

## LOK SABHA DEBATES

2

LOK SAHA

Friday, April 6, 1979/Chaitra 16, 1901  
(Saka)

The Lok Sabha met at Eleven of the  
Clock

[Mr. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

LIC investment in Corporate Private  
Sector.

\*638. SHRI JYOTIRMOY BOSU:  
Will the DEPUTY PRIME MINISTER  
AND MINISTER OF FINANCE be  
pleased to state:

(a) total LIC investment in the  
corporate private sector to date;

(b) share of each of the first 25  
largest houses in this total;

(c) whether it has been alleged  
that amount worth about 518 crores  
of rupees belonging to policy-holders  
has been diverted to the private sec-  
tor by the LIC; and

(d) if so, what are the facts there-  
of?

THE MINISTER OF STATE IN  
THE MINISTRY OF FINANCE  
(SHRI ZULFIQARULLAH): (a) to  
(d). A statement is laid on the Table  
of the House.

#### Statement

(a) The total investments of the  
LIC in the private corporate sector

on 31st March, 1978, including invest-  
ments in joint sector companies,  
amounted to Rs. 445.39 crores.

(b) A statement showing the LIC's  
investments on 31st March, 1978, in  
each of the 'Large Groups', 'Single  
Large Undertakings' and 'Dominant  
Undertakings' registered under the  
Monopolies and Restrictive Trade  
Practices Act is annexed.

(c) Yes, Sir. It has been alleged in  
an article appearing in Blitz dated  
3rd March, 1979, that the LIC has  
diverted Rs. 518 crores to the private  
sector.

(d) The LIC's total investments in  
the private sector on 31st March, 1978,  
amounted to Rs. 511.60 crores out of  
the total investments in India amount-  
ing to 4,013.11 crores. The investments  
in the private sector include invest-  
ments in the private corporate sector  
and joint sector (Rs. 445.39 crores),  
debentures of a company guaranteed  
by the Central Government (Rs. 4.46  
crores) and loans for residential and  
commercial housing totalling (Rs.  
61.75 crores). The pattern for invest-  
ments of the LIC envisages invest-  
ment of 10 per cent of the accretions  
to the Controlled Fund in the private  
sector, and in fixing this proportion  
account has been taken of the role  
assigned to the private sector in the  
development of the economy.

## Statement

Summary of the Total Investments of the Life Insurance Corporation of India as at 31st March, 1978  
in loans to and Debentures and Shares of Companies and Undertakings Registered under  
Section 26 of the Monopolies and Restrictive Trade Practices  
Act, 1969.

Lakhs of Rupees

Sr.No.	Groups/Undertakings	Total
1	2	3
<b>PART A—LARGE GROUPS</b>		
1	A.C.C.	8,99.88
2	Ashok Leyland	2,50.28
3	Bajaj	1,69.67
4	Bangur	6,61.99
5	Bhiwandiwala	1,39.25
6	Bird-Heilgers	2,91.94
7	Birla	22,00.27
8	Bombay Suburban	3,48.63
9	Brooke Bond	8.75
10	Chowgule	9.07
11	Dunlop	4,72.73
12	Escorts	1,01.23
13	G.E.C.	18.03
14	G.K.W.	1,61.43
15	Goenka	51.42
16	Golden Tobacco	0.76
17	Hindustan Lever	1,07.15
18	I.C.I.	5,03.62
19	I.T.C.	2,13.19
20	J.K. Singhania	6,64.93
21	Jaipuria	11.03
22	James Finlay	0.28
23	Jardine Henderson	28.55
24	Kamani	44.88
25	Kapadia (Killick)	1,50.79
26	Kasturbhai Lalbhai	73.12

