

(d) the steps taken by Government to stop recurrence of such incidents?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR):** (a) Yes, two Saudi Arabian Diplomats were intercepted this year at I.G.I. Airport, New Delhi by the officers of DRI.(Hqrs.), New Delhi, attempting to smuggle foreign currency and gold—totally valued at Rs. 2.97 crores.

(b) Three other Diplomats have been found involved in smuggling of contraband goods, in last 3 years.

(c) For the serious misuse of diplomatic privileges and facilities, the Ministry of External Affairs had requested the concerned Missions to withdraw the Diplomats involved. The Diplomats left the country as per request or even earlier as they were said to have completed the tenure.

(d) Field formations and Intelligence Agencies (including DRI) under Department of Revenue are alert together appropriate intelligence/information if any diplomats are found indulging in such activities and for taking requisite action against them.

### **Financial Crisis Faced by State Governments**

**2063. SARDAR GURCHARAN SINGH TOHRA:**

**SHRI W. ANGOU SINGH:**

Will the Minister of FINANCE be pleased to state:

(a) whether some State Governments are facing financial crisis;

(b) if so, the names of such State Governments;

(c) whether these Governments have asked the Central Government for financial aid to meet the financial crisis, if so, the names of such Governments; and

(d) the reaction of the Government thereto?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):** (a) to (d) Some States, which are unable to match the receipts and expenditure in their

budget, experience periodic Ways & Means related financial problems. To enable such States to deal with the situation there is an agreement between the States and RBI to provide Ways & Means support.

For providing plan assistance to State, budgetary support from the Central Government is given as per the advice of the Planning Commission. The pattern and quantum of the revenue grants to the States are determined on the basis of the recommendations of the Finance Commission.

The issue of financial problems being faced by the States was addressed in the 48th meeting of the National Development Council (NDC). The need for initiating fiscal reforms by the States was recognised in this meeting. As a follow-up of the NDC decision some State Governments have evolved and undertaken their own medium-term fiscal reforms programme. The Centre has extended assistance to these States by way of advance devolution of plan and non-plan assistance. An Official Committee has also been set up to monitor and review the fiscal reforms programmes of these States.

#### **Turn around Plan of PGFIL Question**

2064. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some months back the Reserve Bank of India directed the Calcutta based Peerless General Finance and Investment Ltd. (PGFIL) to submit a turn around plan in the context of the Company's non-performing assets and its low deposit mobilization;

(b) if so, whether the company has since complied with this directive to the satisfaction of the Reserve Bank of India; and

(c) if not, what action is proposed to be taken against the Company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) and (c) PGFIL submitted revised turnaround plan to RBI on