

RAJYA SABHA

Vednesday, the 1st August, 1984/10
 Sravana, 1906 (Saka)

The House met at eleven of the clock. **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

*141. [The questioner (Shri Shrikant Verma) was absent. For answer vide, col. 37-38 infra]

*142. [The questioner (Shri Satya Prakash Malaviya) was absent. For answer vide col. 39-40 infra]

Time Limit for giving incentives to new Sugar Factories

*143. **DR. (SHRIMATI) NAJMA HEPTULLA:** Will the Minister of **FOOD AND CIVIL SUPPLIES** be pleased to state:

(a, whether a new sugar factory becomes entitled for incentives on its commencing production within a period of 39 months from the date of issue of letter of intent;

(b) whether Government are aware of the hardships being faced by some promoters of new factories who are unable to adhere to this time schedule; and

(c) whether Government propose to enhance the period of 39 months; if so, by when; and

(d) if not, what are the reasons therefor?

THE DEPUTY MINISTER IN THE DEPARTMENT OF ELECTRONICS AND IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI M. S. SANJEEVI RAO): (a) and (b) 842 RS—1.

Yes, Sir, provided it also fulfils other conditions of the incentive scheme.

(c) Normally, projects can be completed within two years from the date of licence. Government had allowed a time limit of 39 months, as a liberal measure. However, as a special case Government has decided to extend the period of 39 months marginally in deserving cases after examining the merits of each case.

(d) Does not arise.

DR. (SHRIMATI) NAJMA HEPTULLA: Sir, I would like to ask the hon. Minister if they have made a policy of not allowing a licence for a sugar factory in an area where there are three or more sugar factories. And the new licensing policy is restricted to the backward areas. It becomes very difficult in the backward areas to collect a share capital of Rs. 1 crore due to so many constraints. The farmers cannot do it. Secondly, the sugar factories are only in the cooperative sector. Big industrialists are not allowed to put up factories for which we congratulate the Government. But I feel that in these conditions, 39 months are not enough time. So why should the Government not listen to our demand or the demand of those people to relax the time limit?

SHRI BHAGWAT JHA AZAD: Sir, there are no such restrictions about three and more. Government feels that a sugar factory is an important rural growth centre, round which development of rural areas comes up fast. Therefore, naturally, Sir, on the demand of the hon. Members themselves, it is looked into before giving licence—the areas which have not got sugar factories so far and have got the potentially of sugarcane. Subject to technical viability, feasibility, we do consider such cases—where there are more factories and where there is none—and keeping in view the growth centre question, we do give some preference. That

also we have done. Only this year, the last year of the Sixth Five Year Plan, for example in Maharashtra itself, from where the hon. lady Member comes I hope she will support the Government when I say this—we have given some sugar factories to areas like Marathwada and Vidarbha. They should get priority where there are no sugar factories at all but where the potential of sugarcane is there. But there are no hard and fast restrictions. The Government does keep in consideration such things which go a long way in developing an area. That is the policy of the Government at present.

DR. (SHRIMATI) NAJMA HEP-TULLA: This is what exactly I had put in the preamble of my question, that we are appreciating the Government's concern to give licences for the backward areas, specially in Maharashtra in the Vidarbha and Marathwada areas where there is potentially of growing sugarcane. These areas are backward, as I said in my first question, backward in all respects. The people are poor. So it is difficult to collect the share capital money of Rs. 1 crore to put up a sugar factory. Secondly, there are not enough irrigation schemes. I know that the hon. Minister must be knowing very well that sugarcane requires a lot of irrigation. Now, first of all, there are not enough irrigation schemes and whatever irrigation schemes are being executed are behind schedule. So all these constraints are there for those people to collect money. So why don't you look into the matter of individual cases separately, like "show me the man, I will show you the rule"?

SHRI BHAGWAT JHA AZAD: The letter of intent that is given for setting up a sugar factory prescribed 24 months by which time they should establish the factory. Precisely for the reason that the honourable Member has just now said, that we should look into the difficulty of the sugar

factory like arranging the plant and machinery, like erecting the plant and equipment, like motivating the loan, and also raising the share capital etc. we have increased it from 24 months to 39 months, and recently, keeping this in view the Cabinet decided that we will consider—as the honourable Member asked, why don't you consider individual cases separately—individual cases separately; if in spite of all that they do not come, another three months may be allowed. So, that is the cut-off period.

SHRI VITHALRAO MADHAVRAO JADHAV: Marathwada and Vidarbha areas are known as the most backward areas. He has given priority for sanctioning licences to such areas. I would like to ask a specific question: What is the number of co-operative sugar factory proposals from Maharashtra pending for clearance of licences? When will the licences be cleared and when is the Screening Committee meeting going to take place to consider the licences? We want this answer because it is very important...

MR. CHAIRMAN: Every question is important.

SHRI VITHALRAO MADHAVRAO JADHAV: So many projects are lying with the Central Government for clearance of licence. So this should be made clear...

MR. CHAIRMAN: You have said it already. How many times will you repeat the same thing?

