



**STANDING COMMITTEE ON FOOD, CIVIL  
SUPPLIES AND PUBLIC DISTRIBUTION  
(2003)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

**TWENTY-SIXTH REPORT**

**ON**

**The Constitution (One Hundred First Amendment) Bill, 2003**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2003/Agrahayana, 1925 (Saka)**

**TWENTY- SIXTH REPORT**  
**STANDING COMMITTEE ON FOOD, CIVIL**  
**SUPPLIES AND PUBLIC DISTRIBUTION**  
**(2003)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**  
**(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

**The Constitution (One Hundred and First Amendment) Bill, 2003**

Presented to Lok Sabha on 18.12.2003  
Laid in Rajya Sabha on 18.12.2003



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

**December, 2003/Agrahayana , 1925 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CIVIL  
SUPPLIES AND PUBLIC DISTRIBUTION – 2003**

**Shri Devendra Prasad Yadav**

**- Chairman**

**MEMBERS**

**LOK SABHA**

2. **Shri A.P.Abdullakutty**
3. **Shri Rajbhar Babban**
4. **Shri Tara Chand Bhagora**
5. **Shri Sujan Singh Bundela**
6. **Shri Dalit Ezhilmalai**
7. **Shri Namdeo Harbaji Diwathe**
8. **Shri Rameshwar Dudi**
9. **Shri Dip Gogoi**
10. **Shri Abdul Hamid**
11. **Shri Ramesh C.Jigajinagi**
12. **Smt. Preneet Kaur**
13. **Shri Bir Singh Mahato**
14. **Shri Sanat Kumar Mandal**
15. **Shri Shyam Bihari Mishra**
16. **Shri Sis Ram Ola**
17. **Shri Sukdeo Paswan**
18. **Shri Dharam Raj Singh Patel**
19. **Shri Ramsagar Rawat**
20. **Shri Bajju Ban Riyan**
21. **Shri Vishnu Dev Sai**
22. **Shri Ramchandra Veerappa**
23. **Shri Rammurti Singh Verma**
24. **Shri Man Singh Patel**
25. **Shri Kishan Lal Diler**
26. **Shri Jaiprakash**
27. **Shri Kalava Srinivasulu**
28. **Shri Adhi Sankar**
29. **Shri Alakesh Das**

**RAJYA SABHA**

30. **Smt. Bimba Raikar**
31. **Shri Nandi Yellaiah**
32. **Shri Surendra Lath**
33. **Shri S K. Khabir Uddin Ahmad**
34. **Shri Ravula Chandra Sekar Reddy**
35. **Shri Munavvar Hassan**
36. **Shri C. Perumal**
37. **Shri M.A.Kadar**
38. **Shri Vijay Singh Yadav**
39. **Shri Isam Singh**
40. **Shri Anil Sharma**
41. **Shri Harendra Singh Malik**

**SECRETARIAT**

- |    |  |                           |
|----|--|---------------------------|
| 1. | <b>Dr. (Smt.) Paramjit Kaur Sandhu</b> | <b>Joint Secretary</b>    |
| 2. | <b>Shri Krishan Lal</b>                | <b>Director</b>           |
| 3. | <b>Shri R.S. Mishra</b>                | <b>Deputy Secretary</b>   |
| 4. | <b>Shri Jagdish Prasad</b>             | <b>Assistant Director</b> |

## INTRODUCTION

I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (2003) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-sixth Report on “The Constitution(One Hundred and First Amendment) Bill, 2003” of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

The Bill was introduced in Lok Sabha on 8 August, 2003 and was referred to the Committee by Hon’ble Speaker, Lok Sabha on 26 August, 2003 under Rule 331Eb of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and report.

The Committee took evidence of the representatives of the Non-Governmental Organisations and Department of Food and Public Distribution at their sitting held on 25 November, 2003. The Report was considered and adopted by the Committee on 16 December, 2003.

