

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

(b) The proceedings of the Court of Inquiry have not yet been finalised.

Shri Joachim Alva : May I ask the hon. Minister whether these accidents are taking place because the machines are bad, or is it because of the lack of proper training among the personnel or is it because that they are not inspected properly before the aircraft take off?

Sardar Majithia : None of those questions arises at all. The machines are perfectly serviceable and pilots are well trained.

Shri Joachim Alva : May I know whether in the list of accidents that take place in the I. A.F., the accidents are highest of the trainer aircraft?

Sardar Majithia : The accident rate the I.A.F. is the lowest in the world.

Shri Joachim Alva : May I know whether, after the series of accidents that have taken place during the last one year when we have lost the valuable lives of our lads and also of some experienced trained personnel as in the Jaipur crash last year, we have taken serious consultations with our Air Attaches abroad, especially at Washington, London and Moscow?

Sardar Majithia : As I have already stated, the accident rate in the I.A.F. is the lowest in the world and therefore, there is no cause for any apprehension.

Sardar Iqbal Singh : Although it may be a fact that these accidents are the lowest in the world, still in comparison with the Indian civil air lines, they are very high. Do Government propose to enquire into the whole matter thoroughly?

Sardar Majithia : It hardly arises, because with the number of flying hours that they do, accidents do happen and will happen.

Shri T.S.A. Chettiar : For these accidents there must be various defects in the training section or maintenance section. Have Government gone into the matter in which section the accident is greatest?

Sardar Majithia : Mostly, they are due to pilot's error.

Technological Institute in Bombay

*249. **Shri M. L. Agrawal :** Will the Minister of Education be pleased to state:

(a) whether it is a fact that the Government of U.S.S.R. have agreed to help India in setting up a technological institute in Bombay.

(b) if so, the details of this scheme; and

(d) when the institute will start functioning?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das) (a) to (c). A statement giving the required information is laid on the Table of the House. [See Appendix II, annexure No. 13].

Shri Shree Narayan Das : As this question has been answered, may I know the important points in the statement because we have not seen it?

Mr. Speaker : Such statements are not read out here; they are only laid on the Table of the House.

SHORT NOTICE QUESTION AND ANSWER

Bharat Insurance Company Ltd.

S. N. Q. No. 1. Shri L. N. Mishra : Will the Minister of Finance be pleased to state:

(a) the amount involved in the reported misappropriation of the funds of the Bharat Insurance Company Limited;

(b) whether at any stage there was any offer to the Government to make good this misappropriated moneys and from whom and on what terms;

(c) whether Government have accepted such an offer;

(d) if not, the steps that the Administrator of the company proposes to take to recover these moneys belonging to the company;

(e) whether the interests of the policy-holders of the company are being safeguarded; and

(f) whether the Administrator of the company proposes to take in new business?

The Minister of Finance (Shri C. D. Deshmukh) : (a) According to the preliminary findings of the investigating auditor appointed under section 33 of the Insurance Act, as reported on 21st September, 1955, the shortfall in Government Securities was of the face

value of Rs. 2,22,00,000. Subsequent to this report and prior to the appointment of the Administrator, on 26th September Government Securities of the face value of about Rs. 30 lakhs were put back. Thus when the Administrator was appointed the shortfall was in respect of Government Securities of the face value of about Rs. 1,92,00,000. The book value of these Securities is in the neighbourhood of Rs. 1,80,00,000.

(b) and (c). The first offer was from Shri Shanti Prasad Jain to Government. He proposed to pay the amount from money realised from sale by Bharat Union Agencies Ltd. of shares of Bennett Coleman & Co. Ltd. and Jaipur Udyog Ltd. to Rotas Industries Ltd., Lothian Jute Mills, New Central Jute Mills, Bharat Nidhi Ltd., Ashok Agencies Ltd. and Sahu Jain Family and Trust, through Sahu Jain Ltd. This was not accepted *inter alia* on the ground that it was not made by the person concerned with the misappropriation. The second was a voluntary and unconditional offer from Shri Ramkrishna Dalmia to the Administrator and was accepted.

(d) The Administrator acting under the powers conferred on him by Section 52BB of the Insurance Act as amended by the Insurance (Amendment) Ordinance, 1955, issued orders to Shri Ramkrishna Dalmia prohibiting him from transferring or otherwise disposing of properties held by him in his own name or believed to be held in the names of his benamidars or others.

