

(b) The investment in the project as indicated in the application is Rs. 502 lakhs. The capacity approved is 18,000 cubic meters of core veneer (veneered particle board) per annum.

(c) The setting up of the project would take about 18 to 24 months from the date of clearance of the application for import of capital goods.

Alleged Corruption in Appointment of Personnel in Hindustan Paper Factory, Kottayam

1350. SHRI SKARIAH THOMAS: Will the Minister of INDUSTRY be pleased to state:

(a) at what stage is the construction of the Hindustan Paper Factory at Kottayam;

(b) whether Government have received any complaints of corruption in the appointment of personnel to various posts in this factory; and

(c) if so, the nature of complaints and action taken so far?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI JAGDAMBI PRASAD YADAV): (a) The construction of Kerala Newsprint Factory of M/s. Hindustan Paper Corporation is in an advanced stage and the factory is expected to be commissioned by the third quarter of 1979.

(b) No specific complaint alleging corruption in the appointment of personnel to various posts in this factory has been received.

(c) Does not arise.

Allotment of Funds for Economically Backward States

1351. SHRI SKARIAH THOMAS: Will the Minister of PLANNING be pleased to state:

(a) whether in the recent NDC meeting some Chief Ministers de-

manded that a sum of Rs. 6000 crores be set apart from the allotment for Centrally sponsored schemes for the development of economically backward States;

(b) if so, the reaction of Government;

(c) whether Government are trying to evolve a new formula for the devolution of finance to help the backward States; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI FAZLUR RAHMAN): (a) and (b). The NDC in its meeting held on February 24 and 25, 1979 decided that certain modifications be made in the Centrally sponsored schemes. This is expected to release approximately Rs. 2000 crores over the next four years for distribution among the States as additional Central assistance.

(c) and (d). The NDC decided that of the total Central assistance available for State Plans for the next four years, Rs. 1800 crores should be reserved for special category States, Rs. 600 crores for special problems of States and Rs. 4200 crores distributed among the 14 non-special category States on the basis of the various/criteria laid down in the Gadgil formula, except the one relating to special problems. The additional Central assistance of approximately Rs. 2000 crores, which would be available over the next four years as a result of modifications in the Centrally sponsored schemes, will be distributed among the 14 non-special category States on the basis of income adjusted total population of each State (IATP), i.e. the inverse of per capita State income multiplied by population. Besides, additional Central assistance is being given for hill and tribal areas and the programme of the North-Eastern Council.