

[English]

SHRI P. CHIDAMBARAM : With great respect, I would like to say that this does not arise out of this question as he says, 'how many cases of banks giving over Rs. 50 lakh'. I cannot give the information based on that.

[Translation]

SHRI MOHAN RAWALE : Does this overdraft business not come under fraud?

[English]

SHRI P. CHIDAMBARAM : It is not a fraud. Overdraft is not a fraud.

[Translation]

Gold Import Policy

*423. PROF. RASA SINGH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the quantity of gold brought in India by the Non-Resident Indians and Indian citizens working/serving abroad after liberalising the gold import policy till date;

(b) the quantum of gold imported during 1995-96;

(c) the efforts being made by the Government to fulfil the requirement of gold in the country;

(d) whether Union Government have conducted any study regarding the quantity of gold available and kept as reserve in the country; and

(e) if so, the details thereof?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e). A statement is laid on the Table of the House.

STATEMENT

The import of gold into the country was liberalised and a Gold Import Scheme was import Scheme was introduced by the Government with effect from 1.3.1992. 825.8 tonnes of gold was imported under this Scheme by the Non-Resident Indians and other eligible Indian citizens coming from abroad between March '92 and November '96 and 218.2 tonnes of gold was similarly imported during 1995-96.

2. The liberalised Gold Import Scheme allows import of gold by Non-Resident Indians and permits imports by MMTS and SBI for delivery of such gold in India to the returning NRIs and against Special Import Licences. This Scheme aims at improving the availability of gold imported through licit channels and on payment of customs duty in foreign exchange at the rate of Rs. 220 per 10 gms. The said Scheme has had a salutary effect

on containing gold smuggling. There is no reliable estimate available regarding the quantity of gold available and retained within the country.

(Interruptions)

[English]

MR. SPEAKER : Shri Datta Meghe, we are on the next question.

(Interruptions)

MR. SPEAKER : Nothing will go on record.

(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE : An Half-an-hour Discussion is required on this. Is it not?

MR. SPEAKER : I do not know. You can give a notice in the next Session.

[Translation]

PROF. RASA SINGH RAWAT : Mr. Speaker Sir, India was known as a golden bird but unfortunately the quantum of gold mined from the mines is not as much as it should have been and we have to import it. The Government had formulated the gold import policy on March 1, 1993 under liberalised economic policy and you are aware of the objects of the policy. I understand the meeting of the World Gold Council was held in Delhi in India. Several people and even newspapers say that all this did not bring the smuggling down. With the improvement in financial condition of middle class and rural population have started investing in gold. To meet their demand, jewellers export the ornaments to get the foreign exchange. Whether government propose to reconsider and make the gold policy more liberal and transparent to stop the smuggling.

[English]

SHRI P. CHIDAMBARAM : It is a good suggestion. I will consider it.

MR. SPEAKER : Your suggestion is accepted.

SHRI P. CHIDAMBARAM : Yes, I accept his suggestion.

[Translation]

PROF. RASA SINGH RAWAT : When will it be done. My other question is that according to an estimate 477 tonne gold was consumed last year, out of which 371 tonne was imported, 2 tonne was mined and 106 tonne old gold was used. Government has said in its reply that authentic estimates are not available. Even then the government would have got it studied. I would like to know the amount of gold imported and the gold left with people? Smuggled gold is also seized. I would like to know the amount of gold available in the country and the amount of gold with public in the form of ornaments. Hon'ble Minister says no figures are available. I would like to know clearly as to how much gold is available

Not recorded

in the country, and how much gold is kept in the Central Bank of India.

[English]

SHRI P. CHIDAMBARAM : Sir, I have given the figures about the amount of gold imported under the scheme which came into force on 1-3-1992.

