

(b) Yes, Sir.

(c) Exports of sugar are decided upon after the domestic demand has been met. Due to increasing demand and fall in production since 1983-84, exportable surplus of sugar has not been available.

(d) Some of the steps taken are as follows :

The statutory minimum price of sugarcane payable by sugar factories for 1985-86 season has been increased from Rs. 14 00 to Rs. 16.50 per quintal linked to a basic recovery of 8.5% with proportionate premium for every 0.1% rise in recovery above this basic level.

In addition the decision to fix the statutory minimum price of sugarcane during the next season 1986-87 at Rs. 17 per quintal linked to 8.3% recovery has also been announced.

A rebate in Excise Duty has been allowed on sugar produced during the months of October and November '85 in excess of the average quantity produced during the corresponding period in the preceding two seasons. The ex factory price of levy sugar for 1985-86 season has been fixed based on the statutory minimum price of 16.50 per quintal of sugarcane. The differential levy price at the rate of Rs. 26 per quintal being allowed to weak units having capacities below 1250 TCD and having plants installed prior to 1-10-1985 has been continued for the current season (1985-86).

Tea Companies to Stabilise Prices

891. SHRIMATI KISHORI SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether tea industry in the north has decided to curtail production to arrest further fall in prices as reported in the 'Economic Times' of 30 October, 1985;

(b) if so, whether this year's record production is the third successive year of good output;

(c) whether the decision would substantially affect tea output; and

(d) whether Government have discussed with tea companies ways to stabilise prices and keep these remunerative enough ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (d). Tea production was 581 M. kg. and 646 M. kg. in 1983, 1984 respectively. Target for 1985 was fixed at 655 M. kg. On the basis of production figures till September 1985 it appears that the target is likely to be exceeded.

Government is constantly in touch with the industry in order to ensure sufficient availability of tea to the domestic consumers at a price which is reasonable to the consumers and remunerative to the producers.

Losses in N.T.C.

892. SHRI SHARAD DIGHE : Will the Minister of TEXTILES be pleased to state :

(a) whether the number of National Textile Corporation Mills showing gross profit has gone up from 18 in 1984-85 to 50 in August 1985, but the majority of the 125 National Textile Corporation Mills are still incurring losses;

(b) if so, the reasons therefor;

(c) whether the report of the consultant on the National Textile Corporation Organisational Structure has been submitted to the Department of Textiles;

(d) if so, whether the organisation has been characterised as "top heavy"; and

(e) if so, the remedial measures proposed by Government ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Out of the 123 textile mills in operation under the National Textile Corporation, 52 mills made gross profit and the remaining 71 mills incurred gross losses in August, 1985. 21 mills made gross profit during 1984-85.

(b) The major reasons for continuous

losses of the mills under NTC are as follows :

- (1) Old and Obsolete machinery;
- (2) under-utilisation of installed capacity due to irregular power supply and power shortage, high cost of captive power, etc.;
- (3) abnormal increase in cotton prices, particularly from the middle of 1980-81 to 1984-85;
- (4) increase in cost of power, coal, dyes and chemicals, stores and spares;
- (5) excess labour force;
- (6) increase in/wages/salaries;
- (7) Poor work norms and low productivity.

(c) Yes, Sir.

(d) The consultant has described the National Textile Corporation (Holding Co.) as "top heavy".

(e) While Government monitors the performance of NTC, the NTC (Holding Company) continues to take measures for improving the performance of NTC, partly as a result of which the losses have come down and the number of mills in profit has gone up as mentioned in part (a) above.

Director General of Revenue Intelligence

893. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has created a post of Director General of Revenue Intelligence to co-ordinate tax raids in the four metropolitan cities and large industrial houses;

(b) if so, whether this was one of the comprehensive plans drawn up by the Central Board of Direct Taxes to intensify searches all over the country;

(c) if so, the details of the measures that will be undertaken under this new Director General to coordinate the tax raids; and

(d) whether the Board is also working on a comprehensive legislation to simplify the Income Tax Act ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). No post of the Director General of Revenue Intelligence has been created under the Central Board of Direct Taxes. A post of the Director General (Investigation) has, however, been created in the Income-tax Department with a view to making it more effective in the task of checking tax evasion. The Director General (Investigation) supervises, controls and coordinates the working of the Directorate of Inspection (Intelligence), Directorate of Inspection (Survey) and the four units of the Directorate of Inspection (Investigation), which are engaged in the work of combating tax evasion. He also plays a vital role in search and seizure matters and supervises investigations wherever necessary.

(d) Yes, Sir.

Taking Over of Sick Industries by Financial Institutions

894. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have issued guidelines to financial institutions to process all those sick industries which are loosing concerns to whom they have advanced huge loans and other financial arrangements;

(b) if so, the details thereof;

(c) whether Government have advised the national financial institutions to take over such industries; and

(d) if so, the number of such industries or concerns taken over in 1985 (till September, 1985) ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Government have been emphasising the importance of strengthening of monitoring