

A case has been registered against the rioters under Sections 143, 147, 148, 149, 302, 323, 394, 395 of the IPC and Section 108 of the Indian Railway Act. 21 persons have so far been arrested.

The State Government has ordered a high-level inquiry into the incident. The inquiry is being conducted by an Inspector General of Police. The State Government has also ordered payment of ex-gratia of Rs. 50,000/- to the next of kin of the deceased person.

The situation in Palej and around is peaceful.

18.35 hrs.

BUSINESS ADVISORY COMMITTEE

Ninth Report

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI SATYA PAL MALIK): I beg to present the Ninth Report of the Business Advisory Committee.

18.35 1/2 hrs.

HALF-AN-HOUR DISCUSSION

Delivery of Imported Sugar

[English]

MR. DEPUTY SPEAKER: Now Half-an-Hour discussion on the points arising out of the answer given to Unstarred Question No. 3413 on 4th April, 1990. Shri Jaswant Singh.

[Translation]

SHRI JASWANT SINGH (Jodhpur): Mr.

Deputy Speaker, Sir, the difficulty in this Half-an -Hour discussion is that I have raised an issue which is the result of misdeeds of the previous Government but the Hon'ble Prime Minister has to reply to it now. The hon'ble Minister has nothing to do with it. He has answered all my queries with readiness and clarity. But such a serious untoward incident took place in October-November that so many questions arose from the answer given by the hon. Minister that it was necessary to raise a half an hour discussion thereon.

I would straight away ask the question instead of giving a speech. I would also request the hon. Minister to give a detailed reply to these questions. It would be the best thing. The main issue is that about 1.42 lakh metric tonnes of sugar was imported in Oct. 1989. During those days the price of sugar had increased considerably and the people have to bear the brunt. Sugar was imported immediately. The most complicating factor is that in those days the price of sugar ranged between 407 dollars per metric tonne and 433 dollars per metric tonne. Another 85 dollars were added to it to compensate for freight and insurance charges. At that time the one market price ranged between 417 dollars per metric tonne and 433 dollars per metric tonne, yet sugar was bought at the price of 520 dollars per metric tonne. I have not been able to follow it. According to my calculations a deal was finalised for 12.5 crore dollars. The hon. Minister will tell us about its equivalent in rupees. According to my calculation the country has paid an additional amount of one crore and fifty lakhs dollars in excess. Shri Murlī Deora is not present in the House otherwise he would have quickly told us its equivalent in rupees. In the month of October, the previous Government gave away one crore fifty lakh dollars in excess. You should tell us as to who has pocketed this amount. The hon. Minister mentioned the names of some companies through whom sugar was imported. I would not take the names of all the companies but I would like to mention the names of certain companies because one would feel concerned by just mentioning

[Sh. Jaswant Singh]

their names. There is a company in New Delhi by the name of Meteor, through which sugar is being imported from a London company by the name Anglo Chemical Commodities, sugar was imported from a Company in Geneva by the name Gill Du Fas which is a company of Gill and company, New Delhi. Similarly there is a company by the name of Reonder in London and there is a similar company in Delhi with the name Jonik and Reonder. In my opinion there is one and the same company involved in both buying and selling. What is the secret behind it? There are only two agencies for the import and export of sugar, one is that of Shri Lalit Suri and the other is State Trading Corporation. But of these, which agency was entrusted with the job? Did you import it through the agency of Shri Lalit Suri or through S.T.C.? During the past five years such a system has come into operation that these two....

SHRI P.R. KUMARAMANGALAM (SALEM): You should not take the names of those persons who are not present in the House.

SHRI JASWANT SINGH: Even the companies are not present in the House. What is so special about Lalit Suri's name?

[English]

MR. DEPUTY SPEAKER: One who is not here, how can he defend himself?

SHRI L. K. ADVANI: He has merely stated some facts. There is no allegation at all.

