

asking to add this item in this proposed list. But you have not added it for the last two years. I would request the hon. Minister to give an answer, a positive answer whether you are going to include this item or not by which the country will earn a foreign exchange of more than Rs. 20 crores.

PROF. MADHU DANDEVATE : Let one section start with ladies' handkerchief.

SHRI KHURSHID ALAM KHAN : Sir, the list has been prepared and approved with the recommendations of the special committee which was appointed to look into this question in detail and their recommendations have been accepted. I would only like to say to the hon. Member that let us see how this list works out and then, we will see, what should be done later on because this is subject to revision and review from time to time.

SYED SHAHABUDDIN : Mr. Speaker, Sir, I am sure, all of us in the House welcome the move by the Government to reserve more items for the handloom sector. The number has been increased from 11 to 22 items.

I would like to know from the hon. Minister what does it mean in terms of the production potential. That is to say, for meeting the demands of those 11 items, there was a certain quantum of production, and then by increasing it to 22, by what percentage have you increased the production potential? And does the handloom sector today have the capacity to meet that production potential?

SHRI KHURSHID ALAM KHAN : Sir, the committee which went into the whole question came to the conclusion that the handloom sector is capable of producing the items which are being reserved for them. But at the same time, we have given three month's time for the change-over in order to ensure that the handloom sector's capacity and capability is fully utilised for producing these 22 items.

SYED SHAHABUDDIN : What does

it mean in terms of increase of production potential, does it mean 50% increase or what does it mean in terms of square metres?

SHRI KHURSHID ALAM KHAN : It will mean almost double.

Take-Over of Sick Sugar Mills

*807. **PROF. MADHU DANDEVATE :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that provision for take-over of the sick industrial units by Government has been made through the enactment of a special law ;

(b) if so, how many sugar mills have been located as 'Sick Mills' ;

(c) how many of these mills have been taken over by Government ;

(d) how many of them belonged to the co-operative and private sectors ; and

(e) whether the rest of the sick sugar mills are likely to be taken over ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) to (e). A statement regarding Sick Industrial Unit is given below.

Statement

(a) The subject matter of taking over of sick industrial units is not within the purview of this Ministry. However, the Sick Industrial Companies (Special Provisions) Act, 1985 which came into effect on 8.1.1986 provides *inter-alia* for sanctioning by the Board for Industrial & Financial Reconstruction, of schemes for the proper management of a sick industrial company by change in, or take over of, management of the sick industrial company.

The Board has not yet been constituted.

(b) to (e). In view of (a) do not arise.

PROF. MADHU DANDAVATE : They are laying so many papers on the Table of the House that there is no place at all.

Firstly, in giving the reply in the first part, the hon. Minister said "The subject matter of taking over of sick industrial units is not within the purview of this Ministry." Normally, when we send to your Office our Questions, if the Ministry concerned feels that it does not concern them at all, I think, the first duty is to inform the Hon. Speaker that it may be transferred to some other Ministry. Why should the questioners unnecessarily suffer in the quarrel for jurisdiction? I would have recommended that merge both the Ministries together. But anyway....

MR. SPEAKER : That may be the ultimate aim.

PROF. MADHU DANDAVATE : That might be the object. It is an indirect thing. Though the hon. Minister said that it does not fall within the purview of his Ministry, he has said "However, the Sick Industrial Companies (Special Provisions) Act, 1985 which came into effect on 8-1-1986 provides *inter-alia* for sanctioning by the Board for Industrial & Financial Reconstruction etc...The Board has not yet been constituted." Therefore, no reply can be given. ! After getting such a great big discretion of what is to be done and what has to be done, if that is not done, what can I do? In spite of the Board not being appointed.....

MR. SPEAKER : You still intend to ask him !

PROF. MADHU DANDAVATE : I have put the question in a manner that the hon. Minister will not find any embarrassment in allowing that. Therefore, I ask him though the Board is not set up, from his general knowledge and common sense, can the hon. Minister tell

us in various States and particularly in Maharashtra, how many sick mills are there and what is the reason that they have become sick and is it a fact that some of them are already taken over by the Government but later on under some pressure of the rival factories.....

AN HON. MEMBER : Sugar mills.

PROF. MADHU DANDAVATE : I am referring to sugar mills. My question is about sugar mills.

SHRI A.K. PANJA : I hope it is not about textile mills !

PROF. MADHU DANDAVATE : No, I will come to that. Therefore, can you give me the information? Then I will come to the other portion because I have correspondence with his predecessor. The trouble is the moment we send any letter, the Minister gets changed. Therefore, the former reply gets out-dated.

Therefore, can the hon. Minister tell us how many mills, according to his knowledge, had become sick mills they were taken over and because of the pressure of rival sugar factories, again that take over of the management, was annulled? I would like to know that.

