

the Finance Commission, the non-plan grant from the Centre covering 75% of the expenditure in excess of the margin money. Other non-plan grants, the amount of which is very small, are generally allocated on an objective criteria. Loans to State against collection of small savings are given to the extent of 2/3 of the net collections of small savings mobilised in each State.

Plan :

Central assistance for State Plans : Since the beginning of the Fourth Plan period (1969-74), the Central assistance for the State Plans has been allocated on the basis of the Gadgil Formula which was modified by the National Development Council while approving the draft Sixth Five Year Plan 1980-85. Under this modified formula, a lumpsum amount is set apart for meeting the requirements of 8 Special Category States which include Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Nagaland, Sikkim and Tripura. The balance of the Central assistance is distributed among the remaining 14 States in the following manner :

- (i) 60% on the basis of population.
- (ii) 20% on the basis of per capita income—only to States having per capita income below the national average.
- (iii) 10% on the basis of tax effort.
- (iv) 10% for special problems of States.

Assistance for meeting expenditure on drought is provided based on the Finance Commission's recommendations.

Centrally Sponsored and Central Sector Schemes : These are schemes where the Centre takes the initiative because of their national importance. Proposed and formulated by the Ministry concerned, approved by the Planning Commission and financed largely by the Centre, the schemes are implemented by the States. There is a slight difference between the two types of schemes—Centrally Sponsored Schemes are generally financed both by the Centre and the States whereas the Central Sector schemes are financed 100% by the Centre.

[*Translation*]

Non Payment by Banks Against Bank Drafts

2959. SHRI VISHNU MODI : Will

the Minister of FINANCE be pleased to state :

(a) whether bank in the country are not making payments against bank drafts deposited by their customers;

(b) if so, whether attention of Government has been drawn to the fact that bank-drafts deposited by the customers are returned by banks without making payment against them;

(c) if so, the policy of Government in regard to making payment against bank drafts and the details thereof; and

(d) if there is no policy in this regard, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Pursuant to a recommendation of the Working Group on Customer Service in banks, Reserve Bank of India has advised the banks that payments of drafts should not be refused for the only reason that the relative advice has not been received. This procedure is being followed by and large by all the public sector banks.

Specific complaints brought to the notice of the Reserve Bank or the Government can be looked into for remedial action.

[*English*]

Revision of Royalty on Coal

2960. SHRI LALITESHWAR SHAHI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the number of times coal royalty has been revised and to what extent from 1972-73 till now;

(b) the impact of royalty revision on the coal price;

(c) at what interval the present law provides for royalty revision; and

(d) the number of times coal price has been revised during the last 12 years and to what extent ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) From 1972 till now royalty rates on coal have been revised twice, on 1-8-1975 and