

12.07 hrs.

# LEAVE OF ABSENCE FROM THE SITTINGS OF THE HOUSE

MR SPEAKER: The Committee on Absence of Members from the Sittings of the House in their Third Report have recommended that leave of absence be granted to the following three Members for the periods indicated against each:

1 Shri Karpoori Thakur—20th June, to 8th August, 1977 (Second Session) and 14th November, to 22nd November, 1977 (Third Session)

2 Shri Y. Shaiz—18th June to 8th August, 1977 (2nd Session) and 14th November, to 20th November, 1977 (3rd Session)

3 Shri Ram Naresh Yadav—20th June, to 8th August, 1977 (2nd Session) and 14th November, to 22nd November, 1977 (3rd Session)

Is it the pleasure of the House that leave as recommended by the Committee may be granted?

SOME HON. MEMBERS Yes

MR SPEAKER: The Members will be informed accordingly.

## PUBLIC ACCOUNTS COMMITTEE FOURTH REPORT

SHRI C. M. STEPHEN (Idukki): I beg to present the Fourth Report of the Public Accounts Committee on paragraphs relating to Income-tax included in Chapter III of the Reports of the Comptroller and Auditor General of India for the years 1973-74 and 1974-75. *Union Government (Civil) Revenue Receipts, Volume II, Direct Taxes.*

## STATEMENT RE. AMENDMENTS TO PULSES AND EDIBLE OILS (STORAGE CONTROL) ORDER, 1977

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA) I rise to make a statement on some amendments the Government propose to issue to the Pulses & Edible Oils (Storage Control) Order, which was notified on 30 September 1977 in exercise of the powers conferred on the Central Government by Section 3 of the Essential Commodities Act, 1955.

This Order prescribed *inter alia* the maximum limits of stocks that could be held by wholesalers and retailers in respect of pulses, edible oils and vanaspathi. As for pulses the stock limits prescribed were 500 quintals for wholesalers for all pulses taken together and 25 quintals for retailers for all pulses taken together. Regarding edible oils, the stock limits for wholesalers were 200 quintals and for retailers 5 quintals, as for vanaspathi the limits were 150 quintals for wholesalers and 5 quintals for retailers.

A period of 15 days was allowed to the stockists to give them time to dispose of the excess stocks that might have been held by them on the date of notification of the order. Subsequently, on 14 October 1977, an amendment was issued exempting edible oils imported from abroad from the purview of the prescribed stock limits.

The Stock Control Order was issued essentially as a de-hoarding measure, considering that large stocks of commodities were being held by dealers, anticipating an increase in prices. The ceiling limits were kept intentionally low with a view to ensuring that the cornered stocks came out open into the supply stream quickly, thus improving the availability position and reducing the prices. The Government had intended to make suitable modifications to the limits and also to provide for distinction between larger and smaller consuming centres after sufficient time had elapsed for the completion of the de-hoarding operation.

[Shri Mohan Dharja]

Meanwhile, various representations were received from several agencies, including State Governments, suggesting modifications to the Order, mainly on the plea that the stock limits prescribed were on the low side. The validity of the Stock Control Order and that of the Mustard Oil (Price Control) Order, which was promulgated simultaneously, were challenged before the Supreme Court of India on 12 October. I should like to inform the Honble Members that the Government would have preferred to await the decision of the Supreme Court before announcing modifications to the Stock Control Order which the Government were contemplating. However, arguments are still being heard by the Supreme Court and it may take some more time before its decision is known. Meanwhile, kharif crops have started arriving in the market. Under these circumstances, the Government, anxious that on no score should the supply line from the producer to the consumer be interrupted and that no alibi is left for some elements in trade to disrupt the supply channel, have now decided to promulgate a modified Order with higher stock limits prescribed for relatively high population centres and notified primary mandis. Further, oilseed dealers and millers are also being brought under the discipline of stock holding. Also, relief is being provided to the small retailers by raising the

minimum stock for taking out a licence. This Order will come into effect from today. The main features of the new Order are as follows:

(i) The new Order prescribes stock limits for edible oilseeds as well, in addition to pulses and edible oils including vanaspati.