SHRI A.K. PANJA : So far as the first portion is concerned, if the hon. Member addresses a question to a particular Department, usually from the parliament Question and Answer Division, it goes straight to the Department. Then when we find that it does not concern us, then we have a dialogue with the Parliament Section and after that, we send it to the Department concerned which is supposed to answer. But if they do not agree, then we have to answer. That is the procedure, I am told. So, the hon. Member, in his long experience....(*Interruptions*) should have found out that the question is regarding sick industrial units, not sick sugar industry. Naturally the Finance Division is concerned with the sick industrial units.

Secondly, so far as the study of sick sugar mills is concerned, there is no study as such. But we have found from our own records that those mills which have plants having below 1,250 TCD capacity, are considered to be economically not viable. Therefore, this is one of the criteria.

The second point is sugar industry being very old in our country, some have become very old like some 172 sugar factories have become 25 or more years' old. There also, not only because of the age, but because of non-viability if the machinery becomes old, they become sometimes non-efficient, we are using the word, non-efficient, about production. They are non-efficient because of less sugar cane growth in the country or in the command area.

So far as handing over of certain sugar factories which were taken over under the 1978 Act, is concerned there were 8 such sugar factories taken over. The management was taken over under 1978 Act. The details are here, but they were, handed over back, that is, denotified because the term of take-over expired and the Government found that there was no reason for extension. Three conditions were set down for the purpose of taking over. That is : if there are losses, if they cannot pay the cane-growers and if they have outstanding dues to be paid to the cane-growers. Then they are taken over. And after the duty of the government is over, it is handed over back. Out of the 8, all were asked to be handed over. 5 have already taken over willingly. So far as three factories, are concerned namely, Deoria Sugar Mills, UP, Sitaram Sugar Mills, U.P. and Sakseria sugar mills U.P. initially all these three refused to take them back. The last one, that is, the Sakseria Sugar Mills agreed that it is seriously considering taking back and negotiations are going on. The other two have not agreed. So the ex-Custodian has been asked to look after the protection of the property.

PROF. MADHU DANDAVATE : The second question arises out of my correspondence with your predecessor, Mr.

Singh Deo but, unfortunately, Ram Swarup came in my way. Therefore, I have to ask you that question.

What happened—I will concretely frame my question. Certain private sugar mills in Maharashtra were getting some sugar cane for their factories but later on it was diverted to some other co-operative factories. I do not want to go into what was the politics and all that. But it was diverted and these people were starved of of sugar cane quota and as a result of that, they made a concrete proposal to this Government and I want to ask a question about that proposal.

The concrete proposal is that if we are not able to arrange to give sugar cane quota to these private mills which are closed, in that case, will you allow them to import raw sugar for refining and processing so that they will be able to undertake that and keep the factories going on so that thousands of workers will not be robbed of their jobs? The Trade Unions and the management jointly made that proposal and I have the reply which says, 'The matter is under consideration'. Next time the reply was 'The matter is under active consideration.' Now tell me what adjective will you use as far as the consideration of this concrete proposal is concerned? Either give them the sugar cane quota or accept their demand for import of raw sugar which can be refined and reprocessed so that the work can go on and the workers do not lose their jobs.

SHRI A.K. PANJA : I hope in the meantime another Ram Swarup will not intervene with me.

So far as whether it is under consideration or under active consideration, is concerned I would have used the usual phraseology 'being looked into', but I do not want to use that, the hon. Member being a senior member.

So far as the demand for import of raw sugar is concerned, the Government has decided not to do so. The reasons are that even though various sugar mills not mills not only in Maharashtra but from other States also made a representa-

tion, we made a calculation as to what would be the cost and what would be the price if the import takes place and, thereafter, what would be the end price. We found that import of raw sugar will not be convenient so far as the end users are concerned. (2) Immediately the import takes place a feeling comes in, a sense of feeling comes in in the minds of farmers not to grow. You will remember PL 480. Immediately PL 480 was stopped, activities started. Therefore, import means that the sensitive activity in the mind that they must grow and become self-sufficient goes out. That is why at this stage we have decided not to import any raw sugar.

So far as sugar cane growing is concerned, it is the responsibility of the State and therefore, it is for them, the State of Maharashtra or in fact any other State, to see that the proper command area of a particular sugar factory gets sufficient sugar-cane for the purpose of crushing. So far as the cooperative is concerned, no politics is involved. Definite policies we have stated on the floor of this Parliament, to encourage cooperatives so far as sugar production is concerned; secondly on the public sector and thirdly on the private sector.

