

### Prices of Imported Sugar

1818. SHRI VIRENDRA VERMA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that on 13th June, 1989, the former Prime Minister had announced to import 5 lakh tonnes of sugar, if so, what was the prices of sugar prevailing then in the international market;

(b) whether it is also a fact that sugar was actually imported in October/November, 1989; if so, what was the prices of sugar then in the international market stating the reasons for purchasing sugar at a higher price ;

(c) what are the names of the firms which offered to supply sugar; whether these firms are registered with STC, the names of the firms on whom orders for the supply of sugar were placed, the number of times exten-

sions were given alongwith the period of extensions for the supply of sugar ; and

(d) what action has been taken by Government for failure to supply sugar and to contain the prices of sugar during the said period ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI RAM PUJAN PATEL) : (a) The representatives of the sugar industry had met the then Prime Minister on 13th June, 1989 to impress upon him the need for import of 5 lakh tonnes of sugar. However, there is nothing on record to indicate any commitment/announcement made by the then Prime Minister in this regard

(b) Yes, Sir. The international prices of sugar on the dates on which each of the contracts were signed were as under as per London Daily Prices :—

Date of signing the contract

London Daily Prices  
FOB Europe and  
Ports US\$ per Metric  
Tonne

22-9-1989	428.0
25-9-1989	433.0
6-10-1989	407.0

For working out CIF price ex-Indian Ports, approximately US\$ 50—55 Per Metric Tonne would need to be added towards freight and insurance. The Valid tender offers were higher than the ruling prices in the International Market. This was apparently because of a tight schedule prescribed, allowing much shorter time than usual and the insistence on vessels arriving at Indian Ports by prescribed dates due to imperative need of imported sugar being available immediately.

(c) The names of the firms which offered the supply of sugar during

the tender enquiries received on 15-9-1989 and 5-10-1989 are given in the enclosed statement-I (See below) Names of the firms on whom orders for supply of sugar were placed are given in the enclosed statement-II (See below) A quantity of 99,550 tonnes of imported sugar was accepted beyond stipulated date of 20th October, 1989 and upto 9-11-1989

(d) Two contracts were cancelled one for failure to furnish Performance Guarantee in foreign exchange and the second for failure to supply imported sugar in time and

Food Corporation of India was advised to forfeit the Bid Bond/Performance Bank Guarantee. In both the cases firms have filed suits in Delhi High Court and the matter is *Sub-Judice*.

Government had taken various measures to check the rising trend of sugar prices and maintain the adequate availability at reasonable prices during October-November, 1989. The details of the measures taken are given in the enclosed statement-III (*See below*).

#### Statement-I

#### NAMES OF FIRMS WHO TENDERED IN THE TENDER ENQUIRY ON 15TH SEPTEMBER, 1989

##### *FIRMS REGISTERED WITH STC*

- | Sl. No. | Name of this party                      |
|---------|---|
| 1       | M/s. Gill & Duffus Geneva               |
| 2       | M/s. Rionda (London) Ltd., London       |
| 3       | M/s. Jean Lion Et. Cie. Paris           |
| 4       | M/s. S.A. Sucre Export, Belgium         |
| 5       | M/s. E.D. & F. (Man) London             |
| 6       | M/s. Anglo Chemical Commodities, London |
| 7       | M/s. Sucden Kerry International, Paris  |

##### *FIRMS NOT REGISTERED WITH STC.*

- 1 M/s. Teacapet Ltd., London
- 2 M/s. Kapoor & Son, New Delhi
- 3 M/s. Beta Export Pvt. Ltd.,
- 4 M/s. Nitu (U.K.) Ltd., U.K.
- 5 M/s. Hascombe Ltd., Hongkong
- 6 M/s. JDK International, New Delhi
- 7 M/s. New Republic/USA Financial Group
- 8 M/s. Bass International Trading Corporation
- 9 M/s. Sunwah Oil & Cereal (China) Ltd., Hongkong
- 10 M/s. Sicol International, Singapore
- 11 M/s. Casole Traders, London

#### *NAMES OF FIRMS WHO TENDERED IN THE TENDER ENQUIRY ON 5TH OCTOBER, 1989.*

##### *FIRMS REGISTERED WITH STC*

- 1 M/s. Rionda (London) Ltd., London
- 2 M/s. E.D. & F. (Man), London
- 3 M/s. Sucden Kerry International, Paris
- 4 M/s. C. Czarnikow Ltd., London

**FIRMS NOT REGISTERED WITH STC**

- 1 M/s. Habib Ali Awachi & Co. Bahrain
- 2 M/s. Binalden KML International Co. Ltd.,
- 3 M/s. Nitu (UK) Ltd., U.K.
- 4 M/s. Alpha Alkhalij
- 5 M/s. Sunwah Oil & Cereal (China) Ltd., Hongkong
- 6 M/s. Sunval Export, New Delhi
- 7 M/s. Ruaj SA (A part of Latin American cartel)
- 8 M/s. Handa International
- 9 M/s. Himgiri Ltd., Birmingham
- 10 M/s. Longbow Ltd., Hongkong
- 11 M/s. S&T Diamonds Ltd., Los Angeles