The prohibitory orders issued were against:

1. Shri Ramkrishna Dalmia.
2. Shri Shanti Prasad Jain.
3. Shri R. P. Gurha.
4. Shri S. N. Dudani.
5. Shri Virendra Singh Chordia.
6. Shri J. Coomar.
7. Shri M. L. Sodhani.
8. Shri M. L. Rathi.
9. Shrimati Saraswati Devi Dalmia.
10. Shrimati Gunaniohe Dalmia.
11. Shrimati Rama Jain.
12. Messrs. Bharat Union Agencies Ltd.
13. Messrs. Bennett Coleman And Co. Ltd.
14. Messrs. Jaipur Udyog Ltd.
15. Messrs Sahu Jain Ltd.

The Administrator on 17th November, 1955 accepted a voluntary and unconditional offer (made on 12 November, 1955) by Shri Ramkrishna Dalmia in pursuance of which an amount of Rs. 1,80,50,000 was credited in the account of the Bharat Insurance Co. Ltd., with the stipulation

that any further amounts found due would be similarly paid. Such further action as is deemed necessary will also be taken on the conclusion of his investigation by the Administrator.

(e) Yes, Sir.

(f) Yes, Sir. He has already begun doing so.

Shri L. N. Mishra: Have Government any statement showing the investments made by the Bharat Insurance Company Ltd. in the various concerns of Shri Dalmia? If so, may I know the amount of such investments?

Shri C. D. Deshmukh: A part of the report has been received from the Administrator. We have not got the information here at the moment.

Shri L. N. Mishra: May I know whether the Government has approved of any deal between Shri Ramkrishna Dalmia and Shri S. P. Jain about the transfer of the former's shares in some important concerns in the country and if so the names of such concerns and the value of shares?

Shri C. D. Deshmukh: This is not a matter which requires Government's approval once the money has been paid in cash.

Shri L. N. Mishra: May I know the stage of the prosecution: has the final charge-sheet been framed?

Shri C. D. Deshmukh: The police investigation is still proceeding.

Shri Feroze Gandhi: On 30-9-1955, the Prime Minister, in answer to a short notice question stated that Shri Ramkrishna Dalmia had no connection with Dalmianagar implying thereby that Shri Ramkrishna Dalmia had no business relationship with Shri Shanti Prasad Jain. May I know on what authority was the statement made—what evidence was in the possession of Government which led the Prime Minister to make this statement?

Shri C. D. Deshmukh: I expect it was the common information. Government have had no occasion yet to investigate. There was a partition of the interests between Shri Ramkrishna Dalmia, his brother Shri J. Dalmia and his son-in-law, Shri Shanti Prasad Jain some years ago.

Shri Feroze Gandhi: My question was this, What evidence was in the possession of the Government which led the Prime Minister to make that statement?

Shri C. D. Deshmukh: This was the common information. We have no

documents in our possession because we have had no occasion yet formally to investigate into this matter.

Shri Feroze Gandhi : Can I take it that the Government have no evidence?

Shri C. D. Deshmukh: I have stated the nature of the evidence.

Shri M. L. Dwivedi: Will the Minister refer back to the short notice question of the last session to which Shri Feroze Gandhi referred and tell me what he means by the reverse entries already made when it is known that the assets of the Times of India consist only of plant and machinery and no cash. How is the realisation of that money going to be made?

Shri C. D. Deshmukh: This is, I take it, in relation to the transaction between the Bharat Insurance Company and Bennett Coleman and Company Ltd.

An hon. Member: That was a dubious one.

Mr. Speaker: The hon. Minister just replied that reverse entries were made to the tune of Rs. 1,80,00,000 which included the shares of Bennett Coleman and Company Ltd. and others. How does it represent any cash or any other assets so far as Bharat Insurance Company is concerned.

Shri C. D. Deshmukh: There is some confusion. I did not say anything about reverse entries in the answer. Rs. 180 lakhs have been received in cash.

Mr. Speaker: Not in the form of shares?

Shri C. D. Deshmukh: No. The hon. Member referred to some other matter on the last occasion relating to some transaction between Bharat Insurance Company and Bennett Coleman Company Ltd. about the sale of the property of the Bharat Insurance Company. I said, I believe, at that time—I have not got the record here—that the entry was reversed—in other words, the property was sold back again and cash was to be returned to Bharat Insurance Company. Certain instalments have been fixed and I believe some instalments have already been paid. Against the unpaid instalments the assets of the Bennett Coleman Company were, I believe, mortgaged which had been agreed to by Bharat Insurance Company.

Pandit D. N. Tiwary: May I know whether it is a fact that a representation has been made to the Government by Mr. Dalmia and his relatives to drop the case in view of the fact that the money has been paid and whether there is any likeli-

hood of the case being considered sympathetically?

Shri C. D. Deshmukh: No representation was made but an attempt was made in connection with an earlier offer to secure an assurance that the prosecution will not be proceeded with. That first offer was rejected.

