

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PROGRAMME IMPLEMENTATION (SHRI BHAGEY GOBARDHAN): (a) The study conducted by the Standing Conference of public Enterprises (SCOPE) does not indicate any serious lack of accountability on the part of the Government Directors of Central public Enterprises, but points out that there is a need for improvement in the system.

(b) and (c). This study has suggested certain measures to obtain desirable objectives and most of these have already been covered by the study conducted by the Economic Administration Reforms Commission (EARC) in the early eighties. Government have accepted the EARC recommendations and the Govt. Directors have been apprised of those.

Criteria for Public Investment in Public Sector Undertakings

3997. SHRI K. S. RAO: Will the PRIME MINISTER be pleased to state:

(a) whether the working group headed by the former SAIL Chairman has suggested new criteria for public investment in Public Sector Undertakings during the Eighth Five Year Plan;

(b) if so, the details of the new criteria suggested for public investment; and

(c) Government's reaction to the suggestions?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PROGRAMME IMPLEMENTATION (SHRI BHAGEY GOBARDHAN): (a) and (b). As part of the exercise initiated by the Planning Commission for formulating the Eighth Plan, a Working Group had been set up on the

management of Public Enterprises. This working Group was headed by Shri V. Krishnamurthy, formerly Chairman, Steel Authority of India Limited. In its report, the Working Group has, *inter alia*, recommended the following criteria for new public investment:

- (i) that such investment is really necessary on grounds of policy or strategy;
- (ii) that the draft on Government's budget is minimal;
- (iii) that the internal rate of return is good and not just marginal. where a low-return investment is approved, the economic price to be paid for securing the relevant objectives should be clearly recognised;
- (iv) that public investment need not mean total ownership by Government; and
- (v) that the cost of import substitution should be carefully considered. The question of 'make' or 'buy' should be examined in each case, but with due regard to the full economic implications of either alternative.

(c) The strategies for investment in the Eighth Plan are being formulated. The recommendations of this Working Group will be kept in view while finalizing the details of the Plan.

[Translation]

Smuggling of Tendu Leaves

3998. SHRI SIMON MARANDI: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state: