

(c) and (d) Generally, delays in adjudication of cases are on account of :

- (i) Time taken by the parties in replying to Show Cause Notices, in completing their oral submissions during personal hearings, and in examination and cross examination of the witnesses etc.;
- (ii) Stay orders granted by the Courts;
- (iii) Time taken in settling Audit Objections which formed the basis of initiation of Adjudication proceedings; and
- (iv) Time taken sometimes by field officers in complying with the requirements of principles of natural justice.

Progress in disposal of cases pending Adjudication and reasons for delay, if any, are regularly reviewed at senior levels. Besides, with a view to finalise the cases expeditiously, separate Commissioners have been posted in most of the Commissionerates specifically to look after the adjudications, appeals and court matters. Common adjudicators are also appointed for adjudication of cases involving common-issues, and special efforts are regularly made for securing vacation of stay orders and for expeditious disposal of writ petitions and also to settle audit objections quickly so that related cases are adjudicated expeditiously.

[Translation]

Insurance Trade

*392. SHRI SATYA DEO SINGH :

SHRI PANKAJ CHOWDHARY :

Will the Minister of FINANCE be pleased to state :

(a) the status of Indian Insurance Sector in terms of trade;

(b) the per capita gross premium in India;

(c) the percentage of persons having insurance cover in the country; and

(d) the details of the new schemes launched by the Government to promote insurance and its likely impact on the insurer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) The total premium income of Life Insurance Corporation of India during the year 1994-95 was Rs.11,527.80 Crores. The total gross premium income derived from business effected in India by the General Insurance Corporation of India and its four subsidiaries during the same period was Rs. 4959 Crores.

(b) The per capita gross premium income in India for the insurable population in the case of life business is Rs.530/- and that in the case of general insurance business, is Rs.62.28.

(c) The insurance coverage through individual assurance in the case of life business is estimated to be around 24% on the basis of 1981 Census. In addition, there are about 2.42 Crores of persons covered under the Group and superannuation Schemes and Social Securities Schemes covering the Landless Labourers and IRDP Beneficiaries. In the case of general insurance business, approximately 20% of the population are taking the cover of general insurance Schemes in the country.

(d) The Life Insurance Corporation of India has introduced the following new covers in the recent past :-

- (1) *Asha Deep-II* : The Asha Deep-II plan for individuals, introduced with effect from 21st November, 1995 provides for benefits in case the policy holder is afflicted with one of the 4 major ailments viz. Cancer, Paralytic Stroke, Renal failure of kidneys and Coronary Artery Disease requiring by-pass Surgery.
- (2) *Rural Group Life Insurance Scheme* : The Scheme was introduced in the country with effect from 15th August, 1995. The Scheme provides for a life cover of Rs. 5,000/- to its members on a payment of annual premium of Rs. 60/- for persons (in the age group of 20-40 years) at the time of entry or Rs. 70/- (in the age group 40-50 years), depending on the age group at the time of entry. The entry is restricted to 20-50 years of age with the exit age being 60 years. The scheme is to be implemented through Panchayats.

The General Insurance Industry has introduced the following new covers in the recent past for further promoting general insurance business:

- (i) *Advance Loss of Profits Insurance for Large Projects* : The policy covers loss of profits and standing charges for projects under erection, covered under the basic erection All Risks Policy. The policy is being issued to large industrial projects that are coming up in India.
- (ii) *Social Security Scheme for Economically Weaker Groups of Society* : The Scheme has been developed jointly by LIC and GIC providing life cover and personal Accident cover respectively. Under the Scheme LIC would provide life cover for Rs. 5,000/- and GIC would cover Rs. 25,000/- for accidental death/loss of limbs to the beneficiary. This is an extension of the existing Scheme administered by LIC, under which about 40 lakh people belonging to 23 occupational groups are covered for life insurance and death. The Scheme would continue to be administered by LIC, and it will take accident reinsurance cover from GIC.

- (iii) *Farmers Package Insurance Policy* : A new policy known as 'Farmers Package Insurance Policy' has been introduced by one of the subsidiaries of the General Insurance Corporation of India throughout the country with effect from 25th November, 1995. The policy provides for comprehensive cover for personal effects and household goods, as well as for village or cottage industry units belonging to an individual, against the risks of fire and allied perils, burglary, housebreaking, theft and a variety of personal accidents covering death, permanent disablement, permanent partial disablement and temporary total disablement besides covering also cattle and livestock and poultry.

Performance/Profit of ITDC

*393. SHRIMATI GIRIJA DEVI : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) the net profit earned by the India Tourism Development Corporation during the last one year and the contribution of the ITDC hotels therein;

(b) whether the performance of the ITDC hotels has been satisfactory; and

(c) if not, the steps being taken by the Government to bring improvement in the performance of hotels under ITDC?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD) : (a) and (b) During 1994-95, ITDC earned net profit (before tax) of Rs. 43.17 crores. Hotel Division's contribution therein was Rs. 22.71 crores which represents 52.6% of the total profit. Hotel Division's profit of Rs. 22.71 crores is 173.9% higher than last year's profit of Rs. 8.29 crores.

(c) Improvement in performance is a continuous process. The steps being taken in this direction include signing of MOU with Govt., aggressive marketing, upgradation/improvement, restructuring of hotels, control of operating costs, development of human resource by imparting training etc.

[English]

Formation of Regional Trading Blocs

*394. KUMARI UMA BHARTI :

SHRI RAMESH CHENNITHALA :

Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a growing polarisation of the world trading parameters and formation of regional trading blocs;

(b) if so, the impact of these developments on India's foreign trade as well as its share in world market;

(c) whether the Government had sought membership of any of these trade blocs;

(d) if so, the details thereof;

(e) if not, whether the Government have prepared any strategy to tackle these developments in the international trade including the problems that may arise due to quality and standard certification; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) to (f) Although the multilateral trading system based on the GATT remains intact, regional trading blocs have also emerged in different parts of the world. The GATT permits free trade groupings and customs unions as exception to the Most Favoured National principle provided certain strict criteria are met. The rules are intended to ensure that such arrangements facilitate trade among the countries concerned without raising barriers to trade with other countries. The Enabling Clause of 1979 also permits, inter alia, developing countries to enter into preferential trading arrangements amongst themselves.

India's capacity to expand its global exports will depend largely on efforts to upgrade the basic competitiveness of prices, quality and delivery of our products. Hence the likely impact of the formation of regional trading blocs on India's external trade is not expected to be very significant.

Our efforts have been to strengthen the multilateral trading System under GATT/WTO as it is believed that non-discriminatory trade offers the greatest promise for equitable expansion of world trade. Government also encourages Indian firms to acquire international quality certification for their products.

In April, 1992 we established a sectoral dialogue with the ASEAN to promote trade, investment and tourism between the two sides within the multilateral frame work. Recently India has signed an Umbrella agreement on economic cooperation with the EEC. India is also a member of the GSTP (Global System of Trade Preferences); the Bangkok Agreement and the SAPTA - all of which are preferential trading arrangements among developing countries.

Tax Arrears

*395. SHRI RAJENDRA AGNIHOTRI :

SHRI SANTOSH KUMAR GANGWAR :

Will the Minister of FINANCE be pleased to state :

(a) whether a huge amount of tax arrears is accumulating in the country;

(b) if so, the details thereof;