

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):
 (a) Cotton is marketed in India mostly in the form of kapas (seed cotton). Kapas is brought to the yards of Agricultural Produce Market Committees (APMC) by the growers for sale. In the APMC market, the auction of kapas is arranged by APMC, and different buyers participate in the auction. The purchase prices of cotton are arrived at by bidding. To protect the interests of cotton growers, the Government fixes the minimum support price (MSP) taking into consideration all relevant factors.

(b) While domestic market prices are ruling well above the MSP, these are lower than international market prices.

(c) The steps being taken by the Government to protect the interests of the cotton growers are as under:

- (i) Government has already released a quota of 12.20 lakh bales of cotton for export during 1996-97 cotton season.
- (ii) The Cotton Corporation of India (CCI) has been making aggressive purchases to give support to cotton growers.
- (iii) The ceiling for export of cotton yarn of counts 40s and below was raised from 80M. Kg. to 120 M.Kg. in 1996.
- (iv) Cotton has been removed from Selective Credit Control.
- (v) An Intensive Cotton Development Programme (ICDP) is being implemented by the Ministry of Agriculture in Cotton growing states.
- (vi) The CCI also undertakes extension and development activities to help cotton growers.

Computerisation of Banks

3167. SHRI MAHENDRA SINGH BHATI: Will the Minister of FINANCE be pleased to state:

- (a) the total number of branches of nationalised banks computerized so far;
- (b) the number of branches of the nationalised banks proposed to be computerized during the year 1997-98; and
- (c) the expenditure likely to be incurred on computerisation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) The information is being collected and will be laid on the Table of the House.

[Translation]

Loans for Self Employment Scheme

3168. SHRI RAMESHWAR PATTIDAR:
 SHRI SHIVRAJ SINGH CHAUHAN:

Will the Minister of FINANCE be pleased to state:

(a) the conditions imposed by the Government to ensure the proper utilisation of the loans granted to the educated unemployed youths under the self employment scheme; and

(b) the steps proposed to be taken by the Government to ensure timely recovery of those loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Reserve Bank of India (RBI) have reported that loans granted under PMRY scheme are treated as advances under Priority Sector. Under the extant guidelines for priority sector, disbursement of loan amounts sanctioned has to be made as far as possible directly to the suppliers of goods/inputs etc. Working capital portion is to be released on the basis of actual requirement and the loan account is to be reviewed periodically. Periodical post disbursement follow-up are undertaken by the banks to ensure that assets have been created/activities are carried on by the borrower. The guidelines of the PMRY Scheme provide that repayment of loans would be in instalments, beginning after initial moratorium of 6-18 months ranging from 3-7 years depending on the nature and profitability of the venture. The repayment schedule is to be worked out only for the term loan. Recovery of loans is the responsibility of banks concerned and they take normal recovery steps. However, State Government/District Committees also monitor and help in the recovery of the loans.

[English]

Lapses Under Salary Saving Scheme of LIC

3169. SHRI GEORGE FERNANDES: Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are aware that several companies commit lapses in the payment of premium money collected from their employees under the Salary saving Scheme to the life Insurance Corporation of India;
- (b) whether such lapses deny benefit of the insurance policy to the insured employees and make them lose the premium money paid till such lapse;
- (c) whether the Government have any plan to prevent such loss to the insured employees; and
- (d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) LIC have reported that there are instances where the employers after recovering the premium from salaries of the employees covered under Salary Savings Scheme, fail to remit such premium to the concerned Branch Offices which service these policies. Consequent upon such failure to remit the premium if the policy is found to be in the lapsed condition at the time of death, the insured employees do not get the benefit of the insurance cover. However, in such cases, the insured employees lose the premium money paid till such lapse only where the policy has not acquired paid up value in terms of section 113 of the