

Pandit G. B. Pant : The Government will not take any final decision till the Parliament has considered the matter.

Shri Jaipal Singh : May I know how the views of Part C States would be obtained?

Pandit G. B. Pant : Part C States do exist today.

Shri Jaipal Singh : What would be the machinery by which their views would be obtained?

Pandit G. B. Pant : Everyone is free to stand his views on the subject; Part C States have their own organisation and also their administrative officers.

Shri Gadgil : May I know whether the State Governments are being consulted about the desirability of publishing the report about or the merits of the recommendations?

Pandit G. B. Pant : So far as the desirability of publishing the report is concerned, I think there is unanimity that it should be published.

Shri Kamath : Has the attention of Government been drawn to the Bombay Chief Minister's reported statement in this morning's papers that members of the ruling party — the Congress Party — in the legislatures, will be free to consider the report and the recommendations of this commission and vote without a party whip and if so is it a premature declaration or is it the policy of the party in this matter?

Pandit G. B. Pant : Sir, matters concerning political parties and the way they conduct their affairs I submit need not take the time of the House.

Mr. Deputy-Speaker : The question also is a premature one.

Shri U. M. Trivedi : May I ask one question?

Mr. Deputy-Speaker : How can I allow every hon. Member?

Shri U. M. Trivedi : I will ask only one question.

May I know if the Government visualises remission of this report back to the Commission if different States have expressed different opinions?

Pandit G. B. Pant : Of course, when the final decision is to be taken by Parliament, it will have before it the view of all the States and whatever the Parliament decides will be binding on the Government.

Shri Kamath : My question related to the Bombay Chief Minister's statement.

Mr. Deputy-Speaker : He did not say it as Chief Minister; he said it in his capacity as a Congressman.

BHARAT INSURANCE COMPANY

S. N. Q. No. 22. Shri K. P. Tripathi : Will the Minister of Finance be pleased to state:

(a) whether the Bharat Insurance Company has been converted into an investment company;

(b) whether funds of the said company are involved in a misappropriation case; and

(c) if so, the steps that Government proposed to take to safeguard the interests of the insured, the workers, and the public?

The Minister of Finance (Shri C. D. Deshmukh) : (a) No, Sir.

(b) Yes, the funds of the insurer are involved.

(c) Government has appointed an Administrator under Section 52A of the Insurance Act to manage the affairs of the insurer. The Administrator is actively seized of the position and when his examination is complete he will take whatever steps are possible to safeguard the interests of all concerned.

Shri Feroze Gandhi : Is it a fact that this misappropriation is the second committed in the course of the last two years?

Shri C. D. Deshmukh : No, Sir.

Shri Feroze Gandhi : Is it a fact that an amount of Rs. 1,60,00,000 was involved in a misappropriation which was committed about two years or a little more and involved a repayment—i.e., Government compelled repayment by Messrs. Bennett, Coleman and Company, publishers of the *Times of India*, to the Bharat Insurance Company?

Shri C. D. Deshmukh : It was not misappropriation.

Shri Feroze Gandhi : Is it a fact that Government compelled Bennett, Coleman and Company to refund any amount to the Bharat Insurance Company because on enquiry Government found that it was not properly utilised?

Shri C. D. Deshmukh: On examination it seemed a dubious transaction and therefore we asked the parties concerned to reverse the transaction.

Shri Feroze Gandhi: May I know whether this amount which is to be paid back to the Bharat Insurance Company is a charge on the revenues of the *Times of India*?

Shri C. D. Deshmukh: I do not think it is a charge on the revenues of the *Times of India*.

Mr. Deputy-Speaker: On the assets of the *Times of India*?

Shri C. D. Deshmukh: I think on the machinery and the press.

Shri Feroze Gandhi: Is it not a fact that this misappropriation was committed by Dalmia in collaboration with J. C. Jain, the General Manager of the *Times of India* and if so, what steps Government has taken or intend to take to safeguard payment by Bennett, Coleman and Company to the Bharat Insurance Company?

Shri C. D. Deshmukh: I have said that it was not found to be a misappropriation. We have an agreement to reverse the transaction subject to this charge on the assets of Bennett, Coleman and Company.

Shri Feroze Gandhi: Has the amount been reversed and paid?

Shri C. D. Deshmukh: I cannot say to what extent this transaction has been reversed.

Shri S. S. More: The hon. Minister was pleased to say that what were certain dubious transactions; may I know what is the difference between dubious transactions and actual misappropriation?

Mr. Deputy-Speaker: Falling short of misappropriation is dubious transaction.

Shri Kamath: May I ask the Minister exactly at what stage this dubious transaction was brought to the notice of the Government?

Shri C. D. Deshmukh: I do not know what exactly the hon. Member wants to know by saying "at what stage". It was sometime after it had taken place.

Shri Kamath: I wanted to know how far dubious it was and what was the dividing line between dubious transaction and misappropriation.

Shri C. D. Deshmukh: Usually it is a case of what advice we get from our legal advisers. We state the facts of the case as known to us from investigation to our legal advisers. We ask them to what extent they support any possible prosecution or any other measure. Then, we are guided by their advice.

Dr. Suresh Chandra: May I know which other parties were involved in this misappropriation and how many others were arrested along with Dalmia?

Shri C. D. Deshmukh: I do not know which misappropriation the hon. Member refers to—the one alleged now or

Mr. Deputy-Speaker: The hon. Finance Minister has stated that in respect of the Bharat Insurance Company, it was not of such a nature as to amount to a misappropriation technically. The hon. Member evidently refers to some other misappropriation.

Shri Feroze Gandhi: Following the reply of the Finance Minister, may I know whether it is a fact that J. C. Jain, the present General Manager of the *Times of India*, was the General Manager of Bharat Insurance Company a few years ago?

Shri C. D. Deshmukh: I want notice of that question.

Mr. Deputy-Speaker: At the time the transaction was entered into—that is what the hon. Member means.

Shri Feroze Gandhi: The Finance Minister has said that he wants notice, and I will have to wait. It is a fact which is very well known. Is it a fact that certain persons in the interests of the insurers have offered to make good the amounts involved in the late misappropriation and may I know what is their relationship with Dalmia?

Shri C. D. Deshmukh: He is son-in-law.

Shri Feroze Gandhi: Since the son-in-law has come to the scene of the father-in-law with all good intentions, will Government take steps for assuring the House that the father-in-law does not escape the consequences of legal action in this matter?

Shri C. D. Deshmukh: No rescue operation has yet taken place; in other words, we have not accepted any such offer.

Shri Joachim Alva : Whilst noting with utmost satisfaction the promptitude with which the Finance Ministry has taken action in this matter, may I know what steps Government propose to take in matters where big businessmen and others are involved in similar transactions?

Mr. Deputy-Speaker : No statement of policy can be elicited on a question.

Shri K. P. Tripathi : May I know if it is a fact that this company gave notices of discharge to its workers just before this action took place and if so, whether the Government propose to retain these workers if it is to be run as an insurance company?

Shri C. D. Deshmukh : I think the hon. Member is under a certain misappre-

hension. He is probably confusing the Bharat Insurance Co., Ltd., with the Bharat Fire and General Insurance Co. I believe what he has alleged may be true in regard to the latter company.

Shri Feroze Gandhi : May I know of the Prime Minister what steps the Government intend to take to prevent Dalmia from taking shelter behind very small headlines in newspapers?

Mr. Deputy-Speaker : That does not arise out of this question.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) : So far as my information goes, the hon. Member is connected with newspapers. It is open to him to give big headlines.