

MR. SPEAKER : The question is :

"That the Bill to provide for the extension of the provisions of Part IX of the Constitution relating to the Panchayats to the Scheduled Areas, as passed by Rajya Sabha, be taken into consideration".

*The motion was adopted.*

MR. SPEAKER : The House shall now take up clause by clause consideration of the Bill.

*Clauses 2 and 3*

MR. SPEAKER : The question is :

"That clauses 2 and 3 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 and 3 was added to the Bill.*

*Clause 4*

MR. SPEAKER : Shri K. Pradhani - Not present.

The question is :

"That Clause 4 stand part of the Bill."

*The motion was adopted.*

*Clause 4 was added to the Bill.*

*Clause 5*

MR. SPEAKER : The question is :

"That clause 5 stand part of the Bill."

*The motion was adopted.*

*Clause 5 was added to the Bill.*

MR. SPEAKER : The question is :

"That Clause 1 the Enacting Formula and the Long Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

SHRI KINJARAPPU YERRANNAIDU : I beg to move :

"That the Bill be passed."

MR. SPEAKER : The question is :

"That the Bill be passed."

*The motion was adopted.*

15.49 hrs.

## SUGAR EXPORT PROMOTION (REPEAL) BILL

[English]

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV) : I beg to move :

"That the Bill to repeal the Sugar Export Promotion Act, 1958, be taken into consideration."

MR. SPEAKER : Motion moved :

"That the Bill to repeal the Sugar Export Promotion Act, 1958, be taken into consideration."

Is this Bill also to be passed without discussion?

SHRI BALAI CHANDRA RAY (Burdwan) : No, Sir. It is not one of those Bills which is to be passed without discussion.

MR. SPEAKER : This was not one of those Bills. All right. Is there any speaker who want to speak?

Shri Sanat Mehta.

SHRI SANAT MEHTA (Surendra Nagar) : Sir, I only want to point out to the Minister that - whatever maybe his good intentions - this kind of a provision or measures is going to create a lot of difficulties for the sugar factories.

15.49 hrs.

(Shri P.M. Sayeed in the Chair)

At present, the price of sugar in the international market is not favourable. Decanalisation will create a lot of difficulties even in countries where liberalisation is existing, and so, canalisation is still existing there. So, I feel that - before passing it - the Minister should give a serious consideration on this point. Otherwise, he will have to repent for it later. It will do a lot of harm particularly to the cooperative sugar factories because at present we have canalisation organisations which export sugar and private people are also allowed to export sugar through it.

Sir, so there is no monopoly. I would like to appeal to the hon. Minister that in no case he should hurry through this Bill. It is not going to benefit the exporters in future because the international market is not favourable. I am unable to understand for what purpose this Bill is being considered. I would like to submit very

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sincerely that this would harm the interest of the cooperative sugar factories and it should not be done.

MR. CHAIRMAN : Shri Ray, please be brief.

SHRI BALAI CHANDRA RAY (Burdwan) : Mr. Chairman, Sir, we do not know as to how the repealing of this Act would do any good to this country. The export of sugar was to some extent canalised through this Act. Once control is lifted and all the guidelines are removed, the consequences of this would be the same as has been the case in case of export of rice. The argument that since we have become a part of the World Trade Organisation we have to comply with all the formalities of the WTO, is only one way of seeing things. Repealing of this Bill, would mean free export of sugar. The result of it would be that the sugar mills which would produce sugar hereafter would produce such sugar which could be exported at a higher price. There is already a shortage of sugar in this country and this would further add to it. The supply of sugar in the country would fall. Another consequences of this would be that only such of the industries, backed by big industrialised countries, which have the infrastructure to produce sugar for competing in the export market would produce sugar and consequently there would be less production of sugar and the profits would be more and the costs would also be higher. But the country would lose large quantities of sugar which could otherwise have been available for domestic consumption. Uncanalised export of foodstuff and food materials is causing a great harm to the country. Even in the case of export of rice, of which we are in terrible shortage, there is no control on export. Nothing can be done now to control the export of such quality sugar which has an export market. Competitive export by all the industries in India is impossible. Selective export by those mills, which would now produce only such quality sugar which have an export market, would deprive the domestic market of sugar which is already in a shortage. This will create a very big problem. This Bill should not have been introduced. The Government should re-consider the fact whether steps should be taken to see that export is not done at the cost of internal consumption and availability of sugar. This is what I wanted to submit.

MR. CHAIRMAN : Shri Patil, please be brief.

*(Interruptions)*

SHRI SANAT MEHTA : Sir, this is an important Bill.

MR. CHAIRMAN : It was decided that this would be passed without discussion.

SHRI SANAT MEHTA : Sir, I have seen a lot of problems in this House. The Business Advisory Committee had decided and an open discussion was held on this House. This is very important issue. We are obeying your orders. But today I have been the sufferer but there is a limit to everything. Even the Members of

the Business Advisory Committee, who after having agreed to certain decisions in the BAC, are speaking on those subjects in the House.

MR. CHAIRMAN : I do not know as to why this has happened. I was not a Member of the Business Advisory Committee.

