

SHRI B. N. DATAR: Sir, we sent general directions not only so far as the Nawab of Bhopal was concerned but also so far as the other *Jagirdars* were concerned and on those lines the exact figure should be worked out by the State Government.

SHRI C. G. K. REDDY: Is it a fact, Sir, that the Nawab of Bhopal, not satisfied with the basis on which the State Government was going to decide this compensation, preferred an appeal to the Central Government in this matter?

SHRI B. N. DATAR: Sir, I have no information.

SHRI K. C. GEORGE: The hon. Minister stated that normally the matter would be settled between the party and the State Government. Now, may I know what were the abnormalities in this particular case?

SHRI B. N. DATAR: The abnormality was that the Nawab of Bhopal wanted that a portion of his land should be exempted. That is the reason why all these considerations arose.

SHRI KISHEN CHAND: May I know from the hon. the Deputy Minister the rate of compensation proposed per acre of land by the State Government and that agreed to finally by the Central Government?

SHRI B. N. DATAR: Sir, these figures are not here with me.

LOWER RATE OF INTEREST ON LOANS TO
WEST BENGAL AND BIHAR FOR THE DAMODAR
VALLEY CORPORATION

*445. SHRI P. C. BHANJ DEO: Will the Minister for FINANCE be pleased to refer to the reply given to my Unstarred Question No. 144 on the 13th May 1953 and state the reasons for charging a lower rate of interest, namely 4½ per cent. on loans sanctioned to the Governments of West Bengal and Bihar for their re-lending to the Damodar Valley Corporation?

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): I would refer the hon. Member to my reply on 21st December 1953 to his Starred Question No. 371. The rate of 4½ per cent. referred to by him is not fixed but varies from time to time. The current rate of interest charged on these loans is 4½ per cent.

SHRI P. C. BHANJ DEO: May I know, Sir, the rate of interest charged for the second World Bank loan for these projects?

SHRI M. C. SHAH: The rate of interest is 4-7/8 per cent. plus commitment charges.

SHRI P. C. BHANJ DEO: May I know, Sir, whether the difference between the two rates is not charged to the Corporation on the ground that it would inflate the capital structure of the Corporation?

SHRI M. C. SHAH: The rate of interest to be charged to those Governments on the World Bank loan has not been finalised.

SHRI P. C. BHANJ DEO: May I know, Sir, whether any examination has been made as to the maximum amount of capitalised interest that these River Valley Projects could bear?

SHRI M. C. SHAH: Do you refer to the Damodar Valley Corporation?

SHRI P. C. BHANJ DEO: Yes.

SHRI M. C. SHAH: The interest so far on the capital advances—is that the question, Sir, because I have not followed?

MR. CHAIRMAN: Have you estimated the maximum interest which that Corporation can bear with financial stability?

SHRI M. C. SHAH: After all they will have to bear whatever interest is to be charged. There is no question of examining whether they are in a position to pay or not.

SHRI KISHEN CHAND: May I know from the hon. Minister whether the rate of interest to be charged from the Damodar Valley Corporation is $4\frac{1}{2}$ per cent. and is it possible for the Corporation in the future to bear that rate of interest?

SHRI M. C. SHAH: Certainly it should.

SHRI C. G. K. REDDY: 'It should' is different.

SHRI M. VALIULLA: Could not the loans be granted direct to the Corporation, Sir?

SHRI M. C. SHAH: We always give the loans to the State Governments concerned and the State Governments give these loans to the Damodar Valley Corporation.

NEW PENSION CODE FOR THE ARMED FORCES PERSONNEL

*446. SHRI S. N. MAZUMDAR: Will the Minister for DEFENCE be pleased to state:

(a) what are the provisions of the New Pension Code for the Armed Forces personnel;

(b) whether it is a fact that these new provisions have resulted in a reduction of the facilities previously enjoyed by the sepoys as regards pension; and

(c) if the answer to part (b) above be in the affirmative, what steps Government propose to take in the matter?

THE MINISTER FOR DEFENCE ORGANIZATION (SHRI MAHAVIR TYAGI): (a) A statement is laid on the Table of the House. [See Appendix VI, Annexure No. 156.]

(b) No, Sir.

(c) Does not arise.

SHRI K. C. GEORGE: The statement says that under the New Pension Code, provision is made for adopted children also. May I know what is the rate in the case of adopted

children? The statement in the last paragraph says: "In the absence of an actual and legitimate child, one validly adopted child in the family will now get child allowance", that is, in the absence of any real child.

SHRI MAHAVIR TYAGI: A child is always real.

SHRI K. C. GEORGE: Adopted child is also there.

MR. CHAIRMAN: The statement says: "In the absence of an actual and legitimate child, one validly adopted child in the family will now get child allowance", but both the children are real.

SHRI MAHAVIR TYAGI: A child adopted by the father during his life time is legal, and wherever there is a valid child, whether he is adopted or born of the parents, this child allowance will be given.

SHRI K. C. GEORGE: What was the meaning in making a specific statement distinguishing between a valid child and another?

SHRI MAHAVIR TYAGI: It has had to be made because otherwise the adopted child would not get anything and because this privilege has been given it has had to be clarified.

SHRI K. C. GEORGE: What is the rate of payment with regard to this adopted child? Is it the same in both cases?

SHRI MAHAVIR TYAGI: It is the same rate as is paid to real children.

KHWAJA INAIT ULLAH: May I know what are the rates of family pension in the case of non-commissioned officers and sepoys, who die in action?

SHRI MAHAVIR TYAGI: Family pension is granted to the families of those who die in action as well as those who die on account of any disability or disease or accident, etc. Previously a sepoy widow used to get