1	2	3
27	Khatau . . . . .	2,00'60
28	Kalichand (Tulsidas) . . . . .	27'06
29	Kirloskar . . . . .	3,32'38
30	Kothari . . . . .	2,21'86
31	Larsen and Toubro . . . . .	3,85'74
32	Macneill & Magor . . . . .	2,10'53
33	Madras Cements . . . . .	1,39'21
34	Madura Coats . . . . .	1,19'42
35	Mafatal . . . . .	5,00'65
36	Mahindra & Mahindra . . . . .	6,13'16
37	Metal Box . . . . .	2,12'21
38	Modi . . . . .	4,44'43
39	Marugappa Chettiar . . . . .	87'28
40	Naidu G.V. . . . .	1,18'28
41	Naidu V.R. . . . .	1,58'91
42	Nowrojee Wadia . . . . .	82'09
43	Oberoi M.S. . . . .	6'58
44	Oil India . . . . .	1,25'90
45	Parry . . . . .	1,24'69
46	Phillips . . . . .	87'35
47	Rallis . . . . .	39'17
48	Raunaq Singh . . . . .	69'30
49	Reliance Textile . . . . .	1,00'00
50	Sahu Jain . . . . .	32'41
51	Sarabhai . . . . .	3,39'04
52	Scindia . . . . .	69'62
53	Schassayec . . . . .	2,81'84
54	Shaw Wallace . . . . .	22'71
55	Shri Ambica (Harivallabhdas) . . . . .	1,82'52
56	Shri Ram . . . . .	7,48'92
57	Shrivans Prasad Jain . . . . .	1,61'32
58	Simpson . . . . .	8'18

1	2	3
59	Somaiya . . . . .	37.65
60	Soorajmull Nagarmull . . . . .	1,17.49
61	Swedish Match . . . . .	98.96
62	T.V.S. Iyengar . . . . .	27.50
63	Tata . . . . .	51,87.85
64	Thackersey . . . . .	4.52
65	Thapar . . . . .	2,88.57
66	Thiagaraja . . . . .	5.85
67	Union Carbide . . . . .	1,65.80
68	United Breweries . . . . .	23.72
69	V. Ramakrishna . . . . .	11.35
70	Walchand . . . . .	4,01.09
<b>TOTAL Investments in Large Groups</b>		<b>301,46.79</b>

1	2	3
<b>PART B—Other Single Large Undertakings having assets of Rs. 20 Crores or more</b>		<b>32,89.36</b>
<b>PART C—Dominant Undertakings :—</b>		
(i)	Asbestos . . . . .	33.96
(ii)	Chloride (India) . . . . .	14.96
(iii)	India Carbon . . . . .	10.37
(iv)	Single Dominant Undertakings not figuring in Groups	3,85.59
<b>TOTAL</b>		<b>4,44.88</b>
<b>TOTAL Investments in Undertakings registered under Section 26 of the M.R.T. P. Act, 1969</b>		<b>338,81.03</b>

**SHRI JYOTIRMOY BOSU:** The Life Insurance Corporation of India faced the worst scandal in Mundhra's case and that was only a tip of an iceberg. They have gone to the extent that a sum of Rs. 1,918 crores, earmarked for socially oriented sectors like Electricity Boards, Housing Boards, Financial Corporations and Water Supply Schemes, has been diverted to seventeen big industrial houses and over and above that, a sum of Rs. 518 crores has been directly diverted to the private sector. In that context, I would like to ask the hon. Minister what is the LIC's investment in the private sector, what is its investment in the Government-owned Public Limited Companies?

**SHRI ZULFIQARULLAH:** The total investment in the private sector is Rs. 511 crores.

**MR. SPEAKER:** And in public companies? He wanted to know that.

**SHRI JYOTIRMOY BOSU:** Government-owned public limited companies.

**SHRI ZULFIQARULLAH:** I do not have that information; I require notice for that. This question is about the private sector.

**SHRI JYOTIRMOY BOSU:** But supplementaries will naturally arise as to how much it is for the private sector and how much for the public sector. I may tell you, you gave nothing to the public sector.

**THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI CHARAN SINGH):** The amount of investment in the private sector is only Rs. 511 crores, out of a total investment of Rs. 4000 crores. That shows the small magnitude of investment in the private sector.

As for the break-up, the break-up figures are not available, except that for the private corporate sector and joint sector it comes to Rs. 445 crores.

**SHRI JYOTIRMOY BOSU:** I have

not got my answer. They have given a figure which slightly varies from the figure I have quoted. Great generosity is shown to tycoons for them to make more profit, but we want to know how much sympathy you really have in terms of investment and loans for Government owned public limited companies. That figures must be given.

