

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:6
ANSWERED ON:24.02.2000
FOODGRAINS SCAMS
MANSINH PATEL,RANEE NARAH

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government have received Inquiry Committee`s report that probed sugar and wheat scams;
- (b) if so, the main recommendations made by the Inquiry Committee and action taken against those held responsible; and (
- (c) the preventive measures considered to check such frauds in future?

Answer

MINISTER OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION

(SHRI SHANTA KUMAR)

(a),(b) & (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b) and (c) OF THE STARRED QUESTION NO. 6 FOR ANSWER IN LOK SABHA ON 24-02-2000

(a) As regards sugar, it is presumed that the reference is to the situation arising out of shortage situation in availability of sugar in the sugar season 1993-94. The Gian Prakash Committee, which was appointed to ascertain the facts and fix the responsibility for lapses, if any, submitted its Report.

As regards wheat, there was no Inquiry Committee.

(b) & (c) The main recommendations of the Gian Prakash Committee and action taken thereon are given at Annexure-I. The Committee held that the then Food Minister was entirely responsible for the sugar crisis and that the State Trading Corporation (STC) cannot escape the responsibility of not acting in time and aggravating the psychology of shortage in the sugar crisis and pushing up prices. The preventive measures taken to avoid shortage in the availability of sugar are included in the action taken on the recommendations of the Gian Prakash Committee as given at Annexure-I.

ANNEXURE-I ANNEXURE REFERRED TO IN REPLY TO PARTS (a),(b) and (c) OF STARRED QUESTION NO. 6 FOR ANSWER IN THE LOK SABHA ON 24-02-2000 MAIN RECOMMENDATIONS MADE IN THE REPORT OF PRELIMINARY ADMINISTRATIVE ENQUIRY BY GIAN PRAKASH AND THE ACTION TAKEN THEREON.

Recommendation Action Taken

(i) An integrated policy on sweeteners - sugar, gur and khandsari should be prepared. The High Powered Committee on Sugar Industry (Mahajan Committee) has submitted its report, which takes an overview on an integrated policy on sweeteners. Some recommendations of the Mahajan Committee have been accepted.

(ii) Buffer stock of sugar should be maintained on a permanent basis so as to tackle with ease shortage of sugar at any time. Buffer stock of 10 lakh tonnes were created out of 1995-96 sugar production.

(iii) Scientific, forecasting and estimation methods should be used. A study has been entrusted to the Indian Sugarcane Research Institute, Lucknow. The report of the study has been received.

(iv) Committee of Secretaries be set up to monitor future sugar shortage. There is a High Powered Price Monitoring Board (HPPMB) under the Chairmanship of the Cabinet Secretary, which reviews on weekly basis the availability, prices and need for augmenting availability of essential commodities including sugar.

(v) Important decisions to be brought to the notice of PM and referred CCP/CCEA wherever required under Rules. This is being done whenever the need arises.

(vi) There should be close monitoring of international commodity markets. This is being done.

(vi) There should be a common Ministry with Civil Supplies and Food and separate Departments. There is a common Ministry i.e. the Ministry of Consumer Affairs & Public Distribution, with the Department of Sugar & Edible Oils as a separate Department under it.

(vii) A code should be evolved to sort out differences and resolve conflicts between Secretaries. Through deliberations in the High Powered Price Monitoring Board (HPPMB), the differences and conflicts between concerned Ministries/Departments are sought to be resolved.

(ix) Import and distribution of raw sugar through PDS should be examined. The policy in this regard is reviewed as and when necessary. During 1998-99 and 1999-2000 sugar seasons due to high levels of domestic production, the availability of domestic sugar for PDS has been satisfactory.

(x) Import of sugar on OGL with zero duty should be reviewed only if it adversely affects domestic production. This policy has been reviewed and considering the adequate stocks of domestic sugar, the import duty has been to 60% along with the continuance of the countervailing duty of Rs.850 per tonne, with effect from 9.2.2000. The Government has also decided to continuously monitor the international prices of sugar with a view to regulating imports, keeping in view the interests of the domestic industry as also the consumers.