

(b) if so, the details thereof ;

(c) whether the Government while considering the backwardness of the State of Assam, proposed any modification of the norms of lending by the financial institutions; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). No, Sir. The Industrial Development Bank of India (IDBI) has reported that during the last three years, there is an overall increasing trend in the institutional assistance sanctioned to projects in Assam. The details of financial assistance provided by All India Financial Institutions to industries in Assam during 1993-94, 1994-95 and 1995-96 are as under :

Year	Sanctioned	(Rs. crores)	
		Sanctioned	Disbursed
1993-94	62.00		75.62
1994-95	114.31		65.20
1995-96	639.77		120.05

(c) and (d). IDBI has reported that the decision to locate a project in a particular State/Region vests with the promoters and they in turn are guided by such factors as availability of infrastructure, raw materials, skilled labour, proximity of the location to the market for their products and incentives from the State Government. Financial Institutions assess the location from the angle of its suitability to the project.

IDBI has further reported that all financially, economically, commercially viable and technically feasible projects are supported by institutions irrespective of their location.

#### Extra Charges on Premiums of L.I.C.

5608. SHRI DWARAKA NATH DAS : Will the Minister of FINANCE be pleased to state :

(a) whether extra 5% is being charged on premiums by LIC when a policy holder pays monthly premiums instead of quarterly ones;

(b) if so, the details therefor;

(c) whether in case of discontinuance of policy before its paid-up stage, the capital amount is refunded only after the period of its maturity to the policy holders;

(d) if so, the reasons therefor; and

(e) the remedial steps taken in this regard ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). The premium tables are prepared by the Life Insurance Corporation of India (LIC) on quarterly basis. These rates are adjusted for yearly, half-

yearly and monthly quotations. The tabular rates without any charge are used for monthly payment through Salary Saving Scheme because of bulk business. However, 5% extra is charged in cases where payments are made through bank order or debit instruction, to meet the expenses on extra work load on administration and loss of interest.

(c) and (d). The premium paid by a policyholder in the first three years is just adequate to meet the procurement cost and administrative expenses such as medical Examination Fees, Stamp Duty, stationery costs, etc. Therefore, the policy does not acquire any paid-up or surrender value, which can be paid either immediately or on maturity date under such policies.

(e) Does not arise.

#### Bank Frauds

5609. SHRI JAI PRAKASH : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 457 on March 1, 1996 regarding fraud in Banks and state :

(a) whether the information has since been collected;

(b) if so, the details thereof; and

(c) if not, the reasons for delay ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Yes, Sir. Information received from Reserve Bank of India regarding cases of issue of cheque books and encashment of cheques on forged signatures/requisition slip that took place in the public and private sector banks in Delhi from September, 1995 to February, 1996 is given in the Statement attached.

While the precautions to be observed for the issue/safe custody/payment of cheque books/drafts are incorporated in the manuals/books of instructions of banks, Reserve Bank of India also advises the banks from time to time regarding precautions to be taken in this regard. The Ghosh Committee has, in its report, also made a number of recommendations/suggestions and the banks have been advised to implement these recommendations. The banks have been mainly advised :

(i) to exercise due caution for verification of the drawer's signatures, custody of specimen signature cards, supervision over issue of cheque books and control over custody of blank cheques books/leaves;

(ii) to introduce a practice of examining cheques/drafts for large amounts under ultra violet ray lamps.

(iii) to treat blank draft and mail transfer forms as security items and usual precautions for such instruments should be exercised in regard to their custody and issue;