

different occasions by rotation. In the previous Study Group constituted on 30.3.1989 whose recommendations formed the basis of the revision of royalty rates in 1992, the Government of Madhya Pradesh was represented by its Secretary in the Mineral Resources Department as a member of the Study Group.

The Study Group constituted in 1995 had detailed consultation with the State Governments including the Government of Madhya Pradesh before finalising its recommendations. Based on the recommendations of the Study Group, Government decided to reduce the royalty rates on diamond keeping in view the facts that the royalty rates on diamond in many of the major diamond producing countries are 10% or less; diamond being the second largest mineral import in value terms, there is urgent need to locate new diamond resources in the country; potential resources of diamond in India are grossly under explored on account of inadequacy of capital and suitable high technology input and lowering of the rate of royalty is expected to encourage larger capital investment and induction of state-of-the-art technology.

The Government of Madhya Pradesh had favoured increase in the then existing royalty rates on minerals in varying degrees during the consultations of the Study Group and after the revision of royalty rates in April, 1997, taken up the issue of reduction of royalty rates on diamond with the Union Government but it was not found feasible to accede to their request.

[English]

Terms and Conditions for World Bank Loan.

1556. SHRI ANUP LAL YADAV : Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has recently changed the terms and conditions for its further loans;

(b) if so, the details thereof;

(c) whether the loans of World Bank have become costly in comparison with the loans from commercial banks abroad; and

(d) if so, whether the Government propose to restrict its borrowings from the World Bank in the wake of increased rate of interest?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Since July '98 the IBRD, arm of the World Bank levies the following charges for loans:

(i) Interest rate spread above Bank's cost was increased from 0.50% to 0.75%.

(ii) Front end fee of 1% of loan amount.

(iii) Commitment charges remain at 0.75%.

This revision does not apply to loans from the IDA, which continues to be provided at a concessional rate.

(c) No Sir. The Bank's solid standing in the world's capital markets permits it to obtain funds at low cost, with saving being passed along to its borrowers. Further, a substantial portion of our funding comes through the concessional IDA window.

(d) Does not arise.

[Translation]

Kuteshwar Steel Plant, Jabalpur

1557. SHRI RAMA NAND SINGH : Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Kuteshwar Steel Plant located at Katni district (formerly Jabalpur district) has acquired the land of farmers of village Gair Talai and nearby areas on lease for twenty years;

(b) if so, the details thereof;

(c) whether the management of the Steel Plant had given a written and oral assurance to the farmers to provide job to one unemployed person of their families and the said assurance was not fulfilled;

(d) if so, the details thereof;

(e) whether the company is neither vacating the land of the farmers nor making further agreement and also not providing compensation even after expiry of lease period of twenty year; and

(f) if so, the steps taken/proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) to (f) The information is being collected and will be laid on the Table of the Lok Sabha.