The Committee wish to express their thanks to the representatives of (I) Indian Sugar Mills Association(ISMA) and (ii) National Federation of Cooperative Sugar Factories Ltd. (NFCSFL) and officials of Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for placing before them detailed written notes on the subject and for furnishing the information to the Committee desired in connection with the examination of the Bill

NEW DELHI  
December 17, 2003  
Agrahayana 26, 1925 (Saka)

DEVENDRA PRASAD YADAV  
Chairman,  
Standing Committee on Food,  
Civil Supplies and Public Distribution

## **CHAPTER I REPORT**

1. The Essential Commodities (Amendment) Act, 2003 (No. 37 of 2003) received the assent of President on the 1<sup>st</sup> June, 2003 and was notified in the Gazette of India for general information in June 2003. The Act provides further to amend the Essential Commodities Act 1955. Sub-clause 3D of the Act provides that the Central Government may direct that no producer, importer or exporter shall sell or otherwise dispose of or deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it is produced, whether such godowns are located within the premises of the factory or outside or from the warehouses of the importers and exporters, as the case may be, except under and in accordance with the directions issued by the Government.

2. The Essential Commodities Act 1955 is already in the Ninth Schedule. Since Essential Commodities (Amendment) Act, 2003 is, however, challengeable in the court of Law, the very purpose of carrying out the amendment is being defeated leading to further difficulties and adversely affecting the capacity of the producers of sugar to pay cane price to the growers. The said Act is to be brought within the purview of the Ninth Schedule of the Constitution so that it may receive the protection under Article 31B of the Constitution. To achieve this objective a Bill, viz. "The Constitution (One Hundred and First Amendment) Bill, 2003" was introduced in Lok Sabha on 18<sup>th</sup> August, 2003. The Bill has been referred by Hon'ble Speaker to the Parliamentary Standing Committee on Food, Civil supplies and Public Distribution for examination and Report.

3. The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in its background note submitted to the Committee has stated that The Essential Commodities Act, 1955 has been enacted to provide, in the interest of the general public, for the control of the production, supply and distribution of, and trade and commerce in essential commodities. Sugar is an essential commodity covered under the said Act and is an important item of mass consumption. The Government has been regulating and controlling its production, prices, movement and distribution in order to ensure:- (i) that the consumer gets adequate sugar throughout the year at a fair price; (ii) that the cane growers who provide sugarcane, which is basic raw material for the sugar industry, receive a fair price; (iii) that the sugar producer gets a reasonably fair return from the sale of sugar. Keeping the aforesaid objectives in sight, the Central Government reviews the sugar policy at regular intervals in the public interest, and takes requisite steps, as considered necessary, from time to time.

4. It has been further stated by the Ministry that the Central Government has been following the policy of Partial Control on sugar since 1967-68 (except for two spells from May, 1971 to June, 1972 and from August 1978 to December 1979). Under the policy of Partial Control, a portion of sugar production is requisitioned from the producers of sugar in exercise of the powers conferred by Section 3(2)(F) of the Essential Commodities Act, 1955; called levy sugar. The price of levy sugar is fixed by the Central Government under Section 3C of the Essential Commodities Act, 1955 for controlled distribution through Ration/Fair Price Shops in the Public Distribution

System at a uniform retail issue price in different parts of the country. The remaining portion is left to be disposed off by the sugar producers without restriction on price and movement, called non-levy sugar or free sale sugar. The other essential ingredient of Partial Control is the "regulated release mechanism" of the levy as well as free sale sugar. At present, the levy and free sale ratio is 10:90.

5. The mechanism of regulated releases helps to keep the open market sugar prices at reasonable level. On the basis of the free sale quota determined by the Central Government, month to month release orders for the sale of sugar in the open market were being issued under Clauses 4 and 5 of the Sugar (Control) Order, 1966 ensuring availability at reasonable prices throughout the year.

