

(g) Whenever the work of a V.O is found unsatisfactory and the mala-fides of the V.O. is established involving misuse of funds misrepresentation or involvement in other acts of moral turpitude, the V.O is placed under black listed category.

(h) The details of the action taken in respect of 248 V.Os placed in the blacklisted category by CAPART are as under :-

S.No.	Action Taken	No. of VO's
1.	Intimation regarding placing in blacklist sent	248
2.	Inquiry conducted by Project Evaluators of CAPART	58
3.	Subjudice cases	02
4.	Re-evaluation ordered	01
5.	FIR loged	28
6.	Departmental Processing	133
7.	CBI inquiry	26

11-119

Funds to the Panchayat

*10. SHRI G.M. BANATWALLA : Will the Minister of RURAL AREAS AND EMPLOYMENT be pleased to state :

(a) whether the Government propose to withhold assistance to Panchayats where civic elections have not been conducted;

(b) if so, the details of the affected States alongwith the quantum of funds withheld on this account;

(c) whether most of these States have diverted the allocated funds for other purposes; and

(d) if so, the reasons therefor and the measures taken to discourage such practice?

THE MINISTER OF STATE OF THE MINISTRY OF RURAL AREAS AND EMPLOYMENT (SHRI BABAGOUDA PATIL) : (a) to (d) Article 243E of the Constitution Seventy-third Amendment Act, 1992 stipulates that the term of the Panchayats is 5 years from the date of the first meeting of the Panchayat, unless sooner dissolved. Panchayat elections are required to be held before the expiry of the 5 year term stated above and in any case, such elections shall be completed before the expiry of 6 months from the date of dissolution of the Panchayats. The

provision is mandatory and there is no scope whatsoever, for discretion of either the State Election Commission or the State Governments.

The following States have not held Panchayat elections in accordance with the Constitution 73rd Amendment.

(i) Arunachal Pradesh: Elections have not been held in the State as the Arunachal Pradesh Panchayati Raj Bill has not received the assent of the President.

(ii) Assam : Panchayat Elections have not been held after the expiry of the term of the Panchayats in October, 1997. The State Government has been citing several reasons.

(iii) Bihar : Panchayat elections have not been held in the State, as the validity of certain provisions in the Bihar Panchayati Raj Act is to be adjudicated by the Constitution Bench of the Hon'ble Supreme Court. The matter is presently sub-judice.

(iv) Pondicherry : Elections were not held in the UT, as the validity of certain provisions in the Pondicherry Panchayati Raj Act had been challenged. The judgement, of the Chennai High Court has become available and the UT Administration is examining its implications.

(v) Karnataka : Panchayat elections are due in the State in March, 1999. The State Government has reportedly decided not to hold Panchayat elections in March/April, 1999 when due, on the grounds that issues relating to delimitation of Gram Panchayat area need to be addressed before fresh Panchayat elections are held.

The State Governments of Assam, Karnataka and Pondicherry have been requested to hold Panchayat elections in their States at the earliest. The Government has urged them to comply with the Constitutional provisions regarding Panchayat elections and has also intimated them that it will not be able to continue to transfer funds under rural development programmes meant for Panchayats to States where Panchayats are not in position. The decision has not been made operative yet as the response of the State Government is awaited.

Regarding diversion of allocated funds, there have been no specific reports of such diversion if any. The sanction order releasing funds to the State Governments invariably stipulate that the funds

released should be utilised exclusively for the purpose for they have been sanctioned. The State Governments have also been advised several times and at various levels, that funds allocated should not be diverted for purposes other than those for which the funds have been released. State Governments have also been asked to empower Gram Sabhas to perform social audit.

[Translation]

69-54

Procurement Price of Foodgrains

*11. DR. M.P. JAISWAL :

PROF. PREM SINGH CHANDUMAJRA :

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

(a) whether the Government have increased several times the procurement price of wheat, rice and sugar meant for sale through the Public Distribution System during the last three years till January, 1999;

(b) if so, the details thereof and the dates on which and the extent to which the procurement prices of those items were increased;

(c) whether the Government had made assessment of the cost of production before increasing the price procurement;

(d) if so, the cost of production at the time of each price increase made effective in this regard; and

(e) the criteria fixed for price increase in this regard?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF FOOD AND CONSUMER AFFAIRS (SARDAR SURJIT SINGH BARNALA) : (a) and (b) (i) Government announces before each season the Minimum Support Prices of wheat and paddy. The prices of levy rice are fixed every season payable to rice millers/dealers for supplying rice exclusively for Central Pool.

The MSPs of wheat and paddy fixed for the last three marketing seasons are as under :-

(Rs. per quintal)

Marketing Year	MSP			
	Wheat		Paddy	
	Common	Fine	Superfine	
1	2	3	4	5
1996-97	380	380	395	415

1	2	3	4	5
		Common	Grade 'A'	
1997-98	415*	415	445	
1998-99	455*	440	470	

*Excluding Bonus

Marketing Year: Oct-Sept-Paddy/rice
April-March-Wheat

(ii) Statement showing State-wise levy rice prices fixed for the last three marketing seasons are attached as statement - I & II.

(iii) The Ex-Factory Price of Levy Sugar during the last three years is as follows :-

(Rs. per quintal)

Sugar Season (Oct - Sept.)	Ex-Factory price of levy Sugar
1996-97	1000.77
1997-98	1022.46
1998-99	Yet to be fixed but the quick estimates indicate that based on the Statutory Minimum Price (SMP) of Sugarcane fixed at Rs. 52.70 per quintal, the exfactory price of levy sugar is estimate to be Rs. 1079.52 per quintal.

(c) to (e) Yes, Sir.

The MSP of wheat and paddy are fixed taking into account the recommendations of the Commission of Agricultural Costs and Prices (CACP), views of States, Central Ministries and other relevant factors necessary for fixation of MSPs. While making its recommendations, the CACP takes into consideration a number of important factors. Cost of production is the most important and tangible factor. The MSPs mainly represent cost of production and a reasonable margin of profit as an incentive to the farmers.

Levy rice prices are fixed State-wise after taking into account the MSP of paddy, statutory charges, Non-statutory charges and out-turn ratio of paddy. The levy rice prices so arrived at mainly represent cost of conversion of paddy into rice by rice millers/dealers.