

THE MINISTER OF WORKS AND HOUSING AND SUPPLY AND REHABILITATION (SHRI SIKANDAR BAKHT): 1806 applications were received as a result of this press note which was issued on 14th January 1977 and there were only 82 plots to be distributed.

SHRI MUKUNDA MANDAL: Whether the Government is considering to allot plots of land to the refugees who are still in camps and who are deserting from several camps of different provinces, and thus creating problems for the West Bengal Government. If so, what are the steps taken or are going to be taken?

SHRI SIKANDAR BAKHT: The eligibility for allotment of plots from this colony is that the displaced persons from former East Pakistan who were gainfully employed in the Union territory and had stayed for a specified period before 21st March 1966 after partition, are eligible. Those who come in this category of eligibility will be considered and have in fact, been considered.

Jeypore Sugar Co. Ltd.

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*1017. SHRI M. R. LAKSHMI-
- NARAYANAN;

SHRI A. V. P. ASAI-
THAMBI:

Will the Minister of AGRICULTURE AND IRRIGATION be pleased to state:

(a) whether it is a fact that the Management of the Jeypore Sugar Company Ltd; filed false returns under Sugar Control Order, 1966 punishable under Essential Commodities Act; and

(b) if so, whether the Ministry has sent any formal complaint to Central Bureau of Investigation for launching prosecution against the management of the Company?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI BHANU PRATAP SINGH): (a) and (b). A statement is placed on the Table of the Sabha.

Statement

Complaints were received regarding alleged diversion of of 12,000—15,000 quintals of fair price sugar to free sale by the Jeypore Sugar Company Limited, Changallu, Andhra Pradesh for the period January, 1972 to June, 1972 when the scheme of voluntary distribution of sugar was in operation. Under this scheme, which was evolved by the Government and sugar industry, in both joint stock and co-operative sectors, 63.5 per cent of the monthly release of sugar from the factories, was to be supplied to the nominees of the State Governments at an agreed price of Rs. 150/- per quintal for D-30 grade, excluding excise duty. During the said period of voluntary distribution the entire share of the factories in the monthly releases was released to them under the free sale orders and it was in the covering letter with which these orders were posted that the quantity of fair price sugar to be supplied to the nominees of the State Governments at the agreed price of Rs. 150/- per quintal was specified. This was because there was no statutory control on prices of sugar. This was betrol on prices of sugar. The diversion would amount to violation of the understanding arrived at with the sugar industry and also violation of statutory provisions for furnishing false information under the Sugar Control Order issued under the Essential Commodities Act, 1955.

2. Since the allegations of diversion of fair price sugar into free sale implied an evasion of payment of excise duty at higher rate, it was

primarily for Central Excise authorities to investigate and establish such a diversion with consequent evasion of excise duty and the matter was accordingly investigated by the concerned Central Excise authorities. According to these investigations which commenced in 1972 and were completed in October, 1974, the charges levelled against the Company were found to be not sustainable and as such all further proceedings in the case were dropped by them.

3. Subsequently the matter was taken up for review by the Central Board of Excise and Customs. The Department of Food had also independently referred the case to the CBI for investigation. The inquiry by CBEC has since been completed and on 6th January 1978 they have passed an order imposing a penalty of Rs. 6 lakhs on the Company. The results of this investigation have also been communicated to the CBI with reference to their inquiry which has not yet been completed.

SHRI M. R. LAKSHMINARAYANAN: The hon. Minister in his statement said that the Jeypore Sugar Company had sold 12000 to 15000 quintals of fair price sugar in free sale in the open market. He has admitted in his statement that diversion of fair price sugar to free sale would amount to violation of the understanding arrived at with the sugar industry and also violation of statutory provisions for furnishing false information under the sugar Control Order issued under the Essential Commodities Act, 1955. I would like to know: who are the complainants? Whether the State Government has also lodged any complaint in this behalf. Secondly when was the case referred to the CBI and why has there been delay in launching prosecution?

