

The export performance position in respect of important State Trading Agencies (under the Administration Control of this Ministry) for the years 1975-76, 1976-77 and 1977-78 is shown below :—

(Rs. Crores)

Agencies	1975-76	1976-77	1977-78 (Provisional)
State Trading Corporation	760.14	665.60	557.26
Subsidiaries of State Trading Corporation—			
(i) The Handicrafts and Handloom Export Corporation of India, Ltd.	32.56	43.54	57.88
(ii) State Chemicals and Pharmaceuticals Corporation of India, Ltd.	6.29	7.16
(iii) Project and Equipment Corporation of India, Ltd.	28.59	40.14	32.77
(iv) Cashew Corporation of India	1.57	3.59	3.90
The Minerals and Metals Trading Corporation of India, Ltd.	168.00	199.00	203.00
The Mica Trading Corporation of India Ltd.	—	17.69	18.75

(b) and (c) The growth of India's overall exports during 1977-78 was influenced by a combination of factors both external and domestic viz. growing trends towards protectionism in the developed countries, continued recessionary situation in the world economy, fluctuations in dollar value and in the case of certain mass consumption items Government's deliberate policy to regulate their exports in the interest of domestic requirements. The growth of exports in respect of ore, by M.M.T.C. was adversely affected due to recession in world steel industry—particularly in the major ore importing country of Japan. To an extent the exports by S.T.C. were influenced by Government's deliberate policy to regulate exports of mass consumption items such as sugar, cement, salt and rice to ensure adequate availability in the domestic market.

1449. [Transferred to the 10th August, 1978]

Examination of the Estimates of Different projects of the Public Sector Undertaking^

1450. SHRI R. R. MORARKA: Will the Minister of FINANCE be pleased to state;

(a) whether there is any machinery in his Ministry to examine the estimates of different projects/schemes in the public sector undertakings;

(b) what is the nature of control his Ministry exercises over the costs and for ensuring timely completion of these projects; and

(c) what steps Government propose to take to improve the existing machinery for ensuring timely execution of the projects at the estimated costs?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Yes, Sir. The Expenditure Finance Committee examines all proposals involving an investment of Rs 1 crore but less than

Rs. 5 crores. Investment of Rs. 5 crores and above are examined by the Public Investment Board. The recommendations of the Expenditure Finance Committee and the Public Investment Board are then submitted to Cabinet for approval.

(b) While the primary responsibility of timely completion within the approved cost vests in the project authorities and their administrative Ministries, the Finance Ministry keeps a watch through the respective Financial Advisers. Whenever the cost estimates exceed the approved amounts by 20 per cent, approval of the Finance Ministry is needed. The Expenditure Finance Committee and the Public Investment Board examine the causes for such revisions of cost estimates before according Government approval. The annual capital budgets have to be approved by the Finance Minister when account is taken of the progress of implementation and expenditure.

(c) The scrutiny of the Expenditure Finance Committee and the Public Investment Board is expected to improve the implementation of projects within the approved costs. In order to ensure that the cost estimates have been realistically estimated, the project authorities have been advised on methods of improving the feasibility reports. A reporting system has been introduced which would provide for review of progress and timely remedial action where necessary. The project authorities have also been advised to adopt modern techniques of controlling project implementation such as Programme Evaluation and Review Technique, Critical Path Methods etc. The matter is kept under constant review so that cost over-runs and implementation delays are reduced to the minimum.

Loans to Companies

1451. SHRI R. R. MORARKA: Will the Minister of FINANCE be pleased

to state:

(a) the amount of loans given by Government to 12 companies having Government investment but in which Government have no direct responsibility for management; and

(b) the rate of interest charged on such loans?

THE MINISTER OF FINANCE (SHRI H.M. PATEL): (a) Presumably the Hon'ble Member is referring to the 12 companies having Central Government investment but without direct responsibility for management given in the Annual Report on the Working of Industrial and Commercial Undertakings of the Central Government (1976-77). The outstanding Central Government loans due from companies included in this list, as on 31-3-1977, were as follows.—

Name of Company	Outstanding loan as on 31-3-77
	R.-. in lakhs)
1. Damodar Valley Corporation	361 ...
2. Singareni Collieries Ltd.	4401
3. Sikkim Mining Corporation	14
4. Oil India	5128

(b) The present rates of interest on loans charged for Public Undertakings which have been in effect from 1-8-1974 are as follows:

- (i) Upto 4 years . . . rf%
- (ii) 4 to 9 years . . . K%
- (iii) 9 to 15 years

With effect from 2-9-76 working capital loans from Central Government carry a flat rate of interest of 12 1/2%.