

Shri Morarka: May I know whether the amount represents the total depreciation in value suffered in the holdings of the Corporation as on that date?

Shri B. R. Bhagat: Yes, Sir.

Shri Damani: May I know what is the consideration or formula of such investments, whether it is on yield basis or on industry basis such as textiles, cement etc.; and whether these investments are through brokers or directly from parties?

Shri B. R. Bhagat: The Investments Committee lays down the principles and procedure for making investments. Obviously, investments are made in good shares and profit is one of the main considerations.

Shri R. Ramanathan Chettiar: What is the total amount of investments in equity shares since the inception of the Corporation?

Shri B. R. Bhagat: This question relates to the time before the Corporation came into being. So, if a fresh notice is given we can answer that question.

Shri Morarka: What portion of the depreciation in value is attributable to the Government securities and what portion is attributable to the investment in debenture and shares?

Shri B. R. Bhagat: The investments relate to about 200 insurers and include, naturally, a large number of shares and debentures and government securities also. The break-up before—of the individual insurers' investments and also after the coming into existence of the Corporation is very difficult to get and it is, therefore, difficult to answer that question precisely.

Shri Morarka: Since this report relates to the period between January to 31st August, 1956, may I know what was the actual depreciation in investment during this period, that is, after the Life Insurance Corporation came into existence?

The Minister of Finance (Shri T. T. Krishnamachari): Though the question has been asked about a particular period, January 1956 to 31st August, actually the amount that has been written off is for the whole year. Therefore, it is very difficult; as my colleague has pointed out it covers transactions of 200 insurers which are kept separately. It is very difficult to give any break-up of it. But the main fact remains that the total amount of investment as on the 31st August is somewhere about Rs. 341 crores and quite a large portion, nearly 65 to 70 per cent. of these investments happen to be in government securities and Corporation debentures and so on. Some of them undergo a certain amount of depreciation and since the amount written off is about .07 per cent. of the total amount, even these fluctuations in the market prices of government securities and some of the approved securities would adequately explain the amount that has been written off.

Chinese Military Mission

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*492. { **Shri Raghunath Singh:**
Shri Rameshwar Tandia:

Will the Minister of Defence be pleased to state:

(a) whether there is any proposal to invite an official Military Mission from the Republic of China; and

(b) if so, the purpose thereof?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir.

(b) Last year an Armed Forces Delegation from India visited China. As a reciprocal measure we have invited an Armed Forces Delegation from China.

Shri Raghunath Singh: Will it include Navy officials also?

Sardar Majithia: We invited a delegation. It is up to them to pick out any people that they feel like, from the Armed Forces.

श्री भक्त बर्जान : क्या मैं जान सकता हूँ कि इस डेलीगेशन के भारत में कब तक आने की आशा है और वह यहाँ पर कितने दिन तक कियाम करेगा ?

सरदार मजीठिया : वह दिसम्बर के आखिर में आयेगा और यहाँ पर छः हफ्ते रहेगा ।

Shri D. C. Sharma: May I know if on the arrival of the Delegation there will be any exchange of views between the Indian personnel of the Defence Ministry and this official Military Mission about matters of defence which may be common to India and China?

Sardar Majithia: That hardly arises out of this. I can only say that they invited our Mission and showed us—to that Mission—some of their installations and units. And, we are also going to show them some of our installations, apart from certain places of interest in India.

Shri Radha Raman: Is it a fact that this delegation is coming to India knowing that in India the Defence expenditure is much less than what is incurred in the Republic of China and, if so, is the Defence Ministry going to discuss with and help them to understand how and why it had been possible?

Mr. Deputy-Speaker: That would not be relevant.

New Ordnance Factory

*493, **Shri Bahadur Singh:** Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 988 on the 20th August, 1957, and state:

(a) whether any final decision has been taken with regard to the site of the proposed ordnance factory; and

(b) the approximate time by which the factory will start functioning?

The Deputy Minister of Defence (Shri Raghuramalah): (a) and (b). No final decision has yet been taken on this matter.

Shri Bahadur Singh: May I know the reasons that stood in the way of reaching a decision? The same answer was given in the last session also.

Shri Raghuramalah: Many difficulties; but the most important at the moment is the securing of foreign exchange.

Shri Bahadur Singh: May I know the estimated cost of that factory?

Shri Raghuramalah: The whole thing is under active consideration and it is very difficult to disclose the details

Shri S. M. Banerjee: Is it a fact that only 20 to 30 per cent of the requirements of the Army, Navy and the Air Force are met by these Ordnance Factories and, if so, what steps have been taken to expand these factories to attain self-sufficiency and less of dependence on foreign countries?

Shri Raghuramalah: Although the question does not strictly arise out of this, I may mention that, as stated here on the floor of the House on prior occasions, the Defence Minister has appointed a committee to go into the whole question of production in Ordnance Factories and examine it with a view to make recommendation as to the attainment of as near self-sufficiency conditions as possible.

श्री भक्त बर्जान : क्या मैं जान सकता हूँ कि इन फैक्टरियों को स्थापित करने के लिए कौन कौन से स्थानों के बारे में विचार किया जा रहा है ?

Shri Raghuramalah: It may not be advisable to give a whole list of possible places. The exact place of location has still to be decided.

Shri S. M. Banerjee: What items are to be produced in this factory which is going to be installed?

Mr. Deputy-Speaker: There is no factory yet; and the items are not to be produced before that.

Shri S. M. Banerjee: What are the items.....