

SHRI S. KRISHNA KUMAR : Sir, the contribution of the North-Eastern States in this regard is very little and so they have been clubbed with other States for statistical purposes. But every State is entitled to its benefits. We will certainly help them.

Ex-Factory Sugar Price

[Translation]

*262. DR. MAHADEEPAK SINGH SHAKYA:

SHRI JAGMEET SINGH BRAR:

Will the Minister of FOOD be pleased to state :

(a) Whether ex-factory price of Sugar is fixed by the Government from time to time ;

(b) if so, the price fixed during 1992-93 to July, 1995 ;

(c) whether the Government have any proposal

to revise these prices ;

(d) if so, the details thereof ;

(e) whether the increased amount is likely to be recovered from poor public of the country through Public Distribution System, and

(f) if so, the extent of increase in prices to be born by the consumer as a result thereof?

[English]

THE MINISTER OF FOOD (SHRI AJIT SINGH) :

(a) Yes, Sir.

(b) The price statement is at Annexure-I.

(c) No, Sir.

(d) Does not arise

(e) and (f). The retail issue price of levy sugar was fixed at 9.05 per kg. from 1.2.94, and is continuing for the present. Hence, the question does not arise.

STATEMENT

The Ex-Factory Prices for Average Grade of Sugar for the Pricing Zones for the Year 1991-92, 1992-93, 1993-94 and 1994-95 were as Follows

S.No.	ZONES	1991-92	1992-93	1993-94	1993-94	1994-95
		for SMP Rs. 26P/Q	for SMP Rs. 31P/Q	for SMP Rs.34.5/Qtl (Notified on 17.4.94)	for SMP Rs. 34.5/Qtl. (as revised on 16.9.94)	for SMP Rs. 39.1/Qtl. (as notified on 27.5.95)
1.	2.	3.	4.	5.	6.	7.
1.	Punjab	586.77	683.99	732.46	696.35	773.90
2.	Haryana	571.08	674.05	725.26	719.52	762.56
3.	Rajasthan	702.29	790.52	900.13	849.98	903.16
4.	West U.P.	611.92	709.36	759.79	734.67	796.80
5.	Central U.P.	605.83	695.07	756.45	737.04	795.62
6.	East U.P.	629.68	728.34	789.98	755.78	846.30
7.	North Bihar	635.77	704.43	794.96	767.54	840.92
8.	South Bihar	733.12	810.22	887.97	862.65	942.25
9.	Gujarat (South)	562.34	639.78	698.87	649.55	746.68
10.	Saurashtra	580.98	658.81	760.26	667.33	778.05
11.	Madhya Pradesh	648.39	717.34	801.49	716.21	812.70

1.	2.	3.	4.	5.	6.	7.
12.	Maharashtra(S)	534.13	628.70	709.80	684.24	804.75
13.	Maharashtra (North)	580.92	652.52	736.15	695.55	801.51
14.	Maharashtra (Central)	-	-	706.63	670.35	763.60
15.	*Karnataka	558.16	655.80	722.04	676.81	*
16.	Andhra Pd.	587.14	655.80	722.04	676.81	800.81
17.	Tamil Nadu & Pondy.	604.71	721.78	764.23	736.36	782.46
18.	Assam, Orissa, W.B. & Nagaland	670.94	765.76	879.20	760.15	815.67
19.	Kerala & Goa & Coastal Karnataka (without Harvesting charges)	667.18	774.31	792.76	684.76	805.62
						792.58
* 15 (a)	North West Karnataka (With Harvesting Expenses)					Rs. 778.36
* 15 (b)	North West Karnataka (Without Harvesting Expenses.)					Rs. 773.52
* 15 (c)	Rest of Karnataka (With Harvesting Expenses)					Rs. 752.25
15 (d)	Rest of Karnataka (Without Harvesting Expenses)					Rs. 747.18

[Translation]

DR. MAHADEEPAK SINGH SHAKYA : Mr. Speaker, Sir, through you I would like to state that my question on sugar has five parts. The hon. Minister in reply to part (a) of my question has agreed that it is revised from time to time. As regards part (b), he has also given the price list. In this regard I have nothing to say. But as regards part (c) he has said that it is not revised. It is self contradictory. I want to know whether he had revised the price a year ago? Is the reason, for which the price is revised, not still prevalent? If not what are the difficulties he is facing? He should explain the reasons for which he has not revised the prices even after one year.