**MR. SPEAKER:** They do not have the figure, they say.

**SHRI JYOTIRMOY BOSU:** Then how do I get the figure?

**MR. SPEAKER:** Can you lay it on the Table, Mr. Minister?

**SHRI JYOTIRMOY BOSU:** I will give a Short Notice Question.

I would like to assist the Minister in the matter. They are all mixed up. They are not giving us the figures; they are not taking the House into confidence.

Besides investment, under loans for companies it is Rs. 97.42 crores, for companies guaranteed by Government it is Rs. 5.51 crores and for companies in participation with Banks it is Rs. 99.87 crores.

**MR. SPEAKER:** You seem to have more figures than they have.

**SHRI JYOTIRMOY BOSU:** Unfortunately, that is quite true.

I would like to know from the hon. Ministers—and I do sincerely hope that they will oblige the House—as to how many in the private sector and corporate sector have defaulted in the matter of repayment of principal and interest, what is the total amount involved, and the action taken thereon.

**SHRI CHARAN SINGH:** It seems the hon. Member wants to make it appear that the amount of investment in the corporate sector is comparatively very huge. By quoting figures in crores, that is the impression the hon. Member wants to create in the

House. But that is not a fact. It is only 12 per cent. Out of a total investment of Rs. 4000 crores, the investment in the corporate sector amounts to only Rs. 500 crores.

As for the details, I will require notice.

**SHRI JYOTIRMOY BOSU:** I have not talked in terms of percentage: I have talked in terms of volume. I am asking one straight question which is very relevant to this question.

**MR. SPEAKER:** You may put the question.

**SHRI JYOTIRMOY BOSU:** The House would like to know the number of defaulters in the private sector who have failed to repay the principle and/or interests and the amount that is involved.

**SHRI CHARAN SINGH:** For this, notice is required.

**SHRI JYOTIRMOY BOSU:** I seek the protection of the House and yourself, Sir. In such a case, the Minister may kindly assure us that he will accept a Short Notice Question, and I will give a Short Notice Question. Because these are vital matters, we want a reply. If for everything they want notice, the only answer is a Short Notice Question, so that we can have a reply in three or seven days. I must have an observation from you in this regard.

**MR. SPEAKER:** I will consider it.

**SHRI CHITTA BASU:** The total LIC's investment is Rs. 413.11 crores. Out of that, loans for residential and commercial housing total to only Rs. 61.75 crores. This is according to the statement of the Minister. The LIC's investment policy was decided upon and formulated earlier by the previous Government. Will the Government now consider it necessary and feasible to reformulate the investment policy of the LIC keeping in view the socio-economic programme of the new Government?

**SHRI CHARAN SINGH:** The suggestions are not made usually in the course of supplementaries. Still I assure the hon. Member that we will consider his suggestion.

**SHRI K. MALLANNA:** The total investment of the LIC amounts to Rs. 4013.11 crores. Out of this amount nearly an amount of Rs. 1918 crores was earmarked for social oriented sector and the corporation has allotted Rs. 1624 crores to the Central and the State Governments. Sir, in this amount of Rs. 4000 crores and odd, not only the rich people and the monopoly houses have contributed but also the middle-class and the lower class people have contributed. May I know from the hon. Minister what is the proportionate distribution of the amount among the various sections of the people? Secondly, the rich people and monopoly houses are investing money not for the sake of investment but to get the rebate from the income-tax.

**MR. SPEAKER:** How will he be able to give all the figures? If it is a very specific question, he can give.

**SHRI MALLANNA:** I am putting a specific question. What is the amount of rebate given to the rich and monopoly houses out of their investment?

**MR. SPEAKER:** I will consider whether a Short Notice Question is necessary for this. Next question 639—Absent.

(Interruptions)

Setting up All India Classification Tribunal

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\*640. **SHRI MUKHTIAR SINGH MALIK:**

**SHRI SHANKERSINGH VAGHELA:**

Will the DEPUTY CHIEF MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether Government have taken a final decision to set up an