

AN HON. MEMBER: Was the Chinese Embassy contacted ?

SHRI B. R. BHAGAT: We had called the Charge d'Affaires of the Chinese Embassy, and curiously, he has neither confirmed nor denied. That was the nature of his reply. After the investigation is complete, we shall take whatever action the investigation reveals to be necessary.

SHRI HEM BARUA: May I seek a clarification? He has said that the Chinese Charge d'affaires had neither confirmed nor denied. How is that done?

MR. SPEAKER: I do not know; in diplomatic language there is that possibility.

12.16 hrs.

#### PAPERS LAID ON THE TABLE

##### AUDIT REPORT AND APPROPRIATION ACCOUNTS (CIVIL)

##### DELHI SALES TAX (EIGHTH AMENDMENT) RULES

THE DEPUTY PRIME MINISTER AND THE MINISTER OF FINANCE (SHRI MORARJI DESAI : I beg to lay on the Table :-

- (1) A copy of the Audit Report (Civil), 1968 (Hindi version, under article 151 (1) of the Constitution read with sub-section 3 (ii) of section 3 of the Official Languages Act, 1963;
- (2) A copy of the Appropriation Accounts (Civil), 1966-67 (Hindi version)

[Placed in Library See No. LT-2597/68]

On behalf of SHRI K. C. PANT I beg to lay on the Table:-

- (1) A copy of the Delhi Sales Tax (Eighth Amendment) Rules, 1968 (Hindi and English versions) published in Notification No. F. 4 (120)/68-Fih. (G) in Delhi Gazette dated the 15th November, 1968, under sub-section (4) of section 26 of the Bengal Finance (Sales Tax) Act, 1941. as

in force in the Union Territory of Delhi.

- (2) A statement (Hindi and English versions) showing reasons for delay in laying the above Notification.

[Placed in Library, See No. LT-2588 / 68.]

12-16½ hrs.

#### LEGISLATIVE ASSEMBLY OF NAGALAND (CHANGE IN REPRESENTATION BILL)\*

MR. SPEAKER: Shri Surendra Pal Singh

श्री कामेश्वर सिंह (अगरिया) : अध्यक्ष महोदय, मेरा एक व्यवस्था सम्बन्धी प्रश्न है। मेरा निवेदन यह है कि श्री सुरेन्द्र पाल सिंह यह जो विधेयक ला रहे हैं इसे गृह मंत्रालय के किसी मंत्री को पेश करना चाहिए। नागालैण्ड कोई विदेश में नहीं है और इसके ऊपर आप अपनी व्यवस्था दीजिये।

Mr. SPEAKER : No, that is not necessary. Any Minister can do it. There is no difficulty.

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH): I beg to move for leave to introduce a Bill to provide for a change in representation in the Legislative Assembly of Nagaland and for that purpose to make consequential amendments in the State of Nagaland Act, 1962, and the Representation of the people Act, 1950.

Mr. SPEAKER : The question is :

"That leave be granted to introduce a Bill to provide for a change in representation in the Legislative Assembly of Nagaland and for that purpose to make consequential amendments in the State of Nagaland and Act, 1962 and the Representation of the People Act, 1950."

The motion was adopted.

\* Published in Gazette of India Extraordinary, Part II, Section 2, dated 9-12-68.

**SHRI SURENDRA PAL SINGH :** I, introduce the Bill.

12.19 Hors.

**INSURANCE (AMENDMENT) Bill Contd.**

*Clause 6-Contd.*

**MR. SPEAKER :** The house will now take up further clause-by-clause consideration of the Insurance (Amendment) Bill. We have already taken 4 hours on this. There is 1 more hour left. Clause 6 and the amendments thereto are under consideration.

**SHRI NAMBIAR ( Tiruchirappalli ) :** The amendments I have moved are Nos. 49, 50 and 51 to Clause 6.

12.19½ hrs.

[ *Mr Deputy Speaker In the Chair* ]

Clause 6 is a very vital clause. So we need not be in a hurry to dispose of it. Cl. 6 deals with the matter of deposits dealt with under sec. 7 of the principal Act. Certain general insurance companies have got a very bad history. They are misappropriating the moneys of the public left with them. So Government have to take preventive steps to prevent this happening so that if at all the companies misbehave, the deposit money could be utilised for paying claims. That is the purpose of the clause.

By my first amendment, I seek to raise the amount from Rs. 150,000 to Rs. 500,000 in regard to the second; I seek to limit the extension to one instead of the present two and in my third amendment, I seek to raise the deposit to be made before application for registration from Rs. 10 lakhs to Rs. 50 lakhs. I shall explain them one by one.

Coming to my first amendment No. 49, it is to the proviso to (b) in cl.6, page 4, which says :

“Provided further that in respect of an insurer not having a share capital and carrying on only such insurance business as in the opinion of the Central Government is not carried on ordinarily insurers.....the deposit to be made by

such insurer shall be such amount, being not less than one hundred and fifty thousand rupees, as may be specified in the said order”.

I seek to raise this amount to Rs. 5 lakhs. My reason is this. Those insurers who deal with a crore of rupees and above are to make a deposit of Rs. 20 lakhs and those who deal with just a crore are to make a deposit of Rs. 10 lakhs. These insurers are doing miscellaneous types of insurance and we do not know how much claim may accrue. If the insured are placed at a disadvantageous position vis-a-vis the companies, there must be a sufficient amount of money to compensate them. For this purpose, Rs. 1,50,000 is too small, not even sufficient to pay one claim. In order to safeguard their interests, I seek to raise this amount to 5,00,000.

Now I come to my second amendment - this clause runs into 3 pages and is a very vital one. My second amendment is to the proviso to (1D) in p. 7 where two extensions are provided for in respect of any deposit or instalment of deposit required to be made by an insurer. This must be limited to one extension only, because if you go on giving extension, the money of the insured will be accruing and subsequently when a company goes into liquidation, the insured will suffer and Government will have to come to their rescue.

My third amendment is No. 51. This raises a bigger issue. As I said, this seeks to raise deposit to be made before the application for registration is made from Rs. 10 lakhs, to Rs. 50 lakhs, in page 8, line 2. I shall read out the item:

“(3) Where the deposit is to be made by an insurer not carrying on insurance business in India immediately before the commencement of the Insurance (Amendment) Act, 1968, a deposit of rupees ten lakhs shall be made before the application for registration is made, and the provision of clause (ii) of sub-section (1A) shall apply to such insurer after his registration as they apply to an insurer specified in clause (a) of sub-section (1)”.

My amendment is that Rs. 10 lakhs must be made into Rs. 50 lakhs. When