Shri Joschm Alva: After the Government has seen that quite a few big shots who have now been proved to be swindlers have put their unlovely hands on the valuable securities in banks and insurance companies, namely, the Bharat Bank of India, Bharat Insurance Company and the Jupiter Insurance Company, has Government now at least given thought to a foolproof machinery by which it will stop such swindling in future in the interest of the public?

Mr. Speaker: Order, order.

Sardar Iqbal Singh: May I know if, after the realisation of Rs. 180 lakhs, the Government will proceed with the case or drop the case. Will the Government say definitely that even after realisation of the full amount the case will be proceeded with?

Shri C. D. Deshmukh: I have already said that the police investigation is continuing and that we refused to give any kind of assurance to the contrary. I have also indicated that it is open to the Administrator to take such action as he can even under the Insurance Act as amended in regard to this matter.

Shri Feroze Gandhi: If the Government had come to the conclusion that there was no business relationship between Ramkrishna Dalmia and Shanti Prasad Jain, why was it found necessary to serve orders on Shanti Prasad Jain and on Sahu Jain?

Shri C. D. Deshmukh: Because the property, we knew, had changed hands between Shri Ramkrishna Dalmia and Shri Shanti Prasad Jain and also because we wished to attach the property which had changed hands during this period.

Shri Matthen: In view of the investigations conducted in 1952 and also the present case, may I know what proportion of the life fund of the insurance company is safe to the benefit of the policy holders?

Shri C. D. Deshmukh: In regard to this particular insurance company, all the life fund is safe except for the small adjustment which yet remains to be done on receipt of the final report of the Administrator. Against that we have guaranteed to ensure that that sum also will be duly credited.

Shri M. S. Gurupadaswamy: After the payment of Rs. 180 lakhs, have the Government withdrawn the order prohibiting Shri Ramkrishna Dalmia from transferring his assets or mortgaging his assets?

Shri C. D. Deshmukh: Yes. Some orders have been withdrawn because money has been received back.

Shri Feroze Gandhi rose.—

Mr. Speaker: Order, order. The matter is under investigation.

Shri Feroze Gandhi: I am not concerned with the investigation.

Mr. Speaker: Order, order. We will go to the next item.

WRITTEN ANSWERS TO QUESTIONS

I.A.S. and I.P.S. Officers

*250. **Shri N. M. Lingam:** Will the Minister of Home Affairs be pleased to state the number of I.A.S. and I.P.S. Officers serving in each part 'A' and 'B' States at present?

The Deputy Minister of Home Affairs (Shri Datar): A statement giving the information is placed on the Table of the House. [See Appendix II, Annexure No. 16].

UNESCO

*254. **Shri B. D. Shastri:** Will the Minister of Education be pleased to state:

(a) the number of candidates sent abroad for training from India under the auspices of U.N.E.S.C.O. during the period 1955-56 (uptil October);

(b) the manner of selection of these candidates; and

(c) the number of students who came to India for training under its auspices during the same period?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Five.

(b) Final selections are made by U.N.E.S.C.O. from among candidates duly recommended by the Government of India.

(c) One.

Indo-U.S. Guarantee Agreement

*268. **Shri N. B. Chowdhury:** Will the Minister of Finance be pleased to refer to the reply given to Starred

Question No. 1796 on the 15th September, 1955 and state:

(a) whether a decision has been taken in connection with the Indo-U.S. Guarantee Agreement; and

(b) if so, the main features of this Agreement?

The Minister of Finance (Shri C. D. Deshmukh): (a) and (b). The matter is still under consideration.

Aid to Foreign Countries

*27. **Shri Anirudha Sinha:** Will the Minister of Finance be pleased to state:

(a) the total amounts of monetary aid given to foreign countries during 1954-55; and

(b) the names of the countries to which aid was given?

The Minister of Finance (Shri C. D. Deshmukh): (a) and (b). Attention is invited to the reply given in answer to Starred Question No. 431 by Shri Jhulan Sinha on 4-8-1955.

Flood Relief

*28. **Shri Anirudha Sinha:** Will the Minister of Finance be pleased to state the total amount of financial and other aid given to different State Governments for supplementing their relief operations for the flood sufferers during 1955 upto the 30th October?

The Minister of Finance (Shri C. D. Deshmukh): The following assistance has so far been given by the Ministry of Finance to the under mentioned State Governments for their flood relief operations during 1955:—

		Rs. in lakhs	
West Bengal	grant	99.42	These figures include assistance given for drought relief as well.
	loan	98.67	
PEPSU	Ways and means advance	100.00	
Himachal Pradesh	—do—	20.00	