

(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 :

	(Rs. in crores)	
	No. of Projects	Amount Sanctioned
Rural Roads	119	70.54
Rural Bridges	126	51.32

(c) and (d) NABARD has reported that RIDF loans are released on reimbursement basis, as and when the claims are received from the State Government on expenditure incurred by it. As per phasing indicated at the time of sanction, the funds are to be released over a period of three years as indicated below :

(Rs. in crores)	
Year	Amount
1996-97	10.50
1997-98	90.30
1998-99	21.06

NABARD has further reported that the State Government is yet to draw the amount during the current year.

Excise Duty Benefit to Consumers

4408. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state :

(a) whether any assessment has been made by the Government to ensure that the benefit of reduction in excise and customs duty is extended to the consumers by the manufacturers;

(b) if so, the details thereof during 1994-95 and 1995-96;

(c) whether lack of response on the part of manufacturers in passing such benefits to consumers have been noticed during the above period;

(d) if so, the details thereof and the action taken against such manufacturers; and

(e) the steps taken by the Government to protect the interest of consumers in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (e) The prices of commodities are generally determined by market forces and depend on a multiplicity of factors, of which duty of excise or customs is only one. The Government have not made any detailed study of the extent to which the reduction in excise and customs duties offered in the budgets has been passed on to the consumers.

There is no legal mechanism to ensure reduction in price to the extent of reduction in duty of excise or customs, where there is no price control. However, to protect the interest of consumers, Ministry of Civil Supplies, Consumer Affairs and Public Distribution has taken the following actions :-

- (i) the industry associations were persuaded to pass on the benefits of duty concessions voluntarily to the consumers.
- (ii) letters were addressed to the Chief Ministers of the State/UTs to ensure that the benefits of duty concessions were passed on to the consumers.

Biological Wealth

4409. DR. PRABIN CHANDRA SARMA : Will the Minister of COMMERCE be pleased to state :

(a) whether the attention of the Government has been drawn to the news item captioned "Large-scale biopiracy going on in NE" appearing in the 'Assam Tribune', dated February 25, 1997;

(b) if so, the details thereof;

(c) whether the orchids alongwith other biological wealth of the North-East out of which European Floriculture companies are earning huge income in comparison to the Indian companies;

(d) if so, the details thereof alongwith the reasons therefor; and

(e) the steps taken/being taken to curb biopiracy ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Yes, Sir. In the news item it was stated that the wealth of India's forests and fields, its rich biodiversity, is being plundered by foreign companies and their agents.

(c) and (d) Government has no evidence of this. However, exports of all items of plants included in Appendix I and Appendix II of the Convention on International Trade in Endangered Species (CITES), wild orchid, and certain other plants, plant portions and their derivatives are prohibited.

(e) A national legislation on biodiversity is under preparation which includes regulating access to and transfer of genetic material of the country.

WTO Meeting in Geneva

4410. DR. ASIM BALA : Will the Minister of COMMERCE be pleased to state the details of the issues