SHRI JASWANT SINGH: During the last five years, all contracts, whether it was the contract for the purchase of electronic items from Japan, or the contract for purchase of rice or the other two contracts, were awarded to a private contractor named Shri Lalit Suri. The Government has agencies like M.M.T.C, S.T.C. and the Electronic Corporation for dealing with such things. Why are these contracts handed over to

private firms? The particular firm is exporting sugar from the V. K. and is also involved in import deals in New Delhi. This firm has been appointed as agent in New Delhi. What is the need to have local representatives and middlemen when the Government is handling the sale and purchase. I would like to know the details regarding the ownership of these firms. When I made enquiries I was told.

[English]

that these are merely a hole in the wall companies

[Translation]

The Government has signed deals worth crores of rupees within a month's time through these private firms. I want a detailed clarification on these points. According to my calculation 1.5 crore dollars are not accounted for. May I know where this money has gone? In reply to one of my questions, it was said that the previous Government paid 80 to 85 dollars more per metric tonne of sugar that was imported. The explanation given for this was that 80-85 dollars more was paid because at that time there was an urgent need for sugar. The rate of sugar then was 407-417 dollars per metric tonne. I quote from the information given in the reply on 4th April, 1990:-

[English]

"It was provided in the contract that the Buyer may extend the delivery period at a discount as may be mutually agreed to between the Buyer and the Seller. Accordingly, a discount of US \$ 1 per tonne per day has been proposed by the Government for delayed arrivals beyond 20th October, 1989...."

I have not understood how the term discount has been used here. We had to buy the sugar at a higher rate which was 80-85 dollars more per metric tonne. It would have been better if we had done away with the

delivery clause to save ourselves from paying 80-85 dollars more per metric tonne. But the the Government was in a hurry to take delivery. So we could have let them deliver by a mutually agreed date after which a penalty could have been charged for non deliverance.

[English]

SHRI SONTOSH MOHANDEV (Tripura West): Discount here means less payment.

[Translation]

SHRI JASWANT SINGH: Mr. Deputy Speaker Sir, there is no need to explain it in detail. If the hon. Minister had given a detailed reply, a lot of points would have come to light. Now it remains to be seen whether there is a need for discussion on this subject or not.

SHRI HARISH RAWAT (Almora): I had given my name as this is an important subject.

MR. DEPUTY SPEAKER: Such a thing has never happened before.

SHRI RAJENDRA AGNIHOTRI (Jhansi): first of all a reply should be given to the question and only then any clarification can be sought.

SHRI HARISH RAWAT: Why are you hesitant to ask the question?

MR. DEPUTY SPEAKER: Shri Rawat, it would have given me great please to allow you to speak but the rules say....

[English]

Rule 55(5) on page 28 reads as follows:

"There shall be no formal motion before the House nor voting. The member who has given notice may make a short statement and the members who have previously intimated to the Speaker may ask a

question for the purpose of further elucidation any matter of fact. Thereafter, the Minister shall reply."

Then some time is fixed for this discussion.

Further explanation reads as follows:

"A Member wishing to ask a question shall make such request in writing before the commencement of the sitting..."

SHRI HARISH RAWAT: Yes, This will be one-sided affair.

MR. DEPUTY-SPEAKER: You have to make such request before the commencement of the sitting.

SHRI SONTOSH MOHAN DEV: It is before the commencement of discussion on the subject matter.

MR. DEPUTY SPEAKER: I am sorry. It is before the commencement of the sitting. You should have given it before. You should have been more alert-Prof. Kurien.

[Translation]

THE MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI NATHU RAM MIRDHA): Mr. Deputy Speaker, Sir, all the facts were given in reply to the question put by the hon. Member. There is nothing ambiguous about it.

I shall not go into the details of this matter as it under investigation by the C.B.I. So at this juncture it would not be proper to raise this matter as the C.B.I. is generally considered to be a trustworthy institution when it comes to handling such cases. It is a different matter that we people sometimes criticize it to fulfill our selfish interests, but it is still a very good agency for these purposes. The C.B.I. is investigating this matter from every angle. I am not in a position to

[Sh. Nathu Ram Mirdha]

agree, disagree or make any comments on the points raised by the hon. Members who participated in the discussion, because the concerned file has gone to the investigating agency. Questions like why sugar was purchased at higher rates when the quoted price was lower resulting in a payment of 1 crore dollar extra and why was an agent for foreign companies appointed agent for these deals were raised. The only thing I would like to say here is that during that year the sugar mills had estimated the production to be between 102 to 105 metric tonnes. The Department suggested that sugar be exported after which there were deliberations on the amount of sugar to be exported. The amount decided at first was 5 lakh tonnes which was raised to 7 lakh tonnes subsequently and later on it was further raised to 10 lakh tonnes. But before a final decision could be taken regarding this, it was learnt that our estimates were wrong and production of sugar would not be as expected. Then it was estimated that 99 lakh tonnes of sugar would be produced. These estimates were made by the Department itself. The actual figures showed that production was just 85 lakh tonnes. Estimates regarding the production of sugar are made every year and this year production of sugar is estimated at 107 lakh tonnes. Since the sugarcane crop is good efforts will be made to start the crushing season early. An early start by sugar mills will ensure that the farmer does not have to contend with a standing crop of sugarcane for a long time. He can raise an inter crop and enhance his income. As to the estimates made in the said year, even after looking at that relevant file, I have not been able to reach a definite conclusion as to how the estimates went wrong. Ultimately we noted that production level of sugar was quite low, even though we had a stock of 25 lakh tonnes of sugar....(Interruptions).....No, we were not able to export as the production was low. Although we had a stock of 25 lakh tonnes of sugar, the option of import was considered. When they came to know that sugar production would not reach the expected level, they were left with no alterna-

tive, but to go for import. I have no information on the third agency mentioned by the hon Member.

SHRI YUVRAJ (Katihar): Mr. Deputy Speaker Sir, through you I would like to know from the hon. Minister

MR. DEPUTY SPEAKER : No, no, Not like this. You cannot ask questions like this, when I have not allowed him how can I allow you. I have read out the rules just now. If I allow you, I shall have to allow Shri Rawat also. So please sit down.

....(Interruptions).....

SHRI NATHU RAM MIRDHA: The agreement mentioned by you is nowhere on record....(Interruptions)..... It has been said earlier that all this happened during the time of the previous Government. It was proposed that 2.42 lakh tonnes of sugar should be imported but that too was delivered late. The word 'discount has been mistakenly written, it is actually a penalty of 1 dollar per tonne. This penalty was imposed because the consignment was delivered late. They will have to deduct one dollar for every tonne delivered late which means that we will have to pay a reduced cost. The Government benefited to that extent. Thus I have outlined the way in which this matter progressed from the wrong estimations as to the production levels, deliberations on import and export and finally the import of sugar. As to the involvement of a private agency which is not mentioned in any of our records and the extent to which the government deviated from normal procedure, I do not have any information. When I am not aware of the facts of the case. Why should I mislead the House by giving wrong statements. Now this matter has been entrusted to the C.B.I.(Interruptions).....from where can I get the information if nothing is on record. I have told you whatever I know. But I do say that everyone has felt that there has been some irregularity in this deal.

SHRI HARISH RAWAT (Almora): Mr. Minister, what sort of irregularity do you

561 *Half-An-Hour
Discussion*

VAISAKHA 12, 1912 (SAKA)

*Delivery of 562
Imported Sugar*

think was committed in this?

SHRI NATHURAM MIRDHA: I felt there was some irregularity. That is why I asked the C.B.I. to investigate into this matter. On the basis of the result of the findings either the C.B.I. itself will register a case or suggest to us the further steps to be taken. In any case we will have to wait for the C.B.I. Report.

SHRI SHOPAT SINGH MAKKASAR (Bikaner): When was the matter handed over to the C.B.I.?

SHRI NATHU RAM MIRDHA: About two months ago.

18.56 hrs.

*The Lok Sabha then adjourned till Eleven
of the Clock on Thursday, May 3, 1990/
Vaisakha 13, 1912 (Saka)*