

[*Translation*]

Interest on Loans for Setting up Industry

2959 SHRI RAJVEER SINGH Will the Minister of FINANCE be pleased to state

(a) whether, with a view to promote industrialisation, Government propose to give from interest for about one year on the loans sanctioned by banks/financial institutions for setting up of industries,

(b) if so, the time by which the proposal is likely to be implemented, and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (PROF MADHU DANAVATE) (a) Reserve Bank of India (RBI) has reported that there is no blanket proposal to exempt proposal to exempt industries from paying interest on loans from banks/financial institutions

(b) and (c) Do not arise

[*English*]

Perks and Privileges to C.M.D. of I.T.D.C.

2960 SHRI MANDHATA SINGH Will the Minister of TOURISM be pleased to state

(a) the perks and privileges allowed to the Chairman cum Managing Director of India Tourism Development Corporation and

(b) the justification for allowing these perks and privileges?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU)

(a) The perks and privileges of Chairman-cum-Managing Director of ITDC (besides

pay and allowances to the Chief Executives of Schedule 'B' Public Enterprises) include medical facilities, transport, residential accommodation, etc

(b) The perks and privileges, provided to Chairman & Managing Director, ITDC are in conformity with those normally provided to Chief Executives of other Public Enterprises, besides, these are as per rules of the ITDC/ decision of Board of Directors

Purchase of Stocks of Private Companies by Financial Institutions

2961 SHRI MANDHATA SINGH Will the Minister of FINANCE be pleased to state

(a) whether the Unit Trust of India and other financial Institutions make purchases of stocks in Private companies,

(b) if so the norms laid down or guidelines issued by Government or the Reserve Bank of India in this regard, and

(c) what action is taken in the case of violation of the prescribed norms and guidelines?

THE MINISTER OF FINANCE (PROF MADHU DANAVATE) (a) Financial Institutions namely IDBI, IFCI and ICICI do not make purchase of Stocks of Private companies from the market. However, Unit Trust of India purchases and sells stocks of private companies as part of their normal investment operations

(b) and (c) The Government or the Reserve Bank of India have not laid down separate norms or guidelines for the investment operations of Financial Institutions. Their investment policies are governed by norms and regulations laid down in their respective Acts and constitution and investment decisions are taken by the appropriate authorities in the Financial Institutions