PROF. MADHU DANDAVATE : Why not you use your good offices with the Maharashtra Chief Minister? Recently, he has gone from here only. You try to use your good offices so that the sugar-cane will be available and the workers do not lose their job.

SHRI A.K. PANJA : Prof. Dandavate knows the Chief Minister more than what I know.

MR. SPEAKER : You can use his good offices.

SHRI ASUTOSH LAW : Sir, since sugar is an essential commodity, obviously the demand is more. But unfortunately, we are not producing sufficient sugar to meet our demands. We are importing sugar from outside and wasting our foreign exchange. The hon. Minister has told us that these are sick mills. May I know from the hon. Minister

as to how many sugar mills are there in India and with this break-up how many are in cooperative sector; how many are in public sector, how many are in private sector and out of those sugar mills how many are sick now, not functioning well. I would also like to know as to what steps the State Governments have taken to make them viable and last but not the least, what is the position of the two sugar mills in West Bengal.

SHRI A.K. PANJA : The hon. Member has asked, in fact, four questions when you have allowed it as connected matter.

MR. SPEAKER : You select any good one. You have been given option.

SHRI A.K. PANJA : So far as the first question regarding the number, we find from our records that in the cooperative sector—whole of India—there are 193 sugar-mills; in the public sector there are 43 mills and in the private sector, there are 130 mills. Total as on date is 366. The details of which one is sick, as I said, no study has been made. But we have categorised some by saying that they are non-efficient. Out of that, we find 172 factories are 25 years old or more and 75 factories have capacities less than 1250 TCD. Of this 75 factories, cooperative sector is having 6, public sector 30, and the private sector 39. So far as the steps being taken are concerned, there are various steps. I cannot give all the details. It will take time. But the answer in short, is that soft-loan scheme is there. The scheme envisages expansion of the crushing capacity upto 1500 TCD; then, improvement of the thermal efficiency; installation of saving devices and then sugar development fund is there from where the applicants were given benefits, if they satisfy the parameters for the purpose of modernisation their factory and also growing sugar-cane. The third one is loans for sugar-cane development. These are the major points.

[Translation]

SHRI PRAKASH V. PATIL : As the sugar mills in the private sector in Maha-

rashtra do not have producer members on their management, they are not able to go in for production. The cooperative sector has demanded that such mills be run in the cooperative sector. What is Government's opinion about it ?

[English]

SHRI A.K. PANJA : Sir, taking over of factories does not solve the problem and that is why the new Act has been passed during 1985, and it came into operation on 8th January 1986 by which the management is sought to be taken over for the purpose of improving the efficiency i.e. old blood is changed and new blood is injected with people having good knowledge about sugar. Therefore, taking over of factories does not solve the problem.

[Translation]

Report of Committee appointed on Imposing Tax on Expenditure

*808. SHRI JAGDISH AWASTHI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received the report of the Committee appointed to go into the question of imposing tax on the basis of expenditure;

(b) if so, the details of recommendations made therein;

(c) if not, the time by which the report of the Committee is likely to be received; and

(d) the progress made by the Committee in its work so far ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir,

(b) Does not arise.

(c) The report is expected to be received by the 31st December, 1986.

(d) The Study Group has held several meetings since its formation. In order to elicit opinion from various groups on issues arising out of its terms of reference, the Study Group has sent a questionnaire to important organisations of business, industry, trade and profession and also to eminent economists, professional experts and academicians of the country and outside. The replies are awaited.

[Translation]

SHRI JAGDISH AWASTHI : Sir, the hon. Minister has stated that the report is expected to be received by 31st December, 1986. I would like to know who are the members of this Study Group and to how many persons the questionnaire has been sent and how many of them have returned it duly filled up ?

[English]

SHRI JANARDHANA POOJARY : The member of the Study Group are : (1) Dr. Raja J. Chelliah, Member, Planning Commission—Chairman ; (2) Dr. Amaresh Bagchi, Director, National Institute of Public Finance and Policy—Member ; (3) Shri C.K. Tikku, Member, CBDT, Department of Revenue—Member; (4) Prof. Pulin Nayak, Reader, Delhi School of Economics—Member ; (5) Shri P.A. Nair, President, Institute of Chartered Accountants of India—Member ; (6) Dr. C. Rangarajan—Member; (7) Shri Kanwaljeet Singh New Delhi—Member-Secretary. So far as the number of people who have replied to the questionnaire is concerned, we do not have the figures.

[Translation]

SHRI JAGDISH AWASTHI : Sir, I would also like to know from the hon. Minister how many sittings this Committee has held so far and where have they been held ? Besides, was the same questionnaire circulated to the M.Ps. and M.L.As also ? If not, whether it is proposed to circulate it to them also ?

[English]

SHRI JANARDHANA POOJARY : A number of meetings have been held.