

payable on completion of 2 years from the date of drawal. The loan carries a fixed rate of interest of 7.5 per cent per annum and is free of Indian income tax. The loan has been taken by the State Bank of India against promissory notes. The State Bank has also to incur an additional expenditure of 0.1 per cent per annum as stamp duty.

The Lebanese pound is a freely convertible currency. A specific clause was also incorporated in the Loan Agreement between the lending Banks and the State Bank of India that, unless the proceeds of the loan were convertible, the Agreement would be null and void. The loan has already been utilized by converting the amount to U.S. dollars and making the payment to the Yugoslav Shipyard. The conversion at the time of draw down did not entail any loss

The repayment of the loan will start from December, 1974. The exchange conversion for buying Lebanese currency in international market will be guided by the prevalent movement of exchange rates at the appropriate time. This is a risk which is inherent in any international financial transaction.

(c) Government have seen the press reports which have appeared in regard to this loan transaction. There have been certain critical comments but, by and large, this transaction has been commented upon favourably.

The terms on which this loan was extended by the Lebanese Banks were considered to be acceptable by the Government. The World Bank and other international financial agencies have also raised loans in the Lebanese and Middle-East markets.

Financial Assistance to Rajasthan for Famine and drought relief works

695. SHRI N. K. SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether Rajasthan Government have stated that the present Central

assistance to the State to deal with the famine and drought situation is inadequate;

(b) whether even though the Central team that visited Rajasthan to assess the financial requirements of the State for the above purpose has since submitted the report, neither the contents have been made public nor have the recommendations implemented so far; and if so, the reasons therefor; and

(c) whether the State Government have sought Central assistance to the tune of Rs. 79 crores and if so, how much of this has been sanctioned?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESHI) (a) Yes, Sir.

(b) and (c). For purposes of assessing the need for Central assistance on account of drought, three teams have visited the State during the current year. As recommended by the first two teams, the Central Government adopted a ceiling of Rs. 660 crores against the State Government's demand of Rs. 33 09 crores for the current year. The requisite sanction along with the reports of the central team were communicated to the State Government. In its Memorandum presented to the third Central Team which visited the State recently, the State Government have sought Central assistance to the extent of Rs. 86.68 crores and not Rs. 79 crores. The report of this team is awaited.

Printing of Currency Notes on behalf of Government of Bangladesh

696 SHRI N. K. SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of India printed some currency notes on behalf of the Government of Bangladesh;

(b) whether it has come to Government's notice that allegations appeared