

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

13-2-1981. Royalty rates with effect from 1-8-1975 ranged from Rs. 1.00 per tonne to Rs. 5.00 per tonne while with effect from 13-2-1981 it ranged from Rs. 2.50 per tonne to Rs. 7.00 per tonne.

(b) The royalty on coal is collected by the coal companies from the consumers of coal in addition to the pit-head prices of coal fixed by the Central Government and is passed on to the State Governments concerned. The impact of revision of rates of royalty on coal on the consumers had not been significant.

(c) Section 9(3) of the Mines and Minerals (Regulation and Development) Act, 1957 empowers the Central Government to hance or reduce the rate of royalty en on minerals including coal once during a period of four years.

(d) After nationalisation the average pit-head prices of coal have been revised six times as under :

Date of revision	Average pit-head price per tonne of coal produced by	
	CIL	SCCL
1-4-1974	Rs. 47.59	Rs. 50.50
1-7-1975	Rs. 64.92	Rs. 67.65
17-7-1979	Rs. 101.18	Rs. 99.92
14-2-1981	Rs. 128.02	Rs. 136.85
27-5-1982	Rs. 145.90	Rs. 154.75
8-1-1984	Rs. 183.00	Rs. 192.00

Production per man shift in Coal Mines

2961. SHRI LALITESHWAR SHAHI: Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the production per man shift in our coal mines compared to other coal producing countries; and

(b) how it can be augmented in the existing conditions ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). The average production per man-shift during 1984-85 (upto December, 1984) in the coal mines of Coal India Ltd., and Singareni Collieries Co. Ltd., is as under :

CIL

0.81 Tons.

SCCL

0.68 Tons.

However, productivity in the coal industry in other advanced coal producing countries is higher than that of India.

Under the existing conditions, the productivity in India can be augmented in the following manner :

- (i) by mechanisation;
- (ii) by adopting advanced technology;
- (iii) by re-deployment of surplus labour;
- (iv) by having more open cast mining; and
- (v) by improving the working conditions in coal mines.

Review of the Working of Hindustan Diamond Corporation

2962. SHRI B. K. GADHAVI : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether Hindustan Diamond Corporation has fulfilled the needs for which it was set up;

(b) whether there is any proposal to modify its pattern of working so that dependence on monopolistic supplier like Diamond Trading Corporation would lessen;

(c) whether almost all the sight holders of Diamond Trading Corporation are from Gujarat and have their business in diamonds at Bombay;

(d) whether Government propose to initiate any action to break the monopolistic hold of diamond trade both imports and exports;

(e) if not, the reasons therefor; and

(f) if so, the details therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) Yes, Sir.

(b) The Hindustan Diamond Company buys rough diamonds also from open market,