*(Interruptions)*

MR. CHAIRMAN : You know the Members of the BAC are drawn from all the Political Parties.

*(Interruptions)*

SHRI SANAT MEHTA : Sir, I know that.

MR. CHAIRMAN : They take decisions. Only some ten minutes before we have passed a Bill here.

SHRI SANAT MEHTA : Sir, please do not tell me...*(Interruptions)* I myself was a Member of the Business Advisory Committee for ten years.

MR. CHAIRMAN : The House is supreme and you can take any decision.

SHRI SANAT MEHTA : After having been a Member of BAC, I have never spoken like this.

MR. CHAIRMAN : Shri Mehta, I am not disputing what you are saying. But when a decision has been taken it has to be abided.

SHRI ANNASAHIB M.K. PATIL (Erandol) : Sir, this is a very important Bill. When the Bill was first introduced it was our idea that it would help in exports and the sugar industry would have a steady position to work with the manufacturers, farmers and other people. But in my knowledge of things and from whatever I have gathered by going through this Bill, I find that there are many lacunae in it where one would have to confine to certain limitations. A lot of restrictions are imposed on the manufacturers. Nowadays only two agencies are working in the field of exports, and the rest of the mills are not allowed to do it individually. The expenditure incurred on account of export has to be sustained by the mills. If this Bill becomes an Act, the large number of restrictions imposed on the sugar mills will be removed.

When this Bill comes into force, there will definitely be keen competition among the exporters. Several number of competitors in the field would ensure better quality, prompt delivery schedules, and economical prices. Economical prices are directly related to the quality of the sugar. If the quality of sugar is improved, there will be a better market in the future. I do not think that there is anything to be feared on the proposal of open markets in the present international situation.

In 1995, the Government had allowed the agency to export 11 lakh tonnes of sugar. The business done was for Rs. 925 crore. A loss of Rs. 56 crore was to be

sustained by various sugar mills individually. The expenses incurred in exporting sugar are borne by the individual sugar mills. These are all restrictions that are imposed on the sugar mills. I feel that this type of restrictions should be imposed on the individual sugar mills.

There are certain other points in the present Bill which deserve to be objected to. One such provision is the protection given to the agencies. Under clause 12 of the Bill, total protection is given to the agency only and not to the individual sugar mills. These sort of restrictions are going to be wiped out, if this Bill is adopted. Therefore, I support the Bill.

[Translation]

SHRI DEVENDRA PRASAD YADAV : Mr. Chairman, Sir, this Bill is very clear. I was listening the feelings expressed by hon. Member. Whatever doubt are there in the mind of hon. Member, that will prove baseless because till now the export of sugar was done through canalised system from one company to another company. Besides, that, there wasn't any other company. Sugar was being exported under canalised system. If it is decanalised, then everyone be they are co-operative mill owners or other units of sugar production will get an opportunity for a free hand dealing. This will also increase the investment of the company. Good quality sugar will be produced in the country. Today India is known in the world as a sugar exporter country. So far as apprehensions expressed by the Hon. Member about its limitation, I want to tell him that the domestic requirement of sugar will be kept in mind. In our country there is consumption of 130 lakh tonnes of sugar and we shall export only the surplus sugar. We are decanalising that. Through Sugar Export Promotion Bill everybody will get a free hand in making exports. That's why I request the House that this Bill should be passed.

16.00 hrs.

[English]

MR. CHAIRMAN : The question is :

"That the Bill to repeal the Sugar Export Promotion Act, 1958, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN : The House shall now take up clause by clause consideration of the Bill.

MR. CHAIRMAN : The question is :

"That clause 2 stand part of Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

MR. CHAIRMAN : The question is :

"That clause 1, the Enacting Formula and the Long Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula and Long Title were added to the Bill.*

[Translation]

SHRI DEVENDRA PRASAD YADAV : Mr. Chairman, Sir, I beg to move "That the Bill be passed."

[English]

MR. CHAIRMAN : The question is :

"That the Bill be passed."

*The motion was adopted.*

16.02 hrs.

## COMPANIES (AMENDMENT) BILL\*

[English]

MR. CHAIRMAN : Now, item No. 20. The Finance Minister.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Sir, I had mentioned in my Budget Speech on 22nd July, 1996 that the Companies Act, 1956 needs to be rewritten comprehensively. I have, therefore, already set-up a Working Group to re-draft the Companies Act with persons having knowledge of law, economic and company affairs. I intend to make available the redrafted version of the Companies Act for public debate before coming to the House with a new Bill.

I had also indicated in my Budget Speech that I propose to introduce some urgent amendments to the present Companies Act. Accordingly, I introduce the Companies (Amendment) Bill, 1996 in the Rajya Sabha on 10th September, 1996 and it was referred to the Standing Committee, which has already presented its report on the Bill to both the Houses of Parliament on 26th November, 1996.

The Bill was considered by the Rajya Sabha on 16th December, 1996. Considering the Report of the Standing Committee which recommended for dropping the provision (that is, Clause 6 of the bill) relating to introduction of Non-Voting Shares and the views of the Members expressed during the debate on the Bill in the

\* Published in the Gazette of India, Extra-ordinary, Part-II Section 2, dated 19.12.96.