SHRI BHAGWAT JHA AZAD: We regularly hold meeting of the Screening Committee. From the State Governments as and when recommendations come, if there are certain more inquiries to be made, all necessary things are done. We cannot say that the time-limit that is given hard and fast. But normally we have no backlog with us as a result of giving some preference. As I have said in my previous answer, in the backward

areas we referred back such cases to the State Governments and where there are many more sugar factories we asked the State Governments to recommend keeping in view the assessment of the State—would they like to give preference to the backward areas? So, we had to refer back the projects to the State Governments after doing what we could do. At this moment I cannot say how many are received or how many are pending from each State. I can only concentrate on the question of incentive. If the honourable Member wants any information, I can certainly give him but..

MR. CHAIRMAN: He is asking if there is any special delay. . .

SHRI BHAGWAT JHA AZAD: I will take note of it. . .

SHRI VITHALRAO MADHAVRAO JADHV: I wanted to know when the last meeting was held and when the next meeting is going to be held.

SHRI BHAGWAT JHA AZAD: As a Minister I do not keep the dates of meeting with me. The Screening Committee holds meeting very often. If the honourable Member wants I shall try to give that detail. I will try my best. Just now I have been informed that the last meeting was held a week before, on or about the 23rd.

MR. CHAIRMAN: A week is not too long

SHRI VEERSHETTY MOGLAPPA KUSHNOOR: In the State of Karnataka out of nine application only one application has been cleared. In regard to others, in spite of the State having said that those are no-industry districts, not a single application from the no-industry districts has been considered so far. I may quote one particular case—Arkavathi in Bangalore district—where their application has not been considered whereas in other States six to seven licences have been issued till the last meeting. After is-

suing the letter of intent, the particular factories will have to approach the financial institutions and those financial institutions are taking sometimes one year or one and a half year, and even after these 1½ years they are not sanctioning loans. In some cases after placing orders for machinery, the machinery suppliers are also not adhering to the schedules. In such cases I would like to know whether the Government is going to relax and change this 39 months' period by another few months so that the factories can get the benefit of the licence.

MR. CHAIRMAN: I think they will never come up. they will never come into being.

SHRI VEERSHETTY MOGLAPPA KUSHNOOR: It is the fault of the financial institutions.

MR. CHAIRMAN: Then, Mr. Minister, why don't you make it ten years? I do not know, these questions may not be ranked as important.

SHRI VEERSHETTY MOGLAPPA KUSHNOOR: About Karnataka he can reply.

MR. CHAIRMAN: He will look into it.

SHRI JAGESH DESAI: The Minister said about regions where there are no sugarcane crops. But there are areas where there are potentials of sugarcane crops. They should be given licences for establishing factories.

MR. CHAIRMAN: That is what he said.

SHRI JAGESH DESAI: I would like to know whether the Government wants these units to be viable or not. For purposes of recovery Vidarbha and Marathwada may have a different standard. For levy price sugar if they are not given the price according

to the yield, the factories will not be viable. Maharashtra Government have sent proposals for different zones. There are three zones, Vidharbha, Marathwada and rest of Maharashtra. Will the Government will consider these proposals?

SHRI BHAGWAT JHA AZAD:

This question does not permit a debate on the entire sugar policy or the zoning policy. These do not arise out of this question. As regards zones, there are 16 zones in the country. When I referred that case to BICD they put it at eight. The entire question for considering the levy price and zones is with them. They have to recommend and after that I will go into it.

*144. [The questioner (Shri Jagdish Jani) was absent for answer vide col. 40 *infra*].

Enactment of model flood law

*145. **SHRI KAILASH PATI MISHRA:** Will the Minister of IRRIGATION be pleased to state:

(a) what are the losses accrued due to floods in each of the last three years; and

(b) whether enactment of a model flood law was suggested to States in 1974 if so, what are the names of States where it has been enacted?

THE MINISTER OF STATE IN THE MINISTRY OF IRRIGATION (SHRI RAM NIWAS MIRDHA): (a) On the basis of the information given by State Governments a statement showing losses due to floods in the country during 1981, 1982 and 1983 is enclosed.

(b) The Central Government had circulated to the States in July 1975 a Model Flood Plain Zoning Bill for enactment by the State Legislature. So far only the State of Manipur has enacted the Legislation.

Statement

Flood-losses in the country during 1981, 1982 and 1983

| | 1981 | 1982 | 1983 |
|--|---------|---------|---------|
| 1 Area affected (in lakh ha.) | 57.3 | 281.1 | 153.2 |
| 2 Damage to crops:— | | | |
| (a) Area in lakh ha. | 32.2 | 56.8 | 76.2 |
| (b) Value in Rs. crores | 497.95 | 589.39 | 1279.92 |
| 3 Damage to houses— | | | |
| (a) Nos. | 718163 | 3216365 | 2290884 |
| (b) Value in Rs. crores | 139.49 | 383.86 | 306.61 |
| 4 Cattle lost Nos. | 45588 | 258218 | 153086 |
| 5 Human Lives lost Nos. | 1033 | 1818 | 3275 |
| 6 Damage to public utilities in Rs. crores | 494.86 | 740.65 | 873.42 |
| 7 Total damage to crops, houses & Public utilities in Rs. crores | 1132.31 | 1713.92 | 2459.9 |