

[Shri Rajendra Pratap Sinha.] not been heeded to and I think that unless that is done this industry will go to the south from U.P. and Bihar. There is no way out of it because as the figures show the natural conditions in the south are far better than in the north. So long as this industry exists in the North, you have to see that by governmental policies, price policies and otherwise, they are not hard hit. Now, certain figures were shown to us and they were also quoted on the floor of this House to show that the price fixed by the Government had adversely affected the cane-growers and the mills in South Bihar, Eastern U.P. particularly and in Punjab. I do not exactly remember but I understand from the Indian Sugar Mills Association that the loss will be about Rs. 5.50 nP or Rs. 5.80 nP. or something like that per maund so far as the South Bihar sugar mills are concerned. The loss is about Rs. 1.50 nP. or Rs. 1.75 nP. per maund so far as Eastern U.P. is concerned. In the case of Western U.P. I understand that at the present prices, there will be no loss and no profit, whereas the price fixation gives a particular advantage to the factories in the southern region, in the western region, Maharashtra and other places. It is very difficult for me to go into the details as to how some regions are going to be badly affected, while some other regions are going to profit by such a policy of price fixation. It is my intention to draw the attention of the Government to the fact that some of us are greatly perturbed by the price fixation. The ex-mill price of sugar should be so fixed that the fortunes of the industry in South Bihar, Eastern U.P. and Punjab shall not be adversely affected. The Government should examine and give such relief as may be necessary so that the industry in these areas, which is dying a natural death more or less because of the low production per acre, may not get a further kick from the Government. It is not only the question of the factories in these regions. We have also to look into this question from the angle of the large number of cane-growers of this

region, *i.e.*, South Bihar, Eastern U.P. and Punjab. In a planned economy we have to see that no sector of the economy suffers by our price policy. If what has been stated by the sugar mills is correct, if the Government And them to be correct they need immediate consideration, so that not only the fortunes of the mills but also a large number of cane-growers are not adversely affected. If such a price is not fixed, it will further aggravate the situation in the next crushing season. Nobody would cultivate cane and the production of sugar will go down further. What will happen is this. The process of diversion of production of sugarcane to the South from the North will be accelerated. Well, if that is the intention, I have no quarrel because on economic grounds it has been revealed that in the southern region the yield per acre is far better. If that is the considered policy of the Government, then it must be properly done, announced in a proper manner, done in a planned manner. The shifting of an industry from one region to another should be in a planned manner in the national interest. But if that is not the policy and if you want the industry and the cane-growers in South Bihar, Eastern U.P. and Punjab to continue to grow cane and to make sugar, then, by our price policy we should not make them suffer. And more particularly for the coming crushing season I would urge very strongly upon the Government to examine this issue and I also voice *my* feeling—if my voice could reach the Governments of U.P., Bihar and Punjab—that they should be more alive to this problem. Otherwise, the fortunes not only of the mills, but also of a large number of cane-growers, will be adversely affected and they will come to a very miserable plight.

**STATEMENT *RE* REPORT OF THE
ATTORNEY-GENERAL AND A RE-
TIRED HIGH COURT JUDGE ON
VIVIAN BOSE INQUIRY COM-
MISSION'S REPORT**

THE VICE-CHAIRMAN •(SHRIMATI
JAHANARA JAIPAL SINGH): Shri

Kanungo will make a statement.

THE MINISTER OF INDUSTRY IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI N. KANTINGO): Madam, I rise to make a statement on the Report of Shri C. K. Daphtary, the Attorney-General, and Shri A.V. Visvanatha Sastri, a retired Judge of the Madras High Court, on certain aspects of the Report of the Commission of Inquiry appointed by Government some time ago to go into the affairs of several companies in the Dalmia-Jain group.

The House will remember that after a study of the Report, Government referred it to these two eminent lawyers to consider the Report and to advise Government as to the steps that could be taken in pursuance of the findings of the Commission. Their final report was received by Government on the 25th April, 1963. The Government have now examined their Report and are considering suitable action on the suggestions and recommendations contained in it.

The Report of Sarvashri Daphtary and Sastri consists of two parts. Part I deals with the various irregularities and malpractices which were commented upon by the Vivian Bose Commission and what further appropriate legal action could be taken by Government in respect of them. The Committee has recommended that further investigation into some of these transactions should be undertaken by Government before any further legal action in respect of them could be taken. The House will appreciate that it will not be desirable in the public interest to place this part of the Report before the House as it contains an analysis of the evidence in respect of these transactions and its disclosure might prejudice any further proceedings in a court of law which Government might decide to initiate.

Part H of the Report deals with the amendment and administration of the Companies Act and is being laid on the Table of the House. It may be

mentioned, in this connection, that on the basis of the recommendations and suggestions contained in the Vivian Bose Report, the Department of Company Law Administration has already formulated tentative proposals for amendment of the Companies Act. The recommendations now made by Sarvashri Daphtary and Sastri will be further considered by the Department and a Bill to amend the Companies Act will be brought before the House in due course.

SHRI G. MURAHARI (Uttar Pradesh) : Are we to take that the Report submitted by the Vivian Bose Inquiry Commission is going to be discussed?

SHRI N. KANUNGO: Yes.

SHRI G. MURAHARI: When?

SHRI N. KANUNGO: The Business Advisory Committee will fix or set the date. I do not know about it.

MOTION *RE* REPORT OF THE INDIAN CENTRAL SUGARCANE COMMITTEE— *continued*

SHRI M. R. SHERVANI: Madam, sugarcane is one of the most important crops of the country. It is unique in two ways. It is the backbone of the farmers of India due to its various qualities such as being more resistant to disease, drought, flood and needing very little care after sowing. In fact, a second crop can be obtained out of the roots of the first crop without much labour or effort. It is mainly due to these reasons that one finds in the remotest villages of India, which are far away from sugar factories or from khand-sari manufacturing units, that sugarcane is grown almost in every village. If, for instance, there are floods and water remains in a field of wheat too long, there is total destruction. But even if there is knee-deep water in a field of sugarcane, even for two or