

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, yatriniwases 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?