(ii) Under the provisions of the earlier Order, any dealer in pulses or edible oils having a stock exceeding 5 quintals of all pulses and/or 5 quintals of all edible oils including vanaspati required a licence. The new Order has increased the minimum stock limits to 10 quintals of all pulses. Similarly, a minimum stock limit of 30 quintals for all edible oilseeds has been laid down.

(iii) In the new Order, different stock limits have been prescribed for the wholesaler and retailer for various categories of cities. For this purpose, cities have been divided into three classes: category 'A' cities having a population of 10 lakhs and above, category 'B' cities having a population of 3 lakhs and above, and cities which are Capitals of States and category 'C' cities which would cover all other cities or towns.

(iv) The stock limits prescribed for the three categories of cities are as follows:

	Category of cities	Stock limits in Qtls in the case of	
		Whole-saler	Retailer
(i) Pulses	Category 'A' cities	1000	50
	Category 'B' cities	750	40
	Category 'C' cities	500	30
		} All pulses taken together	
(ii) Edible oils including hydrogenated vegetable oils	Category 'A' cities	800	25
	Category 'B' cities	600	15
	Category 'C' cities	350	10
		} All edible oils including hydrogenated vegetable oils	
(iii) Edible oilseeds	Category 'A' cities	1500	100
	Category 'B' cities	1000	75
	Category 'C' cities	500	50

(v) The exemption now applicable to imported edible oils will apply also to edible oil seeds imported from abroad,

(vi) The new Order exempts any commission agent from the purview of the ceiling limits prescribed for pulses and edible oilseeds provided that he does not retain with him any such goods received by him for more than 15 days from the date of receipt of the consignment. This time-limit of holding is prescribed to ensure uninterrupted turnover. This exemption will not however apply to stocks of edible oils including vanaspathi.

(vii) The new Order also places the wholesalers in primary mandis namely those centres where the farmers make first point sale of their produce of pulses and edible oilseeds on a different footing. Stock limits for these mandi centres would be the same as those prescribed for category A cities. The list of such mandis is to be notified by the respective State Governments. This exemption will come into effect only after the State Governments have notified the list of such mandis.

(viii) In the earlier Order there was no stock limit prescribed for producers namely persons carrying on the business of milling pulses or expelling or extracting edible oils. They were only required to furnish fortnightly stock returns if the stocks held by them exceeded a specified limit. The present Order brings the millers under greater discipline. According to the new provisions no producer of mustard oil can have at a time in his possession a stock of mustard seed exceeding one-twelfth of the seed used by him in the year ending October 1977. The miller cannot hold the finished stock namely mustard oil in a quantity exceeding 1/24th of his production in the preceding year (15 days production). The same limits will apply to millers of pulses also.

(ix) As for mills producing edible oils other than mustard oil, the possession of stock of oilseeds has been limited to one-eighth of the oilseeds used during the one year ending October 1977. The stock of finished products cannot exceed 1/12th of his production during the preceding year (one month's production).

(x) The new stock limits would become operative from 6 December. In other words dealers who have stocks in excess of the prescribed limits will have a fortnight time to dispose them of. On the last day of this time-limit any dealer having excess stocks shall inform the Collector indicating the excess stock held by him. That excess quantity shall be disposed of by the dealer in accordance with the directions given by the Collector.

12 20 hrs

STATEMENT RE LOSS OF HUMAN LIVES AND DAMAGE TO CROPS AND PROPERTY DUE TO CYCLONE IN ANDRA PRADESH

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI BHANU PRATAP SINGH) Sir with a sense of great sorrow and heartfelt sympathy I rise to state that there has been heavy loss of human lives crops and property due to cyclonic storms in the coastal districts of Andhra Pradesh.

Sir you will recall that in my statements made in the Lok Sabha on the 16th November 1977 and in the Rajya Sabha on the 18th November 1977 I had indicated in connection with the cyclonic storm in Tamil Nadu that the Meteorological Department had forecast another cyclonic storm of greater intensity to strike Tamil Nadu coast on 16-18 November 1977 affecting