

(c) the steps taken or proposed to be taken to increase the production of petroleum in the country to meet the demand?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P C SETHI) (a) to (c) The requirements of petroleum products in the country are met in full by the Indian Oil Corporation and other private oil companies dealing in petroleum products. To the extent the requirements fall short and cannot be met from the indigenous production, imports are arranged from the available sources outside the country. Steps are also being taken to progressively increase the refinery capacity to meet the increasing demands of petroleum products.

Assistance to Bihar

984 **SHRI HARI KISHORE SINGH**
Will the Minister of FINANCE be pleased to state

(a) whether Government of Bihar has recently approached the Central Government with a request that the quantum of Central assistance for the State's Fourth Plan should be increased by 75 per cent in view of the State's financial position,

(b) if so, whether the State Government has also requested to write off as 'unproductive' Central loans and arrange for rescheduling of debt payment to ease its financial burden, and

(c) if so, Central Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K R GANESH) (a) The Government of Bihar have from time to time been requesting for additional Central assistance for the State's Fourth Five-Year Plan. They have also represented that the grant component of Central assistance for the State Plan

should be increased from 30 per cent to 75 per cent.

(b) Yes, Sir

(c) Central assistance to States during the Fourth Five Year Plan is being distributed in accordance with the criteria laid down by the National Development Council which apply uniformly to all States. This assistance is given in the form of block loans and grants in the fixed proportion of 70:30. It is not possible either to alter the criteria of distribution of Central assistance among States *inter se* or the proportion between its loan and grant components. The proposal for re-scheduling of the repayment of Central loans, made by Bihar and some other States, was examined but was not found acceptable.

Decision to set up Coal Based Fertilizer Plants in the Country

985 **SHRI HARI KISHORE SINGH**
Will the Minister of PETROLEUM AND CHEMICALS be pleased to state

(a) whether any final decision has since been taken by Government to set up coal-based fertilizer plants in the country,

(b) if so, the number of such plants which are likely to be set up

(c) the sites selected for the same, and

(d) the funds allocated for the purpose?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P C SETHI) (a) to (d) Government have decided to set up three coal based fertilizer projects in the public sector and the sites selected are Talehar (Orissa), Ramagundam (Andhra Pradesh) and Korba (Madhya Pradesh). The expenditure on these projects during the Fourth Plan period would be met from

out of the lump-sum allocation of Rs. 262 crores made in the Fourth Plan for new fertilizer projects.

A letter of intent has also been issued by Government to a private party for the establishment of a coal-based fertilizer plant at Kamptee (near Nagpur). The details of the project are awaited from the party.

Overdrafts by States

986 SHRI HARI KISHORE SINGH
SHRI SHANKER DAYAL
SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether some States have made overdrafts on the Reserve Bank of India during June and September, 1971;

(b) if so, the names of such States and amount of overdrafts made by them, and

(c) Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) and (b). The overdrafts of the States towards the end of June 1971 were cleared by the Government of India by advance release of States' share of Central taxes and duties and Central assistance payable in July 1971 and by sanctioning ways and means advances. Some States have again run into overdrafts. A statement showing the overdrafts of the States on the 30th September, 1971 is laid on the Table of the House.

(c) Discussions have recently been held with the Governors/Chief Ministers of the States having overdrafts on the Reserve Bank of India. The Governors/Chief Ministers shared the concern of the Government of India over the overdrafts and agreed that steps would need to be taken, including economy in expenditure and additional resource mobilization, to reduce the overdrafts.

STATEMENT

Overdrafts of States on the 30th September, 1971

	(Rs. crores)
1. Andhra Pradesh	37.42
2. Assam	14.21
3. Bihar	7.49
4. Kerala	21.43
5. Mysore	28.55
6. Rajasthan	22.35
7. Tamil Nadu	32.88
8. West Bengal	3.68
TOTAL	168.01

Effect on the Outlay of Plan due to Financial Stringency

987. SHRI SHYAMNANDAN MISHRA : Will the Minister of FINANCE be pleased to state :

(a) whether he had informed the Consultative Committee of the Ministry of Finance at its last meeting that the outlay on Plan might be effected because of financial stringency; and

(b) if so, whether his Ministry has asked the Planning Commission to examine the matter ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a) and (b). In the Consultative Committee meeting of the Finance Ministry held last month, I had clarified that in view of the substantial expenditure on refugees from Bangla Desh, measures were being taken to effect 5% cut in non-Plan and non-essential expenditure. I had also emphasised that steps had been