

each one of these statues will be erected;
and

(e) what is the amount that is proposed to be spent on these statues, and whether the Central Government will also give some aid in this regard?

गृह-कार्य मंत्री (श्री गोविन्द बल्लभ पन्त) : (क) ऐसा कोई प्रस्ताव सरकारी तौर पर केन्द्रीय सरकार को नहीं मिला जिसमें खास तौर से इस काम के लिये मंजूरी मांगी गई हो लेकिन कारपोरेशन ने इस संबंध में जो प्रस्ताव पास किया है उसकी सूचना केन्द्रीय सरकार को मिली है।

(ख) ऊपर भाग (क) में दिये गये उत्तर को ध्यान में रखते हुये यह प्रश्न ही नहीं उठता।

(ग) प्राप्त सूचना के अनुसार, जैसा कि प्रश्न के भाग (क) में कहा गया है, कारपोरेशन का नोच दी गई सड़कों का फिर से नाम रखने का विचार है :—

- (१) क्वीन्स रोड का श्यामा प्रसाद मुखर्जी रोड ;
- (२) निकल्सन रोड का लोक-मान्य तिलक रोड ; और
- (३) ऐलगिन रोड का नेताजी सुभाष चन्द्र बोस रोड।

(घ) मालूम हुआ है कि ऊपर कहे गये प्रस्ताव के दूसरे भाग में यह सिफारिश की गई है कि उन तीनों नेताओं की मूर्तियां उचित स्थानों पर स्थापित की जायें जिनके नामों पर उपरोक्त सड़कों का नाम फिर से रखा जायेगा। मूर्तियां स्थापित करने के लिये कोई विशेष जगह प्रस्ताव में नहीं बताई गई है।

(ङ) कारपोरेशन ने केन्द्रीय सरकार के विचार के लिये ऐसा कोई प्रस्ताव नहीं भेजा है।

f[THE MINISTER OF HOME AFFAIRS (SHRI GOVIND BALLABH PANT) : (a) No such formal proposal has been received by the Central Government for the specific purpose of according their approval. Government have been informed, however, about a resolution having been passed by the Corporation in this regard.

Does not arise in view of the-answer to Part (a) of the question.

According to the information received as stated in part (a) of the question, the following roads are proposed to be renamed by the Corporation as indicated against them: —

- (i) Queens Road as Dr. Shyama Prasad Mukerjee Road;
- (ii) Nicholson Road as Lokmanya Tilak Road; and
- (iii) Elgin Road as Netaji Subhas Chandra Bose Road.

It is understood that in a second part of the aforesaid resolution, it has been recommended that statues of the-three leaders after whom the roads in question are to be renamed should be installed at appropriate places which have not been specified.

No such proposal has been made by the Corporation for the consideration of the Central Government.]

STATEMENT BY MINISTER RE INVESTMENT POLICY OF THE LIFE INSURANCE CORPORATION OF INDIA

THE DEPUTY MINISTER OF FINANCE (SHRIMATI TARKESHWART SINHA) : Mr. Chairman, I am placing on the Table of the House a notification which makes applicable to the Life Insurance Corporation certain provision? of the Insurance Act. The-House will recall, that Section 43(2) of the Life Insurance Corporation Act, lays down that these provisions would be made applicable to the Life Insurance Corporation, subject to such conditions and modifications as may be

f[] English translation.

specified in the notification. The notification is in pursuance of this requirement.

One of the Sections which the notification deals with is Section 27A of the Insurance Act. It is, by now, common knowledge that this Section defines in fairly precise terms the ambit within which an insurer could operate in the matter of investments. By making it applicable to the Life Insurance Corporation, Government is laying down the frame-work within which the Life Insurance Corporation can similarly operate. In short, this modified Section contains, by and large, the investment policy which the Life Insurance Corporation will follow.

There are good reasons as to why the salutary provisions of Section 27A should be retained. Both the freedom given and the restrictions imposed by it have stood the test of time. While ensuring the safety of the policyholder's money the possibility of augmenting profits has also been afforded. For this reason Section 27A has proved satisfactory both to the insurer's and the policy-holders. We, therefore, have followed these principles subject only to such changes as have become necessary owing to the fact that investments which were previously spread over 240 odd companies are now held by one single Corporation. I may add that in coming to our decision we have consulted both the Corporation and the Reserve Bank of India.

