

little prospect of the unit becoming viable in the foreseeable future.

Violation of Foreign Exchange Regulation Act by C.M. of Tamil Nadu

6406. SHRI ERA ANBARASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is true that the legal proceedings against the Chief Minister of Tamil Nadu for the violation of Foreign Exchange Regulation Act were dropped by Janata Government;

(b) if so, on what ground the action was dropped; and

(c) will the Minister order for a fresh probe into it for legal proceedings against the Chief Minister?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (b) No prosecution or departmental adjudication proceedings were initiated against Shri M. G. Ramachandran, the present Chief Minister of Tamil Nadu, for violation of the Foreign Exchange Regulation Act, by the Directorate of Enforcement. However, on receipt of information alleging violation of Foreign Exchange Regulation Act by M/s. Emgeeyar Pictures (P) Ltd., and its Managing Director Shri M. G. Ramachandran, enquiries were undertaken by the Directorate of Enforcement but the allegations could not be substantiated. The matter was, therefore, treated as closed in March, 1979.

(c) In view of (a) and (b) above, the question does not arise.

Central Aid to States

6407. SHRI CHITTA MAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to curtail central aid to States; and

(b) if so, what measures Government propose to take to meet the non-plan revenue gaps of the State Governments?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) Bulk of the transfers of financial resources from the Centre to the States is in

the shape of share in Central taxes and grants-in-aid of the revenues of the States and is governed by the recommendations of the Finance Commission. The 7th Finance Commission's recommendations in this regard were accepted by the Central Government and the transfers are taking place accordingly in addition, Central assistance is given to the States for the States' Plans. Provision for Central assistance for the States' Plans in the current year's budget marks a substantial step up over the last year's provision. There is no proposal under the consideration of the Government to curtail Central assistance to the States.

(b) In the assessment of the 7th Finance Commission, eight States were found to have non-Plan revenue gaps for the period 1979-80 to 1983-84. The Commission recommended that grants-in-aid of the States equivalent to the amount of deficit on the Revenue Account should be paid to them. The recommendations of the Commission were accepted by the Central Government and grants-in-aid are being paid accordingly.

Share in Central tax assigned to States

6408. SHRI R. R. BHOLE: Will the Minister of FINANCE be pleased to state:

(a) whether the share in Central tax to be assigned to the States is provisionally released to the States on the basis of estimated collection shown in the Annual Budget of the Central Government for the year as may be modified in the revised estimate;

(b) whether final adjustment of the share of each State is made when the certified amount of the collections become available, by additional payment to the State and is done in the next year;

(c) whether such adjustment in respect of income tax of a sum of Rs. 41.09 crores has not been made from 1972-73 to 1977-78;

(d) whether such adjustment in respect of excise duties has also not been made from 1975-76; and

(e) if so, when do the Union Government propose to pay all the arrears?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) Yes, Sir.

(b) On receipt of certified figures from the Comptroller & Auditor General of India, the amount finally payable to each State is determined and necessary adjustments are made.

(c) The certified figures of net proceeds of income tax for the years 1972-73 to 1975-76 have recently been furnished by the Comptroller & Auditor General. On the basis of these figures, a total sum of Rs. 20.97 crores is recoverable from all the State Governments, with reference to the provisional payments already made to them for the four years 1972-73 to 1975-76. Necessary adjustments will be made in the current year. The certified figures in respect of the years 1976-77 and 1977-78 are awaited from the Comptroller & Auditor General.

(d) The shares out of net proceeds of excise duties, payable to the States for 1975-76, have been finalised and paid to them. For the subsequent years, certified figures are awaited from the Comptroller & Auditor General and necessary final adjustments will be made on receipt thereof.

(e) On receipt of certified figures, the arrears, if any, payable to the various States will be released to them.

Employment in Steel Authority, Visakhapatnam

6409. **SHRI K. A. SWAMI:** Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Government of India are aware that the Steel Authority, Visakhapatnam, appointed about 20 graduates in its office without calling names from the employment exchange, Visakhapatnam;

(b) whether Government are aware that the above persons were directly recruited from one or two departments of the Andhra University; and

(c) if so, what corrective action Government contemplate to take?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b) Twenty one graduates belonging to different disciplines were recruited by the Visakhapatnam Steel Project (VSP) from the Andhra University, Visakhapatnam, and were appointed as Technical Assistants in the scale of pay of Rs. 650—1142, without calling for names from the Employment Exchange.

(c) According to the policy for recruitment to public sector enterprises laid down by the Government of India, recruitment to posts carrying scales of pay the maximum of which exceeds Rs. 800/-, is not required to be done through an Employment Exchange, although an intimation of vacancies is to be made to it. Government have issued appropriate instructions to SAIL so that the correct procedure is followed in future in terms of Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

Steel Allotment for use by Electricity Boards and for irrigation projects

6410. **SHRI V. S. VIJAYA RAGHAVAN:** Will the Minister of STEEL AND MINES be pleased to state:

(a) the total quantity of steel allotted for use to Electricity Boards and for irrigation projects, with the State-wise break-up;

(b) the quantity of steel allotted to Kerala for the above purpose;

(c) whether it is a fact that the steel ingots supplied to the State of Kerala was through private parties as a result of which Government suffered huge loss; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b) In the absence of any distribution control there is no system of allocation. However, supplies during 1979-80