

(c) The project has not been abandoned. The investigations have been completed and preparation of estimates and writing of the project report are in hand.

PROF G RANGA: Do Government propose to keep this under their active consideration and then take it up as soon as the estimates get ready and then provide the necessary funds?

SHRI J. S. L. HATHI: After the project report is written and the estimates are made, the Government can consider whether it can be taken up immediately or at what time it can be taken up.

INTERNATIONAL BANK LOAN FOR
DAMODAR VALLEY PROJECT

*70 SHRI B RATH: Will the Minister for IRRIGATION AND POWER be pleased to state

(a) the amount advanced by the International Bank recently as loan towards the construction of the Damodar Valley Project and the terms on which and the specific purpose for which the loan has been advanced; and

(b) whether the rate of interest charged on this loan is the same as that charged on earlier loans advanced for the same purpose?

THE DEPUTY MINISTER FOR PLANNING & IRRIGATION AND POWER (SHRI J. S. L. HATHI): (a) The second loan recently advanced by the International Bank for Reconstruction and Development for the Damodar Valley Corporation amounted to 19.5 million dollars. A copy each of the loan agreement between India and the Bank and of the project agreement between the Damodar Valley Corporation and the Bank, are laid on the Table of the House, these documents give the terms and the specific purpose for which the loan has been advanced. [See Appendix IV, Annexure Nos. 30 and 31.]

(b) No. Sir, it is slightly higher

SHRI B. RATH: Sir, may I know what is the purpose for which this special commitment charge of $\frac{1}{2}$ per cent will be given?

SHRI J. S. L. HATHI: Special purpose?

SHRI B. RATH: I mean the special commitment charge of $\frac{1}{2}$ per cent.

SHRI J. S. L. HATHI: If the money is not drawn by the particular date they have to keep it in reserve for us.

SHRI B. RATH: That is for the commitment purpose. But my question is what is the special commitment charge for which this $\frac{1}{2}$ per cent will be given? The rate of commitment charge you propose to give is $\frac{3}{4}$ per cent. And then you have the rate of interest at 4 $\frac{7}{8}$ per cent. But what is this special commitment charge for which you give $\frac{1}{2}$ per cent? I refer to section 2.05.

SHRI J. S. L. HATHI: So far as I understand it, that commitment charge is to be paid for the purpose that the Bank has to keep that money for us in reserve and if we do not take it, we have to pay this charge.

SHRI B. RATH: Then what for is the commitment charge given?

SHRI J. S. L. HATHI: I require notice for that.

SHRI B. RATH: What is it, Sir? A statement is laid on the Table and he requires notice to answer a supplementary question based on that very statement. The commitment charge is there referred to in section 2.03.

MR CHAIRMAN: Yes, $\frac{3}{4}$ of 1 per cent per annum is specified as the rate of commitment charge. And about special commitment

SHRI B. RATH: Special commitment is mentioned in section 2.05, Sir. They say it "shall be at the rate of one-half of one per cent per annum on the principal amount of any such special commitment outstanding."

MR CHAIRMAN: And what is the difference between the two, you ask?

SHRI B. RATH: Yes, Sir.

SHRI H. D. RAJAH: Is it not a fact

SHRI B. RATH: Let me go to the next point, Sir, if the Minister cannot give me an answer to that question.

AN HON. MEMBER: Let him answer the first question.

MR. CHAIRMAN: What the questioner wants to know is, you have laid this thing on the Table and in this Loan Agreement you have, in section 2.03, got the rate of commitment charge and it is three-fourths of one per cent. Next, in section 2.05 you have got a special commitment charge. He wants to know what these things are intended for and what the differences a.e. It is a long document and he has just put it there.

AN HON. MEMBER: Sir, is it a.....

MR. CHAIRMAN: One at a time. The question is not yet answered. I suppose he will give the answer later.

SHRI B. RATH: What are the goods that are supposed to be purchased from these loans?

SHRI J. S. L. HATHI: Machinery, tools etc.

SHRI B. RATH: Has the Damodar Valley Corporation made any schedule of the items that are required for carrying on the last stage of this project?

SHRI J. S. L. HATHI: Not that actually a schedule has been made of the requirements of the tools and machinery that will be purchased from the loans.

SHRI B. RATH: What are the amounts that may be necessary for the purchase of these tools and machinery?

SHRI J. S. L. HATHI: About 12 million dollars, or even more.

SHRI B. RATH: If the total amount that is necessary for the purchase of these tools and machineries is about 12 million dollars then why has an agreement been signed for 19.5 million dollars which is the specific amount for the purchase of machinery and tools that are necessary for this purpose?

SHRI J. S. L. HATHI: It will cover tools and machinery from all countries. 19 million dollars are not for machinery and tools from the U.S.A. alone, but from all foreign countries. This amount of 19 millions will be required throughout, for all foreign equipments.

SHRI B. RATH: Sir, the question is different. You require 12 million dollars for equipment, for tools and machinery.

MR. CHAIRMAN: The question is, if for tools and machinery you require only 12 million dollars, why have you entered into an agreement for 19 million dollars?

SHRI J. S. L. HATHI: I am sorry if I did not properly understand the question, or maybe, I did not make myself clear. About 12 million dollars are for tools and machinery from the U.S.A. and the remaining amount will be also spent on items from foreign countries. It is all for tools and machinery.

MR. CHAIRMAN: 12 million dollars for tools and machinery from the U.S.A. and 7 million dollars from other countries.

SHRI B. RATH: The first question was, what is the total amount that may be necessary for tools and machinery.

SHRI J. S. L. HATHI: The whole of it.

INDO-TIBETAN TRADE

*71. DR. RAGHUBIR SINGH: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have imposed any export restrictions on the