

in view the drought and flood situation prevailing in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b) Yes, Sir.

(c) LME monthly average price of copper risen from £ 927.93 for December, 1986 to £ 1183.64 for October 1987, representing an increase of 27.56% over a period of one year in international market. LME monthly average price of nickel has risen from £ 2483.81 for December 1986 to £ 3429.08 for October, 1987, representing an increase of 38.06%. In addition, as the Pound Sterling has appreciated by about 14.91% vis-a-vis the Indian Rupee during this period, the impact of the price increases has been further enhanced to that extent.

(d) The prices of copper and nickel are fixed based on several factors including the international prices of these metals, customs duties and cost incurred by the canalising agency in importing them. Any variation in these factors would be reflected on the prices fixed for these metals.

[English]

Utilisation of Relief Assistance by Karnataka

5494. SHRIMATI BASAVARAJESWARI :
SHRI H.N. NANJE GOWDA :
SHRI G.S. BASAVARAJU :

Will the Minister of FINANCE be pleased to state :

(a) whether Karnataka Government have submitted any report of expenditure/utilisation of drought relief assistance/margin money to the Union Government ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b) The State Government has furnished details of expenditure of Rs. 705.00 lakhs (as per Statement I below) for claiming Centre's share of margin money of Rs. 300.00 lakhs. They have also furnished details of expenditure of Rs. 1083.44 lakhs on drought incurred

from 1.4.1987 to 20.10.1987 under various categories (as per Statement II below)

Statement-I

Amounts Released by the State Government of Karnataka During the Current Financial Year 1987-88 Towards Drought Relief Measures

	Amount Released (Rs. in lakhs)
1. Rural Water Supply (including digging of Borewells, Mini-water Supply Schemes, Revival of Riped Water Supply Scheme etc.)	300.00
2. Urban Water Supply (Borewells)	175.00
3. Transportation of drinking water (for transportation and supply of water in about 400 villages where there is acute scarcity of drinking water)	65.00
4. Transportation of drinking water in Urban areas	50.00
5. Transportation and supply of fodder	15.00
6. For Employment Generation	100.00
Total	705.00

Statement-II

Expenditure Incurred Under Scarcity Relief Measures for the Year 1987-88 (from 1.4.87 to 20.10.87)

(Rs. in Lakhs)

1. Transportation of drinking water	
(a) Rural	111.49
(b) Urban	28.07

2. Supply of Fodder	13.06
3. Rural Water supply (Borewells)	309.57
4. Urban water supply (Borewells)	218.65
5. Employment generation	246.76
6. Supply of minikits	142.66
7. Grass cutting and cultivation	3.18
8. Cultivation of fodder	10.00
Total	1083.44

Investment Allowance to Construction Assesseees

5495. SHRI D.P. YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether assesseees carrying on business of construction are generally entitled to investment allowance u/s 32A of the Income Tax Act with effect from the assessment year 1978-79 and subsequent years in respect of new Plant and Machinery owned by them and wholly used for their business and installed upto 31.3.1987 on the fulfilment of other condition laid down in the section ;

(b) if so, whether such investment allowance is not being allowed under the jurisdiction of some Commissioners of Income-tax whereas it is allowed under the jurisdiction of other Commissioners of Income Tax ;

(c) if so, the details of the jurisdictions of Commissioners of Income Tax where it is allowed ; and

(d) the jurisdictions of Commissioners of Income Tax where it is not allowed ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Investment allowance u/s 32A of the Income-tax Act is allowable in respect of any new Plant and machinery which is installed and used after 40th June, 1977, but before 1st April, 1987 mainly

for the purposes of business of construction, manufacture or production of any article or thing, not specified in the list in the Eleventh Schedule to the Act, subject to the fulfilment of certain other conditions mentioned in the said section.

There has been a difference of opinion regarding the interpretation of this provision as to whether plant and machinery used for the purposes of business of construction is also entitled to this allowances. Some of the benches of the Income-tax Appellate Tribunal have held that the plant and machinery used for the purposes of business of construction is entitled to this allowance. The Ministry of Law, whose opinion was sought on this issue, is also of the view that the plant and machinery used for the purpose of business of construction is entitled to this allowance.

(b) Yes, Sir. Since there has been a difference of opinion regarding the interpretation of this provision, the investment allowance is being allowed under the jurisdiction of some Commissioners of Income-tax whereas it is not being allowed in the jurisdiction of some other Commissioners of Income-tax.

(c) and (d) It is generally allowed in the jurisdiction of the Commissioners of Income-tax, Gujarat (Central), Nagpur, Jaipur, Calcutta, whereas it is not being allowed in the jurisdiction of the Commissioners of Income-tax, Delhi, Bombay, Gujarat-II, Bangalore, Poona, Nasik, Kolhapur, Visakhapatnam, Andhra Pradesh and Uttar Pradesh.

Ghaziabad Factory of Hindustan Lever Limited

5496. SHRIMATI GEETA MUKHERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether in 1983 the Reserve Bank of India and Controller of Capital Issues were informed by M/s. Hindustan Lever Limited that Ghaziabad factory of Hindustan Lever Limited was wholly a vanaspati/animal-feed undertakings ;

(b) whether it is a fact that both Ghaziabad and Trichy factories of M/s. Hindustan Lever Limited were multi-pr-