

(a) whether Government are aware of the unsympathetic attitude of nationalised insurance companies, including Life Insurance Corporation of India towards the public ;

(b) the new machinery and vigilance measures instituted to curb such tendencies ;

(c) the number of policies cancelled by the Life Insurance Corporation of India all over India in 1983, 1984 and 1985 ; and

(d) whether there is an element of arbitrariness in such cancellation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) The nationalised insurance companies including the Life Insurance Corporation of India are aware of their obligations towards the insuring public and try to extend their utmost cooperation towards them. They have got established machineries to deal with the complaints generally and in particular with the demands of the policy-holders. Instructions have also been issued by the Government to strengthen their grievance redressal machinery. They have also their vigilance machineries to look into the cases of irregularities committed by the employees involving inter alia corruption.

(c) and (d) The number of policies not taken up during the last three financial years is given below :—

Year	No. of policies	Sum assured (in crores)
1982-83	5513	19.75
1983-84	4418	15.36
1984-85	4509	16.89

The cancellations are made according to prescribed rules and regulations and therefore there is no element of arbitrariness involved.

**Fraud in State Bank of Indore, Chandni Chowk (Delhi) Branch**

\*480. SHRI NARESH CHANDRA CHATURVEDI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a fraud of about Rs. Thirtyfive lakhs was detected in the State Bank of Indore, Chandni Chowk (Delhi) Branch in June, 1983 ;

(b) whether it is also a fact that two officers of the branch were found involved therein ; and

(c) if so, the action taken against the officers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The State Bank of Indore has reported that the then Branch Manager of State Bank of Indore, Chandni Chowk (Delhi) Branch had allowed drawals against uncleared cheques lodged by a firm with it much beyond the discretionary powers delegated to him. The maximum amount of such over drawals allowed to the party under the head "Demand Drafts Purchased" amounted to Rs. 36.60 lakhs at any single time. However, after setting off the credits in the account, the amount of irregularity worked out to Rs. 27.89 lakhs. The total amount together with interest has since been fully recovered by the bank from the party.

(b) and (c) According to the Bank, in addition to the Branch Manager, four other officers were found responsible for the various lapses concerning the above account. The Branch Manager, as a result of the departmental enquiry held against him, was awarded the punishment of reduction to a lower Grade (from MM-III to MM-II). Two officers, after departmental enquiry were awarded the punishment of censure. Two other officers were issued administrative warnings. The Government is not satisfied with the punishments meted out. The bank is being advised to take firm action.

**Industrial Sickness**

\*481. SHRI ASUTOSH LAW :  
SHRI MAHENDRA SINGH :  
Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has recently analysed the causes and magnitude of the problem of industrial sickness ;

(b) if so, the details thereof ; and

(c) the findings thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) A Committee appointed by the Reserve Bank of India (RBI) in 1981, had, *inter-alia*, looked into the causes and magnitude of the problem of industrial sickness.

The important factors leading to industrial sickness were identified as management deficiencies, marketing constraints, demand recession, obsolescence of machinery, labour factor, non-availability of critical inputs such as power, essential raw materials, etc., liquidity constraint or inadequate availability of funds. The Committee also noted that it could be a combination of causes which could be responsible for making a unit sick.

The RBI reviews the magnitude of sickness in the portfolio of commercial banks every six months. As per the provisional information at the end of December, 1984, the number of sick units is 93,282 involving an outstanding amount of 3,638.39 crores.

[*Translation*]

**Delay in Setting up of Aluminium Company Plant by National Aluminium Company**

\*482. PROF. CHANDRA BHANU DEVI : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether it is a fact that the work relating to the setting up of aluminium plant by National Aluminium Company is being much delayed ;

(b) if so, the reasons therefor ; and

(c) when this plant is likely to start production ?

THE MINISTER OF STEEL AND MINES (SHRI K. C PANT) : (a) and (b) As per the revised schedule, the project is almost on time,

(c) Start up of the aluminium plant is scheduled for December, 1986.

[*English*]

**Valuation of Articles Brought as Accompanied/ Unaccompanied Baggage at International Airports**

\*483. SHRI ANADI CHARAN DAS: Will the Minister of FINANCE be pleased to state :

(a) whether the Appraisers are responsible for valuation of goods as per the provisions of the Customs Act for the levy of Customs duty ;

(b) if so, the number of Appraisers who have been posted round the clock in different International Airports of India for the purpose of valuation of the articles brought as accompanied and unaccompanied baggages ;

(c) whether Government are aware of the instances of under valuation and requisitioning high value items before expiry of prescribed time-limit for sale ; and

(d) if so, the details thereof and the measures taken/proposed to be taken to prevent recurrence of such instances in future ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH : (a) and (b) Import and Export goods are assessed to duty by Appraisers. The value of such goods is declared by the importer or exporter and is subject to scrutiny by the Appraisers and percentage checks by another set of officers. However, as a measure of facilitation and in order to ensure quicker clearance of passengers, articles brought as accompanied and unaccompanied baggage are assessed to duty by the Air Customs Officers. In order to ensure uniformity, articles imported as baggage, are assessed to duty on the basis of price lists maintained by the Customs authorities at the airports.

(c) and (d) Articles imported as baggage, are not allowed to be sold, displayed, advertised or offered for sale or displayed in a