

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The real GDP growth rate declined from an annual average of 7.5 per cent during the three years ending 1996-97, to 5.1 per cent in 1997-98, due to decline in agriculture value added by 1.5 per cent and slow growth of industrial value added of 5.5 per cent. However, according to the assessment of the Reserve Bank of India, as stated in their end-October Mid-term Review of Monetary and Credit Policy for 1998-99, the real GDP growth rate in the current year is expected to be in the region of 6 per cent.

Government have initiated a wide range of measures through the Union Budget and subsequently to revive growth of agriculture, increase public and private investment in key infrastructure sectors, reinvigorate industry, especially small scale industries, and strengthen the financial and external sectors of the economy.

[Translation]

World Bank Loan to CIL

*300. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of COAL be pleased to state:

(a) the details of the loans obtained by Coal India Limited from the World Bank;

(b) the time by which the loans are likely to be repaid and the rate of interest to be paid on these loans;

(c) the terms and conditions of the loan sanctioned and proposed to be sanctioned by the World Bank; and

(d) the steps taken by the Government for the development of underground mines during the last three plan periods?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) For the Coal Sector Rehabilitation Project, of a total capital cost of US\$ 1697.60 million, CIL has secured a loan of US\$ 530

millión from IBRD (World Bank) and an equal amount from Export and Import Bank of Japan (JEXIM) for investment in its 24 coal projects. Details are given in Statement.

(b) The loan from IBRD which has become effective from 17.6.1998 has disbursement period of 5 years and repayment period of 15 years beginning from the year 2003. The interest rate for IBRD loan will be equal to LIBOR Base Rate plus LIBOR Total Spread and are reset semi-annually during the entire tenure of the loan.

(c) The following are the main covenants applicable for the CSRP loan that CIL has to comply with:

- (i) Obligations set forth in the Schedule 9 to the Loan Agreement.
- (ii) Conduct all financial transactions between itself and subsidiaries and cause the subsidiaries to conduct all the financial transactions among themselves based on written contracts.
- (iii) Cause BCCL and ECL to maintain a debt to total capitalisation (debt plus net equity) ratio of not more than 70% during the period from financial year 1998 through 2000 and of not more than 60% after financial year 2000.
- (iv) Maintain and cause each subsidiary other than BCCL and ECL, to maintain a debt to total capitalisation ratio of not more than 60%.
- (v) Cause BCCL and ECL from financial year 2001 to maintain a debt service ratio of at least 1.3.
- (vi) Maintain and cause each subsidiary other than BCCL, ECL and CMPDI to maintain a debt service ratio of at least 1.3.

(d) During last three plan periods 191 UG reorganisation and new projects each costing more than 2 crores have been implemented/are under implementation in various subsidiary companies of CIL to create an additional annual capacity of 72 million tonnes.

Statement

S.No.	Name of the Project	Estimated IBRD and JEXIM Component (US\$ million)
1	2	3
CCL		
1.	Parej East OCP (New)	21.00
2.	K.D. Hesalong OCP (Expn.)	26.80
3.	Rajrappa OCP (Replacement)	44.00
SECL		
4.	Dipka (Expn.)	84.20
5.	Dhanpuri OCP (Replacement)	8.80
6.	Kusmunda OCP (Replacement)	51.80
7.	Manikpur OCP (Replacement)	14.20
8.	Gevra OCP (Replacement)	43.00
NCL		
9.	Nigahi OCP (Expn.)	276.60
10.	Dudhichua OCP (Expn.)	167.40
11.	Jayant OCP (Replacement)	63.80
12.	Jhingurda OCP (Replacement)	26.60
13.	Bina OCP (Replacement)	13.80
MCL		
14.	Lakhanpur OCP (New)	12.40
15.	Samleshwari OCP (New)	16.20

1	2	3
16.	Ananta OCP (Expn.)	17.40
17.	Bharatpur OCP (Expn.)	23.60
18.	Belpahar OCP (Replacement)	9.40
19.	Jagannath OCP (Replacement)	14.80
WCL		
20.	Niljai OCP (Replacement)	19.00
21.	Sasti OCP (Replacement)	13.20
22.	Umrer OCP (Replacement)	15.40
23.	Durgapur OCP (Replacement)	25.20
24.	Padampur OCP (Replacement)	14.80
	CIL Corporate (common investment for all sub-projects)	36.60
Total		1060.00

[English]

Show Cause Notice to Ispat Urja Ltd.

3173. SHRI SUNIL KHAN:
SHRI AJOY MUKHOPADHYAY:

Will the Minister of COAL be pleased to state:

(a) whether the Government gave a show cause notice to Ispat Urja Ltd. for violation of the Coal Mines (Nationalisation) Act;

(b) if so, the details thereof; and

(c) the response of the Ispat Urja Ltd. thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) Yes, Sir.

(b) and (c) On 15.1.1997, a notice was issued by Ministry of Coal to the Central India Coal Company Ltd., Central India Power Company Ltd. and to Ispat Urja Limited, to show cause why the notification No. SO 151 (E) dated 27.3.1996 should not be withdrawn. Vide Gazette notification cited above, the Central Government specified as an end use the supply of coal from specified mines by the Central India Coal Company Ltd. on an exclusive basis to the Central India Power Company Ltd. for generation of Thermal Power Subject to the condition that M/s. Ispat Urja Ltd. would hold atleast 26% of voting equity share capital of Central India Coal Company Ltd. and Central India Power Company Ltd. In December, 1996, the Central India Coal Company Ltd. informed the Ministry of Coal that Ispat Urja Ltd. is a company registered in Mauritius and not in India. The Show Cause notice pointed out that this action of M/s. Central India Coal Company Ltd. was in violation of the notification and consequently, the show cause notice was issued. In reply thereto M/s. Ispat Urja Ltd. pointed out that there