6. Explaining the need to bring the Essential Commodities Act, 2003 within the purview of Ninth Schedule of the Constitution the Ministry has stated that M/S Shakumbari Sugar and Allied Industries Ltd. filed a Writ Petition in Allahabad High Court challenging the authority of the Central Government to order regulated releases of free sale sugar and making a prayer to the Court, inter-alia, for restraining the Central Government from imposing restriction on the right of the sugar mill to sell any quantity of sugar, produced as free sale sugar, in the market. The Hon'ble High Court passed an Interim Order dated 19<sup>th</sup> March, 2002 whereby it was held that the Central Government does not possess the authority to impose restrictions on the sale of free sale sugar. The relevant portion of the Interim Order of the Hon'ble High Court is as under:-

**“ It has been alleged..... That the Central Government is not permitting release of free sale sugar for sale in the market beyond a certain amount. We are, prima facie, of the opinion that this restriction is wholly arbitrary and illegal and violative of Article 19 (1)(g) of the Constitution. In our opinion no limitation can be placed by the authorities on the quantum of free sale sugar which the petitioner wishes to sell in the open market. If such a limitation is placed, it will militate against the concept of free sale sugar. We are informed that at present 85% of the sugar manufactured in sugar factories is regarded as free sale sugar and 15% as levy sugar. Hence restrictions can only be placed on the 15% levy sugar, but not on the free sale sugar.... We, therefore, direct that the petitioner can sell the free sale sugar in any quantity to any one at any price, but shall give the intimation to the District Magistrate about it as stated above”.**

7. Against the interim order of Allahabad High Court, the Central Government filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India which was dismissed by Hon'ble Supreme Court by its order dated 12.7.2003 stating that they are not inclined to interfere at this stage.

8. The above Orders of the Hon'ble Allahabad High Court and the Hon'ble Supreme Court virtually quashed the regulated release mechanism, following which several other sugar factories approached different Courts (including Lower Courts) seeking orders for the sale of sugar in the open market and succeeded in obtaining Interim Orders in their favour, (which authorized them to sell any quantity of free sale sugar or the quantity sought by them, circumventing the well established "regulated release mechanism" and the release orders issued thereunder). Consequently, the supply of free sale sugar in the market increased substantially and the prices of free



sale sugar declined over a period of time which, in turn, constrained the capacity of sugar mills to pay cane price to the sugarcane growers, leading to hardship for the growers.

9. It was in these circumstances that the Department of Food and Public Distribution sought the advice of the Ministry of Law and Justice (Department of Legal Affairs) as to the steps to be initiated to undo the effect of the said Interim Order of the Hon'ble Allahabad High Court so that the sugar mills did not sell sugar in excess of the quota released by the Government, that the Courts did not intervene in the regulated release mechanism and that the authority of the Government to regulate the free sale releases was restored. The Department of Legal Affairs opined that "if the provisions analogous to Clauses 4 and 5 of the Sugar (Control) Order, 1966 are incorporated in the Essential Commodities Act, 1955 by law and the Amending Act is included in the Ninth Schedule of the Constitution of India, the Amending Act would have the protection of the Ninth Schedule. The amending law, then, would not be open to challenge on the ground of violation of any Fundamental Rights in Part III, even by filing a Writ Petition under Article 226, as provided under Article 31 B of the Constitution. Accordingly, notwithstanding any judgement, decree or order of any Court or Tribunal to the contrary, the amending Law will continue to be in force".

10. Before finalizing its report, the Committee considered it appropriate to have the expert opinion of some of the Organisation working in field of production and supply of sugar, Therefore, the Committee heard the views and suggestions of (I) Indian Sugar Mills Association; and (ii) National Federation of Cooperative Sugar factories Ltd. and invited their written Memoranda. Both the organizations have whole heartedly supported "The Essential Commodities (Amendment) Act 2003" for placing in the IXth Schedule of the Constitution by way of the Constitution (One Hundred and First Amendment) Bill, 2003 which has already been introduced in Lok Sabha. The Indian Sugar Mills Association (ISMA) in their Memorandum submitted to the Committee, has stated that after the High Court order in March, 2002, sugar prices started declining sharply and came down to as low as Rs.1058 per quintal in May, 2003. After the amendment of the Essential Commodities Act in June, 2003, the prices became stationary from July, 2003 onwards as is evident from the prices in July, August and September, 2003. For the last two months i.e October, and November, 2003, the prices have again started declining because the Amendment Act 2003 has not been placed in IXth Schedule so far. Due to sharp decline in the sugar price, it was not possible for the sugar factories to continue payment of sugar cane price declared statutorily by the Government of India. The arrears of sugar cane price thus grew disproportionately. As against the past trend of cane price arrears of about 4% to 5% of the total cane price due at the end of sugar year, in view of general ill health of the industry, the arrears increased to 9.2% at the end of the sugar year 2001-2002 and to 30% at the end of sugar year 2002-2003 which is unprecedented as on date.