SHRI BHANU PRATAP SINGH: The original complainant was from one Dr. D. Subbarao from Hyderabad. On the receipt of the complaint

from him, enquiries were made from the State Government and enquiries revealed the fact that the sugar which should have been allotted for distribution for fair price was diverted for free sale.

As regards the question why there was so much delay—now, of course, the matter has been referred to the CBI—the earlier regime took the view this diversion of sugar was mainly a question of evasion of excise duty and, therefore, they did not take any other measure. In the first inquiry, the Excise authorities also exonerated the factory. But later on there was a review by the Central Board of Excise and Customs and they have levied a penalty of Rs. 6 lakhs on the factory. But even before the review was done, looking at the file, I found that there was something seriously wrong besides there being a case of evasion of excise duty. This factory has also been submitting wrong returns to the Government which itself is an offence and, therefore, I have referred the matter to the CBI.

SHRI M. R. LAKSHMINARAYANAN: Since it is clearly admitted that there was a violation of the Sugar Control Order punishable under the Essential Commodities Act, will the hon. Minister give an assurance to the House that the management of the company will be prosecuted as it is a serious economic offence by which the poor public was deprived of a large quantity of sugar at a fair price?

SHRI BHANU PRATAP SINGH: We are trying to bring out the facts. In fact, the matter has been referred to the CBI. On the basis of the investigation, further action will be taken.

SHRI JAGANNATH RAO: The statement says that the inquiry which was conducted earlier ended in 1974 and the company was found to be not guilty but, later on, a penalty of Rs.

6 lakhs was imposed on the company. May I know why this case has been referred to the CBI, whether it is for the same offence for which a penalty has been levied or there is any new offence which has come to light?

SHRI BHANU PRATAP SINGH: As I have said earlier, formerly, the view was taken that this was merely a question relating to the evasion of excise duty. But when the matter came to my notice, I found that the company was also guilty of submitting false returns to the Government. Therefore, I have sent the case to the CBI.

Agitation by F.C.I. employees from May, 1978

SHRI BHAGAT RAM.

*1024. **SHRI RAJ KESHAR SINGH:**

Will the Minister of AGRICULTURE AND IRRIGATION be pleased to state:

(a) whether 64000 employees of the FCI have decided to launch a work to rule agitation from 1st May, 1978, to press their demands for restoration of trade union rights;

b) whether a memorandum in this behalf was submitted to the Government and what are the main demands mentioned therein; and

(c) action taken or proposed to be taken to redress the grievances of the employees?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND IRRIGATION (SHRI BHANU PRATAP SINGH): (a) to (c). A statement is laid on the Table of the Sabha.

Statement

(a) to (c). The Food Corporation of India Employees Union and its affiliate body Bhartiya Khadya Nigam Karamchari Sangh (North Zone) had

given a notice to launch work-to-rule agitation in the North Zone from 1st May 1978 and throughout the country from 8th May 1978. Their main demands relate to restoration of trade union rights, reinstatement of employees terminated during Emergency, review of service conditions, improvement in house rent allowance, provision of better promotional avenues for Category-IV staff, payment of bonus etc.

A comprehensive revision of pay scales and service conditions of the employees of the Food Corporation of India were affected two years ago. Whenever any demands for further improvement in pay scales and service conditions are made, they are considered by the management of the FCI which is an autonomous Corporation and also by the Government if necessary. In regard to demand of the employees for better promotional avenues for Category-IV staff, the management of the Corporation feel that promotion quota having already been raised from 10 per cent to 20 per cent, any further increase would not be desirable. The demand for ex-gratia payment in lieu of bonus for the year 1975-76 has not been found acceptable in view of the likely repercussions on other similarly situated public sector undertakings. The scales of house rent allowance sanctioned for FCI employees are already much better than those admissible to Government servants and employees of several other public sector undertakings. So far as the demand relating to restoration of trade union rights is concerned, Labour Ministry have already started the process of verification of membership which is necessary for according *de jure* recognition. Meanwhile, the management is already having *de facto* dealings with the Unions on an informal basis. The services of about 75 employees were terminated during the Emergency. These cases have been reviewed by the Corporation and