**Statement II**

**NAME OF FIRMS ON WHOM ORDERS FOR SUPPLY OF SUGAR WERE PLACED,  
LIST OF CONTRACTS CONCLUDED FOR IMPORT OF SUGAR**

**FIRMS REGISTERED WITH STC****5. No. Name of the party**

- 1 M/s. Anglo Chemicals Ltd., London
- 2 M/s. Rionda (London) Ltd., London
- 3 M/s. Sucden Kerry International, Paris
- 4 M/s. Gill & Duffus, Geneva
- 5 M/s. S.A. Siecs Export, Belgium
- 6 M/s. Jean Lion Et. Cie., Paris

**FIRMS NOT REGISTERED WITH STC**

- 1 M/s. S. & T. Diamonds Inc. Los Angeles\*.
- 2 M/s. Arosan Enterpriser Ltd., Ontario\*

\*Supply did not materialise, contracts since canceled.

**Statement-III**

*Steps taken to control rise in  
prices of sugar*

1. The weekly restrictions on sale and despatch of sugar by sugar factories (minimum 20% in each week of the total monthly quota) were reimposed from May, 1989

2. The khandsari manufacturers were directed to declare their stocks as on 7th May, 1989 within a period of 5 days, and to sell at least

25% of their opening stock during May, 89 and 30% for each of the subsequent month from June to September, 1989 during the respective months

3. The stock holding limits of sugar with the licenced dealers were reduced from 500 qtls. to 250 qtls. in cities and towns with a population of one lakh or more, and from 250 qtls to 125 qtls. in towns having a population less than one lakh. The turn-over period of stocks was also reduced to 7 days from 10 days

In respect of khandsari dealers, the stock holding limits were reduced from 500 to 250 qtls. in the country.

4 State Governments were advised to undertake intensive de-hoarding operations, and ensure the enforcement of various regulatory controls applicable to dealers of sugar, khandsari and gur.

5 Governments of Uttar Pradesh, Bihar and West Bengal were asked to check smuggling, if any, of sugar, gur and khandsari to Nepal and Bangladesh.

6 Restrictions were imposed on sale of sugar by one wholesaler to another wholesaler within the same city or urban area in the State of Punjab, Haryana, Uttar Pradesh, Bihar, Andhra Pradesh, Tamil Nadu, Karnataka, Gujrat, Maharashtra and Union Territory of Delhi.

7 State Governments were advised to ensure that sugar factories located in their State comply with the sale and despatch provisions and ensure sale of entire quantity within the validity period.

8 All the sugar factories were advised to enter details of sale of sugar in the name of the first buyer to avoid any paper transactions.

9. Union Food Secretary addressed Food & Civil Supplies Secretaries of all the States/Union Territories on 7-9-89 requesting them to make suitable arrangements for expeditious lifting of levy sugar against the quotas for the months of September and October, 1989 and its timely supply through PDS in the respective States. Effective monitoring of the arrival and distribution of levy sugar through State Civil Supplies authorities and intensive checking of the Fair Price Shops to prevent diversion of levy sugar to the free sale

market was also emphasised. A deterrent action against defaulting Fair Price Shop owners had also been advised.

10. **VOLUNTARY PRICE CONTROL SCHEME** :—Under the scheme mills agreed for supplying free sale sugar at ex-factory price of Rs 775/- per quintal excluding Excise duty of Rs 54.00 and Cess of Rs 14.00 per quintal. The scheme was operative for the period from 23-9-1989 to 30-11-1989.

11 **HIGHER RELEASES** : 5 lakh tonnes more free sale sugar had been released in 1988-89 (61.15 lakh tonnes) as compared to 1987-88. For October, 1989 highest ever release of 10.32 lakh tonnes was made:

3.32—normal monthly levy quota  
1.00—Special festival quota  
6.00—Free sale quota

10.32

### National Wage Price Policy

1819. **SHRI S. MADHAVAN**: Will the Minister of LABOUR be pleased to state whether Government propose to frame a National Wage Price Policy so that the disparity in wages for the same work is removed and the price differences eliminated?

**THE MINISTER OF LABOUR AND WELFARE (SHRI RAM VILAS PASWAN)**: There is no proposal at present for framing a National Wage Price Policy.

### Shortage of Fire Fighting Staff with CPWD

1820. **DR. RATNAKAR PANDEY**: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether Government are aware that there is shortage of fire fighting staff, and fire fighting jeep drivers in the fire unit of CPWD;