Under the scheme referred to, the investments of the Life Insurance Corporation will be divided into three broad categories; firstly, the Government and approved securities which generally mean gilt-edged securities; secondly, investments approved under this very Section and, thirdly other investments. The limitations are that at least 50 per cent, of the total funds should be held in Government and approved securities and not more than 15 per cent. should be held in the form of other investments. The result

is that about 35 per cent, is held in what is known as approved investments.

To a large extent the modifications suggested in respect of approved investments are of a minor character. It was necessary to make them because of the altered conditions which obtain after nationalization of Life Insurance. But I shall, in particular, draw attention to the modified Section 27A(4) and 27A(8). While the former enables the maximum limits of holdings of the Corporation in the ordinary shares of the companies to be raised from 10 per cent, to 30 per cent, of the subscribed ordinary capital (with a further provision for exceeding this limit with the prior approval of the Central Government) the latter modification will permit the Corporation to invest in private limited companies also, with the prior approval of the Central Government.

There are certain other matters pertaining to the investment policy of the Life Insurance Corporation which, I feel are of some importance. I shall mention these briefly.

To begin with, I would like to make it quite clear that the Life Insurance Corporation shall always keep in mind the provision of Section 6(1) of the Life Insurance Corporation Act, which enjoins on it the duty of carrying on its business to the best advantage of the community. Let me be more specific. Whereas the Life Insurance Corporation will always bear in mind that its primary obligation is to its policy-holders whose money it holds in trust, and will work as far as possible on business principles, it will never lose sight of the fact that, as the single largest investor in India, it has to keep before it the interests of the community as a whole. It will, therefore, invest in ventures which further the social advancement of the country. It will take no parochial view. Its funds are drawn from all over India and they will—as far as practicable considerations allow—be invested for the good of the entire

[Shrimati Tarkeshwari Sinha.] country. Thus there shall be a studied diversification of its investible funds which is an essential requirement of any insurer particularly the sole insurer of a country.

I next come to the attitude which the Life Insurance Corporation should adopt in relation to the Stock Markets. There is not the slightest intention that the Life Insurance Corporation should indulge in speculation and I thus take advantage of temporary fluctuations in market prices. It must necessarily invest on a long-term basis. But this should not preclude it from certain buying and selling operations when circumstances so warrant. It will actively examine its investment portfolio from time to time and decide whether certain of its holdings are worth keeping, adding to, or disposing of. If, for instance, the Life Insurance Corporation were to sell during periods of boom and to buy during periods of depression not only would the Life Insurance Corporation gain but, indirectly, the national interest would be served by evening out the fluctuations in the stock market.

Apart from Section 27A, there are various other sections of the Insurance Act which it is obligatory on Government to apply to the Life Insurance Corporation with such modifications and subject to such conditions as may be considered necessary. These sections deal with certain "returns" and statement of accounts which insurers have to submit to the Controller of Insurance so as to enable the latter to ensure that the interests of the policyholders are safe. These provisions are salutary ones; and it is felt that the Life Insurance Corporation should continue to submit these returns and be governed by the sections in question. This matter has also been considered very carefully in consultation with the Life Insurance Corporation and the modifications made are of a minor character.

In conclusion I would like to add that the investment policy which is

before you has taken into account all that has been said on the subject in the recent past. Different schools of thought have advocated application of varying standards. We thus have been able to study and sift the available material and I hope the policy indicated will have the approval of the House.

SHRI BHUPESH GUPTA (West Bengal): Sir, I have got one submission to make. A very important investment policy has just now been stated in this House. I think all hon. Members would agree that we should have an immediate discussion on such an important investment policy, especially when we know what the stakes are. Therefore I request the Government to set apart some time when we can have full discussion on this investment policy.

MR. CHAIRMAN: Yes, she has just read a long statement and I do not think that you have followed all the details of it. Therefore, I want you to read it carefully and then give notice, if you want, for discussing it.

SHRI BHUPESH GUPTA: Yes, Sir. I do not want that discussion to take place now.

PAPERS LAID ON THE TABLE

ANNUAL REPORT OF THE INDIAN MINING AND CONSTRUCTION COMPANY (P) LTD., FOR 1956-57 AND GOVERNMENT REVIEW THEREON

THE MINISTER OF STEEL, MINES AND FUEL (SARDAR SWARAN SINGH): Sir, I beg to lay on the Table a copy each of the following papers: —

- (i) Annual Report of the Indian Mining and Construction Company (Private) Limited for the year 1956-57, together with a copy of the Auditors' Report thereon, under subsection (1) of section 639 of the Companies Act, 1956.