. In additions, capital gains bonds/deposits (u/s 54 EA and 54 EB of Income Tax Act) are presently offered by IDBI to retail investors.

(c) and (d) No such proposal is presently under consideration.

Tourist Hostels in Karnataka

3641. SHRI AJAY KUMAR S.SARNAIK : Will the Minister of TOURISM be pleased to state:

(a) the number of tourist hostels, hotels and yatri-niwas constructed in Karnataka during the last five years with financial assistance from the Central Government; and

(b) the details of proposals sent by the Government of Karnataka and are lying for approval with the Union Government?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) The Ministry of Tourism provided financial assistance to the Government of Karnataka for the construction/expansion of 20 accommodation units including yatrikas, yatriiniwases and Tourist Complexes since 1993-94.

(b) The Government of Karnataka submitted 16 project proposals for financial assistance during 1997-98. Out of these, 6 projects could not be sanctioned as they did not conform to the guidelines for financial assistance.

Foreign Investment by AIG

3642. SHRI P. SHIV SHANKAR : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is any proposal from American International Group (AIG) to invest in India;

(b) if so, the details thereof alongwith proposed amount of investment;

(c) whether the Government have agreed to the proposals of AIG; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) Sir, American International Group (AIG) has been granted foreign collaboration approval on (i) 21.8.1996 for setting up a mutual fund, equity participation being 78% amounting to Rs. 1050 lakhs with M/s IL & FS and (ii) 26.12.96 for risk management, consultancy services in safety and environment to the Indian Industry, equity participation being 50% amounting to Rs. 105 lakhs with M/s Tata Risk Management Services.

Statement correcting reply to Unstarred Question No. 2510 dated June, 12, 1998 regarding Cheap Interest Rate on Export

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : I invite the attention of the House to the reply to the Unstarred Question No. 2510 in the Lok Sabha on June 12, 1998. The answer to the question is incomplete in part. The revised answer read as follows:

(a) to (c) No, Sir, consequent to the reductions of rates on pre-shipment credit on April 29, 1998 the general export credit interest rate structure is already reasonably low. However, RBI have introduced a new scheme, effective June 12, 1998, to provide, as a temporary measure, rupee credit facility to exporters at 6.5 per cent per annum on their "incremental" exports made during April 1998 to December, 1999 over the level of exports made in the year April 1997- March 1998.

The error which occurred inadvertently is regretted and I crave the indulgence of the House to the extent mentioned above.

The delay in regard to giving correcting reply is regretted.

12.00 hrs.

PAPERS LAID ON THE TABLE

Annual Report of National Institute for Entrepreneurship and Small Business Development, New Delhi statement regarding review of its working and statement showing reasons for delay.

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : I beg to lay on the Table :

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the National Institute for Entrepreneurship and Small Business Development, New Delhi, for the year 1996-97 alongwith Audited Accounts.
- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the National Institute for Entre-

preneurship and Small Business Development, New Delhi, for the year 1996-97.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 959/98]

Annual Reports of Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Mumbai, Chemicals and Allied Products Export Promotion Council, Calcutta etc., review of their working and statement showing reasons for delay etc.

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : I beg to lay on the Table :

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Mumbai, for the year 1996-97, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Mumbai for the year 1996-97.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library See No. LT 960/98]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Chemicals and Allied Products Export Promotion Council, Calcutta, for the year 1996-97, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Chemicals and Allied Products Export Promotion Council, Calcutta for the year 1996-97.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library See No. LT 961/98]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Plastics and Linoleums Export Promotion Council, Mumbai, for the year 1996-97, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working