

**Allegation Against M/s Progressive Construction Company, Hyderabad**

1961. SHRI S. JAIPAL REDDY :

SHRI C. JANGA REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any memorandum signed by Members of Parliament alleging that the Progressive Construction Company of Hyderabad and its associate companies had swindled nationalised banks in raising huge loans ;

(b) if so, the details thereof and the action taken thereon ;

(c) whether heavy tax evasion by this firm has also been found ; and

(d) if so, to what extent ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) Government had received complaints regarding this firm and had got the matter investigated. The investigations conducted by the Reserve Bank of India had revealed that the accounts of the unit and its allied concerns with some banks were not satisfactory. The concerned banks are taking necessary follow up action in this regard. In so far as the issues relating to tax matters are concerned, all cases belonging to this group have been centralised for an indepth and co-ordinated investigation by the Central Board of Direct Taxes.

**Proposed Japanese Assistance Agreement**

1962. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that an agreement regarding Japanese assistance to India is going to be signed with Japan shortly ;

(b) if so, the projects included in the agreement ; and

(c) the total amount involved in the agreement ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) The names of the projects are :—

(i) Assam Gas Turbine Power Station and Transmission Line Construction Project ; and

(ii) Sanjay Gandhi Post Graduate Institute of Medical Sciences, Lucknow.

(c) For the Assam Gas Turbine Power Station and Transmission Line Construction Project the Government of Japan has agreed to extend a special Yen Credit of Yen 30 billion equivalent to Rs. 166.90 crores approximately. As regards the Sanjay Gandhi Post Graduate Institute of Medical Sciences, Lucknow the Government of Japan has agreed in principle to extend a special grant assistance for this project. The quantum of assistance to be extended is yet to be indicated by the Government of Japan.

**Drought Assistance to Karnataka**

1963. V.S. KRISHNA IYER :

SHRI B.V. DESAI :

Will the Minister of FINANCE be pleased to state :

(a) the amount released by the Centre to Karnataka for drought relief since 1982, year-wise ;

(b) the amount asked by the State Government since 1982, year-wise ; and

(c) whether Union Government propose to convert the loan given into grant as per the recommendations of Eighth Finance Commission since Karnataka has been facing drought for the last three or four years in succession ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) A statement is given below.

(c) The Eighth Finance Commission have recommended that drought relief expenditure in excess of the margin money and upto 5% of the approved annual Plan outlay of the respective States should be provided in the form of advance Plan assistance. Expenditure in excess of 5% of the outlay, if any, should be given as 50% loan and 50% grant and it is not adjusted against the States' entitlement of Plan assistance. This recommendation has been accepted by the Union Government and is being implemented.

## Statement

*Amount of Central assistance asked for by the Government of Karnataka, for drought relief, ceilings of expenditure approved and amount released to the State since 1982-83 year-wise*

(Rs. crores)

Year	Amount asked by the State Government	Ceilings of expenditure approved	Central assistance released on the basis of eligible expenditure and after adjusting available margin money
1	2	4	4
1982-83	34.20	8.81	15.00*
1983-84	16.81	14.00	4.00**
1984-85	209.50	32.73	29.86@
1985-86			
(i)	89.05	23.88	43.16
(ii)	151.00@@	31.15	
(iii)	271.00££	£	

\* Includes Rs. 6.66 crores released in advance for 1983-84.

\*\* Excludes Rs. 6.66 crores released in 1982-83 in advance for 1983-84.

@ Includes Rs. 13 lakhs as arrears for 1983-84.

£ A Central Team has recently visited the State. Ceiling is to be approved in the light of its report.

££ Since revised to Rs. 348.00 crores through a supplementary memorandum received in March, 1986.

@@ Some of the demands made by the State Govt. in this memorandum have been included again in the subsequent memorandum seeking Rs. 348.00 crores.

#### Distress Sale of Paddy in Andhra Pradesh

1964. SHRI BHATTAM SHRI RAMA MURTHY : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the recent rains in coastal Andhra Pradesh have caused extensive damage to the paddy and the farmers are resorting to distress sale ; and

(b) if so, whether Central Government will instruct the Food Corporation of India to purchase the wet paddy at a reasonable price to provide relief to farmers ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A.K. PANJA) : (a) and (b) Unexpected rains in December, 1985, caused damage to some harvested paddy in parts of Guntur and Krishna Districts. The damaged paddy was found to be below the prescribed specifications and, therefore, unsuitable for procurement by the Food Corporation of India for conversion into rice for the country's public distribution system. However, in the special circumstances, the grain specifications were relaxed to enable the State Government to undertake procurement of the rice produced out of