

(e) the number of schemes in which LIC has invested money for the betterment of poor people?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The in-force sum assured under Group Insurance Schemes was Rs. 12,644.53 crores as at 31st March, 1987.

(b) A Group Insurance Scheme to cover 3 crores landless agricultural labourers in the country has been introduced since 15th August, 1987 for which premium is paid by the Central Government. Another Scheme covering loans under Integrated Rural Development Programme has been introduced from 1st April, 1988 which is expected to benefit 3.5 to 4 million people covered under the said programme during the year 1988-89.

(c) and (d). The number of new Group Insurance Scheme introduced by the Life Insurance Corporation of India during the year 1987-88 is more than 5,600 which represents an increase of about 43% over the number of new Schemes introduced in the previous year.

(e) The investment pattern of the fund of the Corporation is governed by Section 27A of the Insurance Act, 1938 and the subsequent guidelines issued by the Government in respect of Group Schemes Funds. As per the statutory provisions, LIC is required to invest 75% of accretions to the controlled fund in socially oriented section, including public sector, co-operative sector, house building by policyholders, Own-your-Home schemes, and in Central Government Securities, State Government Securities including guaranteed marketable securities. Thus LIC has been promoting social welfare through socially oriented investments which are designed to benefit people at large by

improving basic amenities like potable water, drainage, housing, rural electrification and transport.

Indo-Nepalese Trade Agreement

9121. SHRI H.N. NANJE GOWDA: Will the Minister of COMMERCE be pleased to state:

(a) whether any trade agreement has been signed between India and Nepal;

(b) if so, the salient features thereof; and

(c) whether trade between the two countries will improve considerably as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) The Treaty of Trade between the Government of India and His Majesty's Government of Nepal was signed on 25th March, 1978 and is at present valid upto 24th July, 1988.

(b) The Treaty inter-alia provides for (a) grant of treatment to each other not less favourable than that accorded to any third country relating to customs duty etc.; (b) exemption from basic customs duty and quantitative restrictions for import of mutually agreed primary products from each other; (c) free and unhampered flow of goods with certain exceptions. Allotment of annual quotas of essential commodities normally not permitted for export; (d) preferential treatment by India for import of certain categories of Nepalese industrial products etc.

(c) The Treaty has provided a positive environment for the growth of Bilateral Trade which has increased from Rs. 75.31 crores in 1977-78 to Rs. 207.22 crores in 1986-87.