I have said that 825.8 tonnes of gold was imported under the scheme. I am also willing to give the figures of estimates that we have about gold which is estimated to be smuggled into India. We think that every year between 118 to 170 tonnes, on an average of about 150 tonnes of gold, is being smuggled into India. I cannot give you an estimate of the total gold available with the people of India. I cannot draw an estimate. But I can furnish you the information about gold with the Reserve Bank, though that figure is not available with me right now. It is published every month. Our foreign exchange reserves, our gold reserves and our SDR reserves are published. I will send that figure to the hon. Member...*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE : Gold import means diversion of savings from productive purposes and there is an estimate of stock of gold in the book on 'Estimates of Black money' which has a foreword by Dr. Manmohan Singh. One of the editors of the book is the present Economic Advisor...*(Interruptions)*.

MR. SPEAKER : I have not allowed him. You do not have to answer that.

(Interruptions)

SHRI P. CHIDAMBARAM : In such a case, it need not go on record...*(Interruptions)*

SHRI PRITHVIRAJ D. CHAVAN : Sir, the hon. Minister has replied that about 218 tonnes of gold was imported last year. He has also indicated that about 150 tonnes of gold is being smuggled annually. But I would like to draw his attention to the February, 1996 Report of the World Gold Council which says that in 1995, there was a shortfall of 234 tonnes.

In part 'c' of the question, the hon. Minister was requested to give the details about the efforts being made by the Government to fulfil the requirement of gold in the country.

In view of the above, I would like to ask the hon. Minister whether he would consider further liberalisation of the gold import scheme and whether he is considering changing the rate of duty which is presently charged at the rate of Rs. 220 per 10 grams.

SHRI P. CHIDAMBARAM : Sir, I have already answered the question raised by Prof. Rasa Singh Rawat. I say that the suggestion to further liberalise the gold scheme is a good scheme and I am considering it.

SHRI B.K. GADHAVI : Sir, as per the estimate, the annual requirement of gold in the country is about 450 tonnes. Under the various schemes of import of gold, part of the gold is to be sent back by export by making jewellery, etc. Therefore, the Government estimate that 115 or 118 tonnes of gold is being smuggled into the country. It is not proper and correct. There is information that about 200 tonnes of gold is being smuggled into the country and it is not a small amount...*(Interruptions)*. I agree that there should be some liberalisation and further revision of the scheme. But, at the same time, we are finding that the passengers, like NRIs, are bringing their gold in their baggage and immediately outside the airport they are selling away the gold to the people who are waiting there to purchase it...*(Interruptions)*

SHRI P. CHIDAMBARAM : There is nothing wrong in it.

SHRI B.K. GADHAVI : It is happening in airports of cities like Ahmedabad, Mumbai and Calcutta, etc...*(Interruptions)*

MR. SPEAKER : I do not think that you have to show all your knowledge as former Minister of State for Finance. Please ask the question.

SHRI B.K. GADHAVI : I am putting a specific question. What happens is that it is very difficult for the Customs people to decide which is the legally imported gold and which is the contraband gold smuggled into the country.

I want to know whether the Government has given any thought as to how to find out this count so that the people who are actually smuggling the gold are caught.

SHRI P. CHIDAMBARAM : Sir, there is an appetite for gold in this country...*(Interruptions)*. We discussed this only three days ago with Shri Gadavi and Shri Chatterjee. There is an appetite for gold in this country. I am not going to lecture to the people of this country that they should not use gold. I will leave that for Shri Chatterjee...*(Interruptions)*.

SHRI SOMNATH CHATTERJEE : Please clarify which 'Chatterjee'!

SHRI P. CHIDAMBARAM : It is definitely Shri Somnath Chatterjee.

Gold is not like narcotics, opium or arms. I make this distinction. I would humbly urge hon. Members to consider this distinction.

These are legitimate goods. Arms, narcotics and opium are illegitimate goods. They are *res extra commercium*. If there is a need or demand for legitimate goods, our economic policies must reflect that and allow the people to get those legitimate goods within the limits. That is why I said that since everybody is recommending liberalisation of the scheme which was introduced from 1.3.1992, I intend to liberalise this scheme. The details will be announced later...*(Interruptions)*