

Will the Minister of TEXTILES be pleased to state :

(a) whether a number of NTC Units of Eastern Region are lying closed or producing below their installed capacity;

(b) whether employees of such units are not getting their salaries regularly;

(c) if so, the details there of and the reasons therefor; and

(d) the steps taken by the Government to revive those units and ensure that regular payment of salaries are being made to the employees of such units?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KAMAL NATH) : (a) to (d). No mill under the NTC in the Eastern Region is lying closed as per the provisions of the Industrial Disputes Act. However, due to working capital constraints, the production activities of these mills have been either suspended or curtailed.

NTC (WBAB&O) Ltd., the subsidiary in charge of the mills in the Eastern Region, has been incurring losses leading to total net worth erosion. As a result, it has been referred to and declared to be a sick industrial company by the BIFR. A revised modernisation plan for the rehabilitation of NTC (WBAB&O) has been approved by the Government and the same has been placed before the BIFR for its approval before implementation. Meanwhile Government has been releasing funds for payment of wage/salaries/statutory bonus. These have been released upto the month of November, 1995.

[English]

Decline in tax

833. SHRI CHETAN P.S. CHAUHAN :

SHRIMATI MAHENDRA KUMARI :

Will the Minister of FINANCE be pleased to state :

(a) Whether the attention of the Government has been drawn to the news-item captioned "States hit hard by declining tax base" appearing in the *Hindustan Times* dated September 18, 1995;

(b) if so, the facts of the matter reported therein; and

(c) the steps the Government propose to take to improve the financial position of the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY) : (a) Yes, Sir.

(b) The news item has drawn the attention of the Government to deterioration in tax mobilisation at the State level. It has stressed the need for tax reforms and recommended introduction of harmonized Value Added Tax (VAT).

(c) The Government had appointed a Committee of State Finance Ministers to go into various aspects of tax reform including gradual introduction of VAT. The Committee submitted its report in August, 1995. It is proposed to discuss the report in a Conference of State Finance Ministers scheduled to be held on 02.12.1995.

Bank Loan in Gujarat And Uttar Pardesh

[Translation]

834. SHRI MAHESH KANODIA :

SHRI HARI KEWAL PRASAD :

Will the Minister of FINANCE be pleased to state :

(a) The total amount of loans of each category disbursed by the various nationalised banks in Gujarat and Uttar Pradesh during 1993-94 and 1994-95 separately; and

(b) the funds earmarked by each bank for disbursement of loans in various eligible sectors at differential rate of interest (DRI) and the amount of loan disbursed by each bank to the handloom weavers in the above States at differential rate of interest, separately during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) and (b). The category-wise break-up of disbursal of advances of public sector banks to priority sector for the year ended June 1993 (latest available) in respect of Gujarat and Uttar Pradesh are given below :