11. Similarly the National Federation of Cooperative Sugar Factories Ltd. were of the opinion that for proper implementation and carrying out the amendment to strengthen the regulated release mechanism, it is essential that the sugar be brought within the purview of the Ninth Schedule of the Constitution.

12. As regards the review of sugar policy, the witnesses stated that the Sugar policy was last reviewed in May 2002 and next review of the sugar release mechanism would be held in 2005. It would also be reviewed whether to retain the levy on sugar

or it should be discontinued. To the query whether there is any discrepancy in the regulated release mechanism, the representatives of NFCSFL stated during evidence:

“ I have been insisting all the while that release mechanism should be regulated strictly on the basis of the stocks with the mill. Sometimes something happens and for one reason or the other additional releases are given. That should be stopped completely. It should be strictly on the basis of the pro rata on the production or on the stocks that the mills have. The Government must give orders that it must not be disturbed”.

13. Asked about the circumstances under which many sugar mills filed cases in the Court and Law, the official of Department of Food and Public Distribution stated during evidence that in the wake of interim order of Hon'ble Allahabad High Court about 225 Sugar Mills including Shakumbari Sugar Mill had approached different courts to get orders for sale of 48 Lakh tonnes of sugar in the open market which was above the entitled quota. Consequently sugar prices went down in June, 2003 which adversely effected the capacity of sugar mills to pay cane price to the growers.

14. When asked as to how the farmers, sugar mill owners and Consumers would be benefitted if the Essential Commodities (Amendment) Act, 2003 is placed under the IXth schedule of the Constitution, the representatives of the National Federation of Cooperative Sugar Factories Ltd stated during the evidence :-

“The Control of Sugar was an important factor for both consumers and industry and also particularly for farmers. So, unless a reasonable level of price of sugar is maintained, the payment to cane growers is not assured. If that is to be assured, the price level has to be maintained. That is one reason that in spite of the decontrol, the release mechanism should be continued. There were difference within the industry. In fact, the representatives of the private owners as well as the cooperative sector were in that Committee and both of them unitedly and uniformly agreed that the release mechanism has to continue. It can only give real protection to both farmers, consumers and industry. That is the considered opinion”.

15. In this regard the Additional Secretary, Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) stated during evidence:

“The basic fact is to bring about a balance in the sugar front, taking into account the interest of the cane growers as the first point, the consumers and the factories. So, this regulated release by dual pricing mechanism is to ensure that the prices do not crash nor do they go very high. It is basically a price mechanism so that we ensure that everybody's interest is protected and it is normally done through the process of the release mechanism. We found that because of certain reasons, the sugar production is very high and unless we hold back certain sugar and maintain price, the farmers will be at distress. So, this is the release mechanism which we have been adopting and followed for the last so many years”.

16. The Committee note that the Constitution (One Hundred and First Amendment) Bill, 2003 provides for inclusion of The Essential Commodities (Amendment) Act, 2003 in the Ninth Schedule to the Constitution of India so that it may receive protection under Article 31 B of the Constitution. The Government has been regulating and controlling the production, price, movement and distribution of sugar. The Committee have informed that M/s Shakumbari Sugar and Allied Industries Ltd. succeeded in obtaining interim order through a Writ Petition filed in the Allahabad High Court challenging the authority of the Central Government to regulated release orders for free sale sugar and also restraining them from imposing restriction on the right of Sugar Mill to sell any quantity of sugar, produced as free sale sugar in any quantity to any one at any price. Thereupon, the Central Government filed a “Special Leave Petition (SLP)” in the Supreme Court of India but could not get any relief following which several sugar factories approached different Courts and succeeded in seeking orders for sale of sugar in the open market. Consequently the supply of free sale sugar in market increased substantially and the prices of free sale sugar declined over a period of time which in turn, constrained the capacity of sugar mills to pay cane price to the sugarcane growers

