

(a) whether the Government have recently reviewed the policy in regard to import of Gold and measures initiated to check gold smuggling;

(b) if so, the details of the emerging trend over the last three years and results thereof;

(c) the estimated gold smuggled during the last three years;

(d) the details regarding projection of demand for the gold for the next five years; and

(e) the steps taken/proposed to meet the same ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) Yes, Sir. The Government has recently reviewed the policy in regard to import of gold by issue of Notification No. 1/97-Cus dated 1/1/97 which increased the eligibility of returning NRIs to bring in gold from 5 kgs. to 10 kgs. This has resulted in reduction in smuggling as can be seen from the trend of seizure of smuggled gold. While the seizure in 1992 was 5 tonnes; the seizure in the last three years is about 1 tonne in a year.

(c) It has been estimated by some private agencies that quantity of gold smuggled into the country during the last three years is as under :

1994	118 tonnes
1995	130 tonnes
1996	105 tonnes

(d) and (e) The demand for gold in the country is generally expected to rise at the rate of 20% per annum and it is expected that the steps taken to permit increased import through NRIs and Special Import Licence would meet the same.

#### **Bogus Business in LIC**

4406. SHRI VIJAY KUMAR KHANDELWAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that there are irregularities in the offices of LIC and bogus business is being done;

(b) if so, the number of complaints received from public and M.Ps in this regard;

(c) the details of the investigations made and result thereof; and

(d) the action taken against those who are found responsible ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) The Government have, from time to time, been receiving complaints regarding irregularities in the business carried on by LIC, including complaints of bogus business. The matter has also been raised in Parliament from time to time. Following a short duration discussion in Rajya Sabha on 26.8.95 on the subject of high lapsation and bogus policies in LIC, the Government appointed a Committee under the Chairmanship of Shri A.V. Ganesan, former Commerce Secretary to Govt. of India, to look into the alleged mal-practices and fake or bogus business in LIC. The findings of the Committee indicate that there does not seem to be a major reason or motivation for large number of LIC employees to indulge in the Sale of bogus policies. The Committee concluded that, based on the available data and on a broad judgement, about 3% of the total number of one crore policies currently being issued by LIC in a year are likely to entail malpractices of one kind or the other.

The complaints received by the Government from time to time, are taken up with LIC. LIC has also informed that the complaints received by it are examined and if warranted, disciplinary proceedings are launched against the concerned persons. During 1995-96, 22 such cases from public were registered for complaints of bogus insurance involving 9 agents, 13 Development Officers and 7 Class I Officers. As a result of the disciplinary proceeding in the above cases, agency of one agent has been terminated, one agent has been issued a warning and 6 Development Officers have been cautioned so far.

#### **NABARD Loan to improve Roads and Bridges**

4407. SHRI K.C. KONDAIAH : Will the Minister of FINANCE be pleased to state :

(a) whether the Karnataka Government had submitted a proposal to NABARD seeking loan to undertake projects aimed at improving roads and bridges;

(b) if so, the details thereof;

(c) whether the balance loan requested for is being released to Karnataka; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that Government of Karnataka had submitted several proposals seeking loan assistance under Rurral Infrastructure Development Fund (RIDF)-II for projects relating to roads and bridges in various districts of the State. The details of sanctions made by NABARD are as under :