

[1st March, 2005]

RAJYA SABHA

total transfer of Rs. 7,55,751.62 crore to the States over five year period between 2005-10. Government of India has agreed to implement these recommendations.

Government of India has not received any reaction from any State on the recommendations of the Commission until 28th February, 2005.

Implementation of VAT

*6. SHRI SANJAY NIRUPAM:
SHRI RAJKUMAR DHOT:

Will the Minister of FINANCE be pleased to state:

- (a) whether VAT is going to be implemented in all the States; and
- (b) if so, the details about the criteria being implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) In the meeting of the Empowered Committee of State Finance Ministers held on 18th June, 2004, States and Union Territories have arrived at broad consensus to introduce VAT w.e.f. 1st April, 2005. All Finance Ministers have affirmed their intention to introduce VAT w.e.f. 1st April, 2005, and a White Paper has also been released.

(b) The design of VAT to be implemented by States/UTs has been finalized by the Empowered Committee after due deliberations. The salient features of this design include uniform VAT rates across the States/UTs, input tax credit, zero-rating of exports, provision of self-assessment of tax by the dealers, threshold limit of upto rupees five lakhs of annual turnover for registration of dealers and provision for composition scheme for dealers having annual turnover upto rupees fifty lakhs.

Creation of a National Investment Fund out of the proceeds of disinvestment of PSUs

*7. SHRIMATI SUKHBUNS KAUR:
SHRIMATI N. P. DURGA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to set up a National Investment Fund with a corpus consisting of the proceeds from disinvestments of PSUs;

(b) if so, the magnitude of the corpus and its *modus operandi*;

(c) the main objectives thereof; and

(d) whether the setting up of the proposed National Investment Fund closes the door of bridging fiscal deficit through the proceeds of disinvestment?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) Yes, Sir. Government decided on 27th January 2005 to constitute a "National Investment Fund" into which the realisation from sale of minority shareholding of the Government in profitable PSEs would be channelised. The Fund would be maintained outside the Consolidated Fund of India and would be professionally managed by selected Public Sector Financial entities, which have the requisite experience to provide sustainable returns to the Government without affecting the corpus. The income from the Fund would be used for the following broad investment objectives:—

- (i) Investment in social sector projects which promote education, health care and employment;
- (ii) Capital investment in selected profitable and revivable Public Sector Enterprises that yield adequate returns, in order to enlarge their capital base to finance expansion/diversification.

(d) The Fund would be maintained outside the Consolidated Fund of India and the returns from the corpus would used only to finance specific schemes within the broad objectives of the Fund.

Oil Refinery in Rajasthan

†*8. SHRIMATI MAYA SINGH:
SHRI KALRAJ MISHRA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that on finding large quantum of oil reserves in the Western Rajasthan, a proposal made by the State Government for setting up oil refinery in the State is under consideration of the Central Government;

(b) if so, the status of the proposal; and

† Original notice of the question was received in Hindi.