SHRI AJIT SINGH : The hon. Member has asked whether there is any proposal at present for its price revision. The answer was in negative. It does not mean that it is not revised from time to time. Last time the sugar price was fixed in February, 1994. The same price continues. The price of levy sugar is fixed on the basis of minimum price fixed for cane by the Government. The price of sugar is fixed taking into

account the cost of production of sugar from sugarcane. It includes excise duty, cess and distribution cost.

DR. MAHADEEPAK SINGH SHAKYA: Mr. Speaker, Sir, in the second supplementary, I would like to refer to the last part of my question. In it I had asked about the burden consumers would have to bear due to the distribution system. He replied that it would put no burden. He said just now that sugar is mainly related to three factors the consumer, the mill owners and the cane growers. Due to their defective sugar policy all the three factors are not functioning properly. The consumers do not get sugar at reasonable rates. They are not getting good quality sugar. The mill owners are closing their mills. The farmers are not getting the price of their cane timely. Therefore, Government's sugar policy is defective. I want to know from the hon. Minister whether he would formulate a coordinated policy apart from the existing one, which would save the consumers from the burden, give the farmers reasonable price and enable the mill owners earn profit.

MR. SPEAKER: If you are going to formulate such a policy then say, otherwise there is no need.

SHRI AJIT SINGH : Keeping the consumers in view the mill-owners and the producers, we make changes in the policy from time to time. We consider all the suggestions given by the hon. Members and those received from ISMA. We are also considering the Gyan Prakash Committee Report, which was submitted recently. There is not much similarity between this report and the policy about which he was saying. The hon. Members are asking questions about the entire sugar policy.

SHRI HARI KISHORE SINGH : Mr. Speaker, Sir, sugar production in the country has increased. Keeping this in view, is the Government considering to decontrol sugar.

[English]

MR. SPEAKER : No. It is a big question. Not allowed.

SHRI SOBHANADREESWARA RAO VADDE : Mr. Speaker, Sir, I would like to know from the hon. Minister whether it is a fact that much delay is taking place in the announcement of levy sugar price. The delay is ranging between two months and five months from the actual date of announcement. This is causing a lot of difficulty to the factories in arriving at the prices. I would also like to inform you that this year, in the announcement of the levy sugar price, a variation had taken place from the policy which was being adopted for the last five decades viz., balancing the higher recovery zones and the lower recovery zones. Take the example of Tamil Nadu. This year, you have permitted an increase of Rs. 46 whereas the cost of production, on an average, is Rs. 73. It is because, their recovery is Rs. 9. I would like to know whether such an anomaly can be minimised to protect the interest of the growers of Tamil Nadu also. I would like to know whether you will announce that 'L-Factor' as per Bhargav formula without any delay so that the sugarcane growers can get their due share from the additional profits at right time.

SHRI AJIT SINGH : Firstly, I would like to answer the Bhargav formula. Only one or two States really need this 'L-factor'. It is because most of the States pay prices which are higher than those that will be computed by 'L-factor' formula. Only one or two States in the South used it. 'L-factor' formula is calculated on the basis of the information supplied by all the factories.

SHRI SOBHANADREESWARA RAO VADDE: A delay of two or three years is taking place.

SHRI AJIT SINGH: Sometimes there is a delay. It is because, even this year, Andhra Pradesh still has not supplied all the information. We have received the information regarding 'L-factor' from all the other States. We will be notifying that very soon.

As far as the anomaly in the prices of levy sugar is concerned, I would like to mention that it is the CACP which decides the SMP. They have decided that in respect of recovery from 8.5 per cent recovery upto 10 per cent, there will certainly be incentives and over 10 per cent, there will be no incentives. That has caused some of these problems. CACP reviews it from time to time. Even recently, the CACP has again heard all the factory-owners from different States and if Tamil Nadu has any problem, they are free to represent.

