

**Opening of Bank Branches in Kerala**

69. SHRI K. MURALEEDHARAN:  
SHRI SURESH  
KODIKKUNNIL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to open new branches of the public sector banks in Kerala during 1991-92;

(b) the number of applications received by the Union Government so far in this regard; and

(c) the locations, if any, identified for opening bank branches in Kerala, so far?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (c). Reserve Bank of India (RBI) issues licences to the banks under the provisions of Banking Regulation Act, 1949 for opening of branches. The new branch licensing policy was issued by RBI in September, 1990 and the commercial banks were asked by them to submit their proposals for opening of branches in rural areas before 30th June, 1991 through lead banks and State Governments concerned. Any application or proposal received from individuals, organisations etc., in this regard, are also considered by RBI on merits. It is not possible, at this stage, to indicate the number of branches that will be opened by banks in Kerala during 1991-92.

[*Translation*]

**LIC Loan for Jodhpur Lift Canal Project**

70. SHRI GIRDHARILAL BHARGAVA:  
Will the Minister of FINANCE be pleased to state:

(a) whether the Life Insurance Corporation has refused to give loan for the Jodhpur Lift Canal Project under the Plan Head despite approval of the Ministry of Planning; and

(b) if so, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) The Life Insurance Corporation of India has already decided to sanction financial assistance for the Jodhpur Water Supply Project.

(b) Does not arise.

[*English*]

**Modernisation of VISL**

71. SHRI JANARDHANA POOJARY:  
Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Government have formulated the detailed plans for the modernisation of Visveswaraya Iron and Steel Ltd. (VISL) a subsidiary of SAIL; and

(b) if so, the details thereof?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN): (a) and (b). SAIL is currently examining various options for modernisation and optimum utilisation of the facilities installed at Bhadravati works of VISL. As part of the overall modernisation, SAIL's proposal for installation of a 530 cu.m. Blast Furnace at a cost of Rs. 49.35 crores to yield 216,000 tonnes of hot metal per annum, as replacement to the existing power intensive four electric pig iron furnaces, is under consideration of the Government. The proposal has been recommended for

approval by the SFC at the meeting held on January 28, 1991.

### **Lapsing of LIC Policies**

72. SHRI M.V. CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any representations against lapsing of insurance policies issued under the Life Insurance Corporation's Salary Saving Scheme in Bombay and Bangalore;

(b) whether the onus of collecting premiums under the Scheme rests with the LIC;

(c) if so, whether the LIC has in some cases under the above scheme failed to collect such premiums and to keep these policies in force; and

(d) if so, the facts in this regard and the effective steps proposed to be taken to protect the interest of small policyholders?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH):

(a) to (c). Generally, almost all the employers are regularly paying the premiums in respect of insurance policies issued under the Life Insurance Corporation's Salary Saving Scheme. However, in respect of a very few employers, the premiums are not being received in time for variety of reasons, namely financial trouble, lock-out, strikes, etc. The number of such cases is negligible as compared to the volume of business. Under the Salary Saving Scheme, the recovery of premiums from the salary of the policyholder is effected by his employer on the basis of the authority letter submitted by the employee (policyholder) to his employer through LIC. This is only a facility extended by LIC for convenience of the policyholder. The onus

of keeping the policy in force by payment of premiums in time rests with the policyholder.

(d) The procedure in vogue in Life Insurance Corporation of India for deducting the premiums from the salaries of the employees concerned (before or after transfer) under its Salary Saving Schemes works satisfactorily and prevents lapses to a great extent. However, the Corporation has decentralised the servicing of policies including policies taken under Salary Saving Scheme to the Branch Offices and also introduced micro-processors to improve the services to the policyholders.

### **Anomalies in Tax Laws**

73. SHRI M.V. CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether a tax seminar on 'Penalties and prosecutions' was recently organised by the Income Tax Appellate Tribunal Bar Association, Delhi;

(b) whether eminent personalities who attended the seminar expressed views against any prosecutions for fiscal omissions;

(c) whether anomalies in the tax laws were also debated in the seminar; and

(d) if so, the steps, if any, proposed to be taken by the Government in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH):

(a) Yes, Sir.

(b) and (c). Newspaper reports indicate that various issues relating to the penalty and prosecution provisions in Direct Tax Laws were discussed in the seminar.