

Regular Premium Notices to Policy Holders

4660. DR. SUBRAMANIAM SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether many policy holders of LIC have experienced that they do not receive their premium notices regularly;

(b) whether due to this, many new policies have lapsed;

(c) the steps LIC propose to take to ensure that this does not happen; and

(d) average percentage of LIC policy lapsing due to non-payment of premium?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) (a) to (d): When premium due under a policy is not paid before the period of grace expires, the policy is treated as lapsed. Policyholders fail to pay premiums for a variety of personal reasons which include immediate financial problems.

While there is no legal requirement for issue of premium notices, the LIC issues premium notices as a matter of course to all its policyholders. The number of cases in which premium notices are not delivered to the policyholders is relatively small.

In order to streamline its machinery for improved services to the policyholders, including despatch of premium notices without any omission, the LIC is implementing a programme for installation of modern data processing system to replace its unit record machines.

Amount Invested Towards Term Loan Working Capital by Commercial Banks

4661. SHRI G. NARSIMHA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the total amount invested and percentage towards term loan and working capital by the commercial banks in all types of Industries upto 31st March, 1984 and the total number of such industries;

(b) the number of the industries which have become sick and total amount locked up and percentage of recovery;

(c) the total amount invested and percentage by the Commercial and Gramam Banks in rural areas either towards crop loan or under different rural development programmes and the total number of beneficiaries upto 31st March, 1984; and

(d) the number out of these beneficiaries who have defaulted and the total amount involved?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) (a) to (d): Detailed Sector-wise data on outstanding advances of Scheduled Commercial Banks together with number of borrowal accounts are available for June 1981 only and are set out in the attached Statement.

Quick estimates of sectoral deployment available for Major Commercial Banks show that as at the end of January 1984, Agricultural Sector and the major and medium industries, including public sector undertakings, had outstanding advances of Rs. 6090 crores and Rs. 14002 crores respectively.

As at the end of December 1982 there were 60 173 sick Industrial units with outstanding advances of Rs. 2585 crores from all Scheduled Commercial Banks.

Data regarding recovery are available for Direct Finance to Agriculture. For the year ended June 1981 the recovery of dues in this category amounted to Rs. 952 crores out of a total demand of Rs. 1812 crores-recovery 52.6 per cent of the demand.