[Translation]

SHRI RAM NAGINA MISHRA : Mr. Speaker, Sir, the price fixed for sugar is same for all the factories. The Government keeps the price uniform for all the mills with the capacity of 800-1200 tonnes. The recovery in such mills is very low. The previous Government had provided subsidy to all the mills with the capacity of 800-1200 tonnes. The subsidy amount is Rs. 25 to 30 lakhs. This has been stopped for sometime. Due to this all the mills have been closed. Therefore, I want to know whether you will revive this subsidy to enable the mills to reopen.

SHRI AJIT SINGH: Subsidy is given to none of the factories direct by the Government. The minimum capacity should be 2500 tonnes. Low interest SDF Loans are given to increase this capacity to 2500 tonnes. Assistance is also given. But we do not give subsidy direct.

SHRI RAM NAGINA MISHRA : Subsidy was being given 5-7 years ago. I will produce evidence.

[English]

MR. SPEAKER: This is not going on record.

---(Interruptions)*

[Translation]

SHRI AJIT SINGH : SDF loans are provided for modernisation.

*Not recorded

SHRI PRAKASH V. PATIL : Regarding the price of levy sugar fixed between 74 to 79 and the Supreme Court's Judgement that the Government has fixed the price, I want to know whether they are fixed? The second thing I want to know is as to when the Government would pay the arrears.

MR. SPEAKER : Are the arrears to be paid by the Government or by the factories.

SHRI AJIT SINGH : I am not talking of the farmers. I am talking in connection with the Supreme Court case of payment of arrears by the factory owners. This is what I am talking of. Nothing has been said about interest. The Government is considering the judgement.

[English]

SHRI AMAL DATTA : Sir, while the sugarcane is being processed into sugar, a number of by-products are available. The price of molasses has gone up recently, after the decontrol. Out of that alcohol is produced; portable alcohol as well as alcohol, which is the base for industry, namely various chemicals. Now, Bagasse can be processed into paper or board. What happens in other countries is that it is the by-products which really give income for the sugar factories, which, in turn, is passed on to the sugarcane growers. And sugar itself becomes a by-product. Therefore, sugar can be sold at a very low price compared to India. Is the Government going to take up these matters into account while fixing the price of sugar?

SHRI AJIT SINGH : Sir, the hon. Member is right and many factories are going in for cogeneration of power, they are producing paper, and distilleries are being opened. In fact, there is no licensing from the Central Government for starting distilleries now. Therefore, all these factors are taken into account when the Bureau of Industrial Costs and Prices fixes the prices*(Interruptions)*

SHRI AMAL DATTA : Are they taking it into account? They are not taking it into account*(Interruptions)*

SHRI AJIT SINGH : They do take into account the price of molasses*(Interruptions)*

SHRI SOBHANADREESWARA RAO VADDE : The benefit of decontrol is not going to the farmers*(Interruptions)*

SHRI AMAL DATTA : Please let us have that*(Interruptions)*

SHRI K. P. REDDAIAH YADAV : Hon. Speaker, Sir, through you, I want to ask a specific question to the hon. Food Minister. The hon. Minister is telling that in South, there are some factories, which have to pay the amount derived on 'L-factor'. In my constituency, for the year 1993-94 all the details were submitted to the Central Government. The amount was calculated at Rs. 37 per tonne and still it is not being paid to the farmers. One factory, namely, the KCP Ltd. has to pay nearly a sum of Rs. 4 crores.

Secondly, on the floor of the House, the hon. Finance Minister, while decontrolling the molasses, has categorically assured the House that whatever extra profit derived out of the decontrol order will be shared with the growers also ... *(Interruptions)*

AN HON. MEMBER: Thirty per cent
.....*(Interruptions)*

SHRI K.P. REDDAIAH YADAV : Whatever may be the percentage, a reasonable percentage has to be shared with the growers. So far, not even a single factory has paid the profits derived out of the decontrol order.

What action the hon. Minister is going to take to assure the growers, the farmers of this country that whatever we promised here will be implemented in future?

SHRI AJIT SINGH : As for the first part of hon. Member's Question, the question of ensuring that the farmers are paid the arrears, is in the hands of the State Governments. They have the power to make sure that the arrears to the farmers are paid.

