

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 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). The quantity of gold seized under the Customs Act during the years 1982-83, 1983-84 and 1984-85 is furnished below :

Year	Quantity (in Kgs.)
1982-83	748
1983-84	331
1984-85	1,117 (provisional)

(c) Due to various factors like demand and supply, profitability of a particular commodity, relative profitability between various commodities sensitive to smuggling. The trends of smuggling and consequently, the extent of seizure tend to vary from time to time. The profitability in the smuggling of gold, which had declined in 1983, rose in 1984-85.

(d) The drive against smuggling has been intensified. The preventive and intelligence machinery of the Customs Department has been reinforced in vulnerable areas in terms of man-power and equipment. In addition, appropriate anti-smuggling measures, both short-term and long-term, are taken in close co-ordination with the concerned Central and State Government authorities. The trends in smuggling of various commodities, including gold, are also kept under constant review for appropriate action.

[English]

**Unauthorised Sale of Imported Cement during 1984**

4615. DR. G. VIJAYA RAMA RAO :  
SHRI SITARAM J. GAVALI :  
SHRI M. RAGHUMA REDDY :  
SHRI THAMPAN THOMAS :

Will the Minister of COMMERCE be pleased to state :

(a) whether a racket of unauthorised sale of imported cement worth about fifteen crores was unearthed during 1984 conspiring to cheat the Chief Controller of Imports and Exports;

(b) if so, whether any inquiry has since been conducted in the matter; and

(c) if so, the outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) to (c). An allegation that cement imported by STC, Sikkim against import licence issued for Rs. 14,99,70,586/- and sold in contravention of the conditions of the import licence, is still under investigation by the CBI.

**Payment of Wages to Textile Workers for Holiday on Polling Day**

4616. SHRI VIJAY KUMAR MISHRA : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether it is a fact that in some textile mills in States, the polling day of 24th December, 1984 was declared as holiday;

(b) if so, whether it is a fact that most of the mills which declared this day as holiday with pay have not paid wages for that day;

(c) if so, the details thereof; and

(d) steps taken for the payment of wages for that day ?

THE MINISTER OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) : (a) to (d). Information is being collected and will be laid on the Table of the House.

**Tenders Invited by B. C. C. L. for the Work 'Range of Water Supply Mains, to Karmik Bhavan'**

4619. PROF. MAMHU DANDAVATE : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the Bharat Coking Coal Limited had invited tenders for the work 'Range of Water Supply Mains to Karmik Bhavan';

(b) the name of the company to whom the work was entrusted;

(c) whether the company has completed the work;