

12.07 1/2 hrs.

PUBLIC ACCOUNTS COMMITTEE

[English]

Hundred and forty-fourth and Hundred and forty-fifth Reports

SHRI R.S. SPARROW (Jullundar): I beg to present the following Reports:

- (1) Hundred and Forty-fourth Report (Hindi and English versions) of Public Accounts Committee on Defective Ammunition.
- (2) Hundred and Forty-fifth Report (Hindi and English versions) of Public Accounts Committee on Union Excise Duties—Price Lists.

12.08 hrs.

STATEMENT RE CHANGES IN SUGAR LICENSING POLICY FOR THE SEVENTH FIVE YEAR PLAN PERIOD

[English]

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI SUKH RAM): Sir, as the Hon'ble Members are aware, the Central Government had announced in December, 1986 the new sugar licensing policy for the Seventh Plan Period. Under this policy, the initial capacity of new sugar units to be set up during the Seventh Plan was fixed at 2500 TCD (Tonnes cane crush per day) as against 1250 TCD in the earlier Plan. This was done to take advantage of the economies of scale and facilitate incorporation of modern technology. The spatial distance between a new sugar factory and the existing units was kept at 40 Kms as against 30 kms prescribed earlier. Since the announcement of this policy, there have been representations both from the industry as well as some of the State Governments for relaxation of these conditions, particularly in respect of industrially

backward areas, in view of high capital cost and correspondingly higher quantum of share contribution required from cane growers or the State Governments, and the higher cane availability required right from the beginning. Government had, therefore, undertaken a limited review of the sugar licensing policy and after careful consideration have decided to relax the sugar licensing policy already announced for the Seventh Plan period as under:-

a) Licensing of new sugar factories in the Cooperative and Public Sectors in areas specified as industrially backward areas by the Government of India and certified by the Indian Council of Agricultural Research to be agro-climatically suited for development of sugarcane, would also be allowed for initial capacity of 1750 TCD subject of the condition that the unit would expand its capacity to 2500 TCD within 5 years of its going into production.

b) The spatial distance of 40 kilometres may be relaxed to 25 Kilometres subject to the satisfaction of the following conditions:-

- (i) The average per hectare yield of sugarcane should be higher by atleast 20 per cent over the national average cane yield.
- (ii) Atleast 40 per cent of the area should be under improved and high-sucrose varieties of cane like COJ-64, COC-671, etc.
- (iii) The Licensing Authority would ensure that adequate cane would continue to be available for existing factories (with potential for further intensive cane development), for meeting both present and future requirements.

The initial capacity to be licensed in such cases will, however, continue to be a minimum of 2500 TCD.

[Sh. Sukh Ram]

c) The incentives which are now available to sugar units with capacity of 2500 TCD would also be available to the new units of 1750 TCD, only for the initial 5 years.

The existing guidelines for granting licences for setting up new sugar units during the Seventh Plan period are being amended to incorporate the above relaxations. The overall guiding principle for licensing new sugar units would be to ensure that adequate cane is available for a new sugar unit to be licensed as also for existing factories, with potential for further intensive cane development, for meeting both present and future requirements.

It is expected that the relaxations now announced, would facilitate the establishment of new sugar units in the cooperative and public sectors in the industrially backward areas. The relaxation of the spatial distance from 40 to 25 Kms will also facilitate setting up of new units in certain areas where cane cultivation is both intensive and extensive, and enough cane is available to sustain additional units even within the radial distance of 25 Kms.

(Interruptions)

[English]

SHRI T. BASHEER (Chirayinkil): In Kerala, MLAs lives are in danger. They are on hunger strike. No Minister is prepared even to talk to them. (Interruptions)

MR. SPEAKER: Mr. Kabuli, You don't shout. You give me in writing, not like this.

SHRI ABDUL RASHID KABULI (Srinagar): I have been writing before. (Interruptions)*

MR. SPEAKER: Nothing goes on record.

(Interruptions)*

MR. SPEAKER: You give in writing; otherwise, you withdraw from the House.

(Interruptions)*

MR. SPEAKER: I will name you otherwise.

At this stage, Shri Abdul Rashid Kabuli came and sat on the floor near the Table

MR. SPEAKER: Mr. Minister, I am naming him. He does not behave properly.

(Interruptions)

MR. SPEAKER: Mr. Kabuli, what are you doing? Go back to your seat.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI H.K.L. BHAGAT): This is not the way. You must obey the Chair.

At this stage, Shri Abdul Rashid Kabuli went back to his seat

MR. SPEAKER: Mr. Kabuli, I will help you. That is what I am saying. Sit down.

SHRI T. BASHEER: Lives of six MLAs are in danger in Kerala. They are on hunger strike. Government is not prepared to speak to them.

MR. SPEAKER: I have already allowed Mr. Kurien to make a statement under Rule 377.

SHRI SHANTARAM NAIK (Panaji): Chief Minister of Tamil Nadu... (Interruptions)

MR. SPEAKER: Nothing doing. No Chief Minister here. Not allowed.

(Interruptions)*

SHRI N.V.N. SOMU (Madras North): Daily these people are raising Tamil Nadu issue irrelevantly here.