

Losses suffered by disinvestment in GAIL and MTNL

2038. SHRI K. R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that GAIL shares have been sold at a lower price than the one offered before as per the news-item which appeared in The Indian Express dated the 18th November, 1999;

(b) whether MTNL Shares were sold cheaper in October, 1997 though a higher price was offered six months earlier;

(c) if so, the losses suffered on this account; and

(d) the rationale for this decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) For disinvestment of GAIL shares in October, 1997, a price range of Rs. 125-160 per share was fixed. However, due to unusually turbulent market conditions, price within this range was not obtained and the issue was withdrawn.

In November, 1999, Government disinvested 135 million shares of GAIL in the GDR market at a market driven best possible price of Rs. 70/- per share.

(b) 40 million shares of MTNL were disinvested in GDR market at the book built price of Rs. 135/- per share in December, 1997. No other offering of MTNL shares was contemplated earlier by the government. The Question of any higher offer price, therefore does not arise.

(c) No loss is suffered as the prices are based on the prevailing market conditions.

(d) Does not arise.

Draft of the new income tax law

†2039. SHRI RAGHAVJI: Will the Minister of FINANCE be pleased to state:

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RAJYA SABHA

(a) whether it is a fact that Ministry of Finance has prepared a draft of the new income tax law; if so, the reasons for delay in introduction of the bill;

(b) by when the new income tax bill is likely to be introduced in the Parliament; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) to (c) An expert Group set up by the Government in 1996 had submitted a working draft of a revised Income Tax Bill, in July 1997. After extensive discussion and examination, a large number of suggestions contained in the draft Income Tax Bill have been brought into the existing Act through amendments carried out by the Finance (No. 2) Act, 1998 and the Finance Act, 1999.

Negative credit growth in leading public sector BANKS

2040. SHRI SITARAM KESRI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the leading public sector banks have recorded negative credit growth during the current financial year;

(b) if so, names of such banks; and

(c) the factors responsible therefore and the measures taken by Government to improve credit growth rate of these banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir. Leading public sector banks have not recorded a negative credit growth during the current financial year so far upto November 5, 1999.

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