SHRI K.P. REDDAIAH YADAV : Not arrears. It is L-factor.

SHRI AJIT SINGH : That is also you are saying as arrears. They have not been paid. Arrears means what? They should pay what is due and they have not paid the arrears. The State Governments have the powers to ensure that the factories pay the arrears.

As for the second part of his question, the BICP takes into account the prices when determining the conversion cost and the price to fix. They take into account the price of molasses.

[Translation]

SHRI PRATAP SINGH: Mr. Speaker, Sir, I am happy that the Minister has stated that Alcohol would be produced. I want to know whether he is going to produce Ethyl Alcohol or methyl alcohol?

SHRI AJIT SINGH: *Industrial Alcohol.*

SHRI MOHAMMAD YUNUS SALEEM : *Mr. Speaker, Sir, does the hon. Minister know that the quality of sugar that is being supplied at Fair Price Shops and Super Bazar is very inferior and could not consume with my morning cup of tea as it was very dirty. What steps are being taken to ensure that the sugar being supplied at Fair Price Shops and Super Bazar should be of good quality?*

SHRI AJIT SINGH : *Mr. Speaker, we supply sugar to the State Governments for PDS and it is the State Government which distributes it to people. . . (Interruptions)*

SHRI MOHAMMAD YUNUS SALEEM : *Does the State Government mix dust in it. . . (Interruptions)*

SHRIMATI LOVELY ANAND : *Mr. Speaker, Sir, it is unfortunate that crores of rupees of farmers are outstanding against Gorol Sugar Mill and the Motipur Sugar Mill of Vaishali and the Banmakhi Sugar Mill of Purnea. The State Government is not intervening in the matter so that the issue of payment is expedited I have raised this question earlier also. But the Central Government is doing nothing. I want to know from hon. Minister as to why this is happening? I also want to know as to why payment is not being made to farmers and Mills are not being reopened?*

SHRI AJIT SINGH : *Mr. Speaker, Sir, we keep writing to the State Governments from time to time in regard to taking steps for early payment of arrears and defray the outstanding amount. . . (Interruptions)* The farmers are with the State Governments, and it is for them to decide about the action they can take under the provisions of law. To my mind, hon. Members would not like the Central Government to snatch away the power of State Government . . . (Interruptions)

SHRI RAJVEER SINGH : *You hand over the power of setting up of sugar mills to State Governments.*

Railway Engines and Coaches

*263. **SHRI VILASRAO NAGNATHRAO GUNDEWAR :** *Will the Minister of RAILWAYS be pleased to state :*

(a) whether Railway Engines and Coaches are manufactured in Private Sector also;

(b) if so, the details thereof ; and

(c) the number of such factories in the country and locations thereof?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND HOLDING ADDITIONAL CHARGE OF MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MALLIKARJUN) : (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) Locomotives are being manufactured in Private Sector but Coaches are not manufactured in Private Sector.

(b) and (c). The following three units in the Private Sector are manufacturing locomotives :-

1. M/s San Engg. & Locomotive Co. Ltd.
P.B. No. 4802 Whitefield, Bangalore 560048
2. M/s Ventra Locomotives Ltd.,
10-5-3/A/1 (First Floor),
Behind Ajanta Apartments,
MASAB TANK, Hyderabad,
Andhra Pradesh -500 028.
3. OVIS Equipment Pvt. Ltd.,
Om Venkateswara Industrial System
Shed 43 I.D.A. PH-II, Charlappalli,
Hyderabad-500 051

To the best of Railway Ministry's knowledge, they have manufactured shunting locomotives only and have supplied them to power houses, cement plants, steel plants and other industries for their internal movements.

[Translation]

SHRI VILASRAO NAGNATHRAO GUNDEWAR : *Mr. Speaker, Sir, hon. Minister has said in his reply that locomotives are being manufactured in Private sector and he has given the names of three companies. I would like to know from hon. Minister as to why passenger coaches are not being manufactured in the private sector since the demand for passenger coaches is increasing day by day? I would also like to know whether their production in the public sector is sufficient enough to meet the demand and what was the total production and demand of passenger coaches during 1992-93, 93-94, 94-95.*