

1-6-1981 when the 12-monthly average consumer price index reached 408 point. However, the sanction of an instalment of DA is not automatic, but is considered by Government in the light of various factors.

Private Capital for Creating Additional Capacity for Production of Pig Iron

*94. SHRI KAMLA MISHRA
MADHUKAR:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that Government are considering some plans to attract fresh private capital for creating additional capacity for the production of pig iron; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). No plans to attract private capital for creating additional capacity for the production of pig iron are under consideration of the Government, but applications from private/public sector units for Letters of Intent for production of pig iron are being considered at present.

Supply of Yarn to Handloom Weavers

*95. PROF. RUP CHAND PAL:
Will the Minister of COMMERCE be pleased to state:

(a) whether Government have any proposal to review their policy regarding supply of yarn to handloom weavers; and

(b) if so, the details of Government plan in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHED ALAM KHAN):
(a) No, Sir. The existing policy

appears to be fairly adequate to meet the needs of the handloom sector for yarn.

(b) For ensuring supply of yarn in sufficient quantities to the handloom weavers, Government have imposed a statutory obligation on all spinning mills to pack at least 50 per cent of the yarn ment for market deliveries in the form of hanks. Out of this, 85 per cent should be in counts of 40s and below which are mainly used by the handloom sector. Besides, certain ad-hoc arrangement for short term supplies through National Textile Corporation and Indian Cotton Mills Federation are taken to take care of short-term problems of rising prices and shortages in specific areas.

To meet the target of production of 4100 million metres by 1984-85, additional spindlage of 2.1 millions is being planned. Of this, nearly 1 million will be in the cooperative sector which will ensure captive availability of yarn for the handloom sector.

Iron Ore Pellet Plant, Mangalore

*96. SHRI VIRBHADRA SINGH:
Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that Iron Ore Pellet Plant is being set up with Romanian help at Mangalore in Karnataka;

(b) if so, what would be the estimated cost and capacity of the plant; and

(c) the nature of help that is being given by Romania?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) The estimated cost of the plant is Rs. 87.05 crores and its capacity will be 3 million tonnes of pellets per annum.

(c) M/s. Uzinexportimport of Romania will supply the basic engineering and technical know-how, and critical items of equipment in collaboration with Lurgi Chemie of West Germany and Lurgi of France. It will also provide project supervision and monitoring services at site. This contract is for Rs. 49.49 crores and the entire payment is expected to be made to Romania by export of Kudremukh iron ore concentrate.

Flight between Asansol and Cooch Behar

*97. SHRI ZAINAL ABEDIN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether there is any proposal to introduce flight between Asansol and Cooch Behar and linking Berhampore with Malda, Jalpaiguri, Balurghat and Darjeeling;

(b) if so, when and the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): (a) to (c). No, Sir. The proposal is to connect Cooch Behar by Vayudoot services which will be connected to Calcutta when the airport is ready for operation.

Overdrafts by States

*98. SHRI P. NAMGYAL:

SHRI R. N. RAKESH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the States are resorting to overdrafts from the Reserve Bank of India and this tendency has increased during the recent past;

(b) if so, whether a statement showing State-wise outstanding amount as on 31st March, 1981 and 31st October, 1981 separately as a result of overdraft will be placed on the Table of the House; and

(c) steps taken to check the overdrafts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI CAWAI SINGH SISODIA): (a) to (c). A Statement is laid on the Table of the House.

Statement

The States closed the year 1980-81 with a total overdraft of Rs. 535.90 crores. Their overdrafts as on 31st October, 1981 was Rs. 781.69 crores, thus indicating an increase in the levels of overdrafts drawn by them.

A statement showing the State-wise overdraft as of 31st March 1981 and as of 31st October, 1981 is at Annexure.

In accordance with the scheme of regulation of States' overdrafts, the States are expected to adjust the pace of expenditure to the inflow of receipts and to avoid overdraft in their accounts with the Reserve Bank of India for more than 7 working days. The overdrafts of the States reflect their daily cash position and vary in magnitude from day-to-day. Overdrafts result either on account of structural imbalances in the budgets of the States or on account of temporary aberrations in the cash flow of the States. The Government has, therefore, been having discussions with those States running overdrafts in order to correct the situation where there appear to be structural imbalances in the budgets,