17. To overcome this problem the Government thought that if the provisions analogous to clauses 4 and 5 of the Sugar (Control) Order, 1966 are incorporated in the Essential Commodities Act, 1955 and thereafter the Amending Act is included in the Ninth Schedule of the Constitution of India, then the Mills would not be capacitated to challenge the release orders of the Government in Court of Law on the ground of violation of their Fundamental Rights. The Ministry has now proposed to bring the Essential Commodities (Amendment) Act, 2003, which was notified in Gazette of India in June, 2003, within the purview of Ninth Schedule of the Constitution for giving necessary protection of Article 31B of the Constitution. The Committee are of the view that in order to ensure availability of sugar at fair prices at all times, it is essential to put some embargo on the sugar mills for which the “Regulated Release Mechanism” is the best tool. The Committee also concur with the views of the Indian Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories Limited (NFCSFL) that for the proper implementation of Essential Commodities (Amendment) Act, 2003 and to strengthen the regulated release mechanism of the Government, it is essential that the sugar be brought within the purview of Ninth Schedule of the Constitution. Hence, the Committee approve the Constitution (One Hundred and First Amendment) Bill, 2003 in its entirety. However, the Government must ensure that the Rules framed under the Act are beneficial to both the Cane Growers as well as Mill Owners and not be arbitrary and autocratic manner. The Committee also strongly urge the

**Government to ensure that the no sugar mill is subjected to discrimination in issuing the release orders. For this, the monitoring mechanism of the Ministry should be further strengthened in consultation with the State Governments. It must also be ensured that transparency is maintained on a regular basis in the regulated release mechanism.**

**NEW DELHI**  
**December 27 , 2003**  
**Agrahayana 26 ,1925(Saka)**

**DEVENDRA PRASAD YADAV**  
**Chairman**  
**Standing Committee on Food,**  
**Civil Supplies and Public Distribution**

**AS INTRODUCED IN LOK SABHA**

**Bill No. 64 of 2003**

**THE CONSTITUTION (ONE HUNDRED AND FIRST AMENDMENT) BILL, 2003**

**A**

**BILL**

further to amend the constitution of India

Be it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:-

- |    |  |                                  |
|----|--|----------------------------------|
| 1. | This Act may be called the Constitution (One Hundred and First Amendment) Act 2003.  | Short title.                     |
| 5. | 2. In the Ninth Schedule to the Constitution of India, after entry 284 and before the Explanation, the following entry shall be inserted, namely:- | Amendment of the Ninth Schedule. |

“285. The Essential Commodities (Amendment) Act, 2003 (Central Act 37 of 2003)”.

## STATEMENT OF OBJECTS AND REASONS

The Essential Commodities Act, 1955 *inter alia*, provides that, for maintaining or increasing the supplies of essential commodities or for securing their equitable distribution and availability at fair prices, the Central Government may issue orders regulating or prohibiting the production, supply and distribution of such essential commodities and trade and commerce therein so as to achieve the objectives of the Act.

2 The Central Government has been following a policy of partial control of sugar since 1966 and requisitioning a portion of sugar as levy sugar for the Public Distribution System. The Central government has adopted a “regulated release” mechanism for release of levy-free sugar (free-sale sugar ) ) by issuing orders under the Sugar (Control) Order, 1966 issued under section 3 of the Essential Commodities Act 1955. The said Order was last amended on 14<sup>th</sup> June, 1999; clause 4 of the said Order, empowered the Central Government to direct that no producer or importer shall sell or otherwise dispose of or deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it was produced or from the warehouses of importers except under in accordance with a direction issued, in writing, by the Central Government. Similarly, clause 5 of the said Order empowered the Cental Government to issue, from time to time, general or special order to producers, importers, recognized dealers, etc., regulating the production, maintenance of stocks, storage, sale, marking, weighment, disposal, delivery and distribution of any kind of sugar.

