

SANGMA: (a) A quantity of 5 lakh MTs of sugar has been contracted for import in the period April to August, 1985.

(b) The international price of sugar has been declining since February, 1985 and is presently ruling at US \$ 130-135 per metric tonne FOB West European Ports.

(c) Export and import of sugar in 1984-85 have been as under :

	<i>Qty. in Lakh Mts.</i>	<i>Value in Rs. crores</i>
Export	1.54	35.84 FOB
Import	4.96	113.50 CIF

(d) An amount of Rs. 34.48 crores was released to STC as reimbursement of losses on export of sugar during 1984-85. A sum of Rs. 1.87 crores was released as reimbursement of losses on import of sugar during 1984-85.

(e) The export was undertaken in partial fulfilment of International Agreement. Import had to be arranged for ensuring domestic availability and checking price rise.

[Translation]

Production and Export of Opium

4611. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of FINANCE be pleased to state :

(a) the quantum of opium produced during the last three years;

(b) the names of the countries to which exported; and

(c) the total amount of foreign exchange earned, year-wise details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The quantum of opium produced during the last three years is as follows :

Crop year	Quantity at 90°C (in tonnes)
1981-82	935
1982-83	997
1983-84	447

(b) Opium was exported to the U.S.A., the U.K., the U.S.S.R., Japan, France, Bangladesh, Taiwan, Portugal, Holland, Norway, F.R.G. and Italy.

(c) The year-wise break-up of foreign exchange earned is given below :

Year	Foreign Exchange earned (in rupees)
1981-82	21,69,02,491
1982-83	27,77,64,121
1983-84*	22,73,31,000
Total	72,19.97,612

*(Figures for 1983-84 are provisional)

[English]

Guidelines for Ensuring greater discipline in Public Sector Projects

4613. PROF. M. R. HALDAR : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has issued guidelines for ensuring greater discipline in project formulation and appraisal in the public sector projects;

(b) if so, the details thereof ?

(c) the guidelines for the time taken for clearing such proposals and/or to prevent escalation in the project costs by eliminating delays; and

(d) the steps taken/proposed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) (c) and (d). The main points covered in the guidelines for tightening the discipline in formulation and appraisal of project proposals, issued in August, 1984 and March, 1985 were :

- (i) Only projects with a financial and economic rates of return exceeding 12% are to be posed to Public Investment Board. Economic rate of return is computed after excluding taxes and duties, adopting a premium of 25% on foreign exchange and assuming shadow price for energy, transport, etc. If either the financial rate of return or economic rate of return falls short of 12%, the reasons for taking up such projects should be gone into in depth.
- (ii) All proposals for consideration of Public Investment Board should contain a calculation of "Domestic Resources Cost" of saving foreign exchange.
- (iii) In order to bring out the impact of delays in implementation and cost over-runs on the viability of a proposed project, the appraisal report of the project, should show how the viability of the projects will be affected by different levels of time and cost over runs; in respect of undertakings with past record of implementing projects, the "average" delay noticed in the implementation of the projects should be taken into account for the above exercise.
- (iv) It was noticed that Feasibility Reports contained inadequate information for taking investment decisions leading to subsequent cost and time over-runs. It has, therefore, been decided that project approvals should in future be given in two stages. In the first stage, clearance for preparation for Feasibility Reports being given by a Committee of the Public Investment Board, which will also authorise necessary expenditure for preliminary activities related to

preparation of Detailed Feasibility Report. In the Second stage, the Public Investment Board will consider and take investment decisions about projects based on detailed feasibility reports. The delegation of financial powers of the administrative Ministries to incur expenditure on the preparation of Feasibility Reports has been increased to Rs. 20 lakhs on projects costing not more than Rs. 20 crores from the existing level of Rs. 5 lakhs.

- (v) In the normal course, the proposals from the administrative Ministries would be brought before the Public Investment Board for its consideration in about four to six weeks from the date of receipt of the Memorandum so as to allow sufficient time to the appraising agencies to forward their comments. In order to reduce the time taken for clearing proposals it has been decided to dispense with consideration of proposals for first stage clearance in inter-Ministerial meetings.

[Translation]

Quantity of Gold Seized by Customs Department

4614. SHRI HARISH RAWAT; Will the Minister of FINANCE be pleased to state :

(a) the quantity of smuggled gold seized by the Customs Department in the country during the years 1982-83 and 1983-84;

(b) the quantity of gold seized by the Customs Department during the year 1984-85;

(c) the reasons for which the gold seized was less in quantity during the years 1982-83 and 1983-84 and the reasons for spurt in the smuggling of gold during the year 1984-85; and

(d) the details of measures proposed to be taken by Government to check smuggling of gold keeping in view the reports of large quantity of gold being smuggled into the country ?