3. The aforesaid “ regulated release” mechanism was challenged in the Courts which let to difficulties in operation and in decline of sugar prices, which, in turn, affected the capacity of the producers of sugar to pay cane price to the sugarcane growers. In order to safeguard the interest of sugarcane growers, the production of sugar and general public and to re-stabilize the market price of sugar as also to overcome the difficulties arising from litigation, the Essential Commodities Act, 1955 was amended *vide* Essential Commodities (Amendment) Act, 2003 (37 of 2003) for enabling the Central Government to issue orders or directions to implement the “ regulated release” mechanism effectively. If the said amendment is allowed to be challenged in courts of law, thereby delaying the implementation of the same, the

very purpose of carrying out the amendment would be defeated, leading to further difficulties which will adversely affect the capacity of the producers of sugar to pay cane price to the sugarcane growers. It is, therefore, considered necessary that the Essential Commodities (Amendment) Act, 2003 be brought within the purview of the Ninth Schedule to the Constitution for giving necessary protection of article 31 B of the Constitution.

4. The Bill seeks to achieve the above subject.

**New Delhi;  
The 11<sup>th</sup> July, 2003**

**SHARAD YADAV,**

**THE ESSENTIAL COMMODITIES (AMENDMENT)  
ACT, 2003**

(No. 37 of 2003)

(1<sup>st</sup> June, 2003)

An Act further to amend the Essential Commodities Act, 1955.

Be it enacted by Parliament in the Fifth-fourth year *Short title.*  
of the Republic of India as follows:-

1 This Act may be called the Essential Commodities (Amendment)  
Act, 2003.

*Amendment of  
Section 3 of  
Act 10 of 1955*

2. In section 3 of the Essential Commodities Act, 1955,  
after sub-section (3 C), the following shall be and shall be  
deemed to have been inserted, on and from the 14<sup>th</sup> day of  
June, 1999, namely:-

“ (3D) The Central Government may direct that no producer,  
importer or exporter shall sell or otherwise dispose of or deliver  
any kind of sugar or remove any kind of sugar from the bonded  
godowns of the factory in which it is produced, whether such  
godowns are situate within the premises of the factory or outside  
or from the warehouses of the importers or exporters, as the  
case may be, except under and in accordance with the directing  
issued by the Government:

Provided that this sub-section shall not affect  
the pledging of such sugar by any producer or importer in  
favour of any scheduled bank as defined in clause (e)  
of section 2 of the Reserve Bank of India Act, 1934 or *2 of 1933*  
any corresponding new bank constituted under  
section 3 of the Banking Companies (Acquisition and  
Transfer of Undertakings) Act, 1970, so, however, that no *5 of 1970*  
such bank shall sell the sugar pledged to it except under  
and in accordance with a direction issued by the Central  
Government.

(3E) The Central Government may, from time to  
time, by general or special order, direct any producer or  
importer or exporter or recognized dealer or any class of  
producers or recognized dealers, to take action regarding  
production, maintenance of stocks, storage, sale, grading,  
packing, marketing, weighment, disposal, delivery and  
distribution of any kind of sugar in the manner specified  
in the direction.



Explanation – For the purpose of sub-section (3D) and this sub-section,--

- (a) “ producer” means a person carrying on the business of manufacturing sugar;
- (b) ‘ recognised dealer” means a person carrying on the business of purchasing, selling or distributing sugar;
- (c) “Sugar” includes plantation white sugar, raw sugar and refined sugar, whether indigenously produced or imported.

10 of 1955

3 (1) Notwithstanding anything contained in any judgement, decree or order of any court or other authority or any agreement, any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under any direction or order issued by the Central Government under clause 4 or Clause 5 of the Sugar (Control) Order, 1966, made under section 3 of the Essential Commodities Act, 1955, at any time during the period commencing on and from the 14<sup>th</sup> day of June, 1999 till the day on which the Essential Commodities (Amendment) Bill, 2003 receives the assent of the President, shall be deemed to be, and deemed always to have been, for all purposes, as validly and effectively taken or done or omitted to be done under sub-section (3 D) or sub-section (3 E), as the case may be, of section 3 of the Essential Commodities Act, 1955, as if the said sub-sections had been in force at all material times.

*Validation  
action taken  
under clauses  
4 and 5 of  
the Sugar  
(Control)  
Order, 1966*

2. For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would have not been so punishable if this Act had not come into force.

**MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE  
ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD  
ON TUESDAY, THE 25<sup>TH</sup> NOVEMBER, 2003.**

**THE COMMITTEE SAT FROM 11.30 HRS. TO 13.00 HRS. IN  
COMMITTEE ROOM NO. 139, PARLIAMENT HOUSE ANNEXE, NEW  
DELHI.**

**Present**

**Shri Devendra Prasad Yadav - Chairman**

**MEMBERS**  
**LOK SABHA**

2. Shri A.P. Abdullakutty
3. Shri Rajbhar Babban
4. Shri Dalit Ezhilmalai
5. Shri Namdeo Harbaji Diwathe
6. Smt. Preneet Kaur
7. Shri Bir Singh Mahato
8. Shri Shyam Bihari Mishra
9. Shri Bajju Ban Riyan
10. Shri Adhi Sankar
11. Shri Alakesh Das

**RAJYA SABHA**

12. Smt. Bimba Raikar
13. Shri S.K. Khabir Uddin Ahmad
14. Shri Ravula Chandra Sekar Reddy
15. Shri C. Perumal
16. Shri Vijay Singh Yadav
17. Shri Harendra Singh Malik

**SECRETARIAT**

1. Dr. (Smt.) P.K. Sandhu - Joint Secretary
2. Shri Krishan Lal - Director
3. Shri R.S. Mishra - Deputy Secretary
4. Shri Jagdish Prasad - Assistant Director

**I. Representative of Indian Sugar Mills Association (ISMA)**

Shri S. L. Gupta - Secretary

**II Representatives of National Federation of Cooperative Sugar Factories Ltd. (NFCSFL)**

1. Shri Shivajirao G. Patil
2. Shri Baburam Prasad Tanpure
3. Shri R. K. Agarwal

**III Representatives of Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)**

1. Shri D.N. Padhi - Additional Secretary and Financial Adviser
2. Shri P.Uma Shankar - Joint Secretary (Sugar)
3. Shri P.S. Hameed - Advisor (Cost)
4. Shri R.P. Singhal - Chief Director (Sugar)

**IV Representative of Ministry of Law and Justice ( Legislative Department)**

1. Shri N.K. Nampoothiry - Joint Secretary and Legislative counsel.
2. Shri B.L. Nishad - Joint Secretary and Legislative Counsel

At the outset Hon'ble Chairman welcomed the representatives of India Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories Ltd. (NFCSFCL) and apprised them that The Constitution (One Hundred and First Amendment) Bill 2003" has been referred by Hon'ble Speaker for examination and report. The Bill seeks to bring Essential Commodities (Amendment) Act, 2003 within the purview of the Ninth Schedule of the Constitution so that it may receive protection under Article 31 B of the Constitution. The Committee heard their views and suggestions on the Bill. The representatives replied to the queries raised by Members.

(The non-official witnesses then withdrew).

The Committee then took evidence of the representatives of Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) and Ministry of Law and Justice (Legislative Department) on the Bill. The queries by Hon'ble Chairman and Members on the Bill were resolved by the representatives. The discussion was concluded.

A verbatim record of the proceedings has been kept.

**The Committee then adjourned.**

**MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON  
FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON TUESDAY,  
THE 16<sup>TH</sup> DECEMBER, 2003.**

**The Committee sat from 15.00 hrs. to 15.45 hrs. in Committee Room  
No. 139, Parliament House Annexe, New Delhi.**

**PRESENT**

**Shri Devendra Prasad Yadav – Chairman**

**MEMBERS  
LOK SABHA**

- 2 Shri Tara Chand Bhagora
- 3 Shri Rameshwar Dudi
- 4 Shri Sukdeo Paswan
- 5 Shri Dharam Raj Singh Patel
- 6 Shri Baju Ban Riyan
- 7 Shri Kishan Lal Diler
- 8 Shri Jaiprakash
- 9 Shri Adhi Sankar
- 10 Shri Alakesh Das

**RAJYA SABHA**

- 11 Smt. Bimba Raikar
12. Shri Surendra Lath
13. Shri C. Perumal
14. Shri Vijay Singh Yadav

**SECRETARIAT**

1. Shri Krishan Lal - Director
2. Shri R. S. Mishra - Deputy Secretary
3. Shri Jagdish Prasad - Assistant Director

