

Debate No. 28 of 01.09.15

ORAL ANSWERS TO QUESTIONS

EX-BRITISH AMERICAN INVESTMENT CO. (MTIUS) LTD. - ASSETS &
LIABILITIES

The Leader of the Opposition (Mr P. Bérenger) (*by Private Notice*) asked the Minister of Financial Services, Good Governance and Institutional Reforms, Minister of Technology, Communication and Innovation whether, in regard to ex-British American Investment Co. (Mtius) Ltd., he will state -

- (a) the estimated value of the assets and liabilities thereof, as reported by the conservators/administrators appointed therefor;
- (b) the guarantees given to date to the -
 - (i) 139,000 pension policyholders and 15,000 single premium policyholders of the ex-British American Insurance Co. Ltd., and
 - (ii) investors of the ex-Bramer Assets Management;
- (c) the number of job losses at the companies of the ex-British American Investment Co. (Mtius) Ltd., and at other companies which transacted business therewith, as at to date;
- (d) if the small suppliers of Courts Ltd. have been paid Rs44 m., and
- (e) where matters stand regarding the Apollo-Bramwell Hospital, Iframac Ltd. and Courts Ltd.

Mr Bhadain: Mr Deputy Speaker, Sir, I understand that the question of the hon. Leader of the Opposition is in relation to British American Investment Co. (Mtius) Ltd, which is the holding company of BAI Co. (Mtius) Ltd, the insurance company. In fact, the confusion in the names is indicative of the *modus operandi* of the Directors of the BAI Group. I shall therefore answer in relation to BAI Co. (Mtius) Ltd, the insurance company. Also, it is apposite to note, Mr Deputy Speaker, Sir, that reference to ex-BAI Co. (Mtius) Ltd as stated in the question is not accurate as I am informed by the FSC that the licence of this company has not been suspended or revoked.

Mr Deputy Speaker, Sir, as the House is aware, we have been dealing with an unprecedented crisis which could have seriously jeopardised the financial soundness and social stability of our beloved country. This goes well beyond party politics.

I fully concur with the statement made by the hon. Leader of the Opposition to this august Assembly on 28 April 2015, and I quote -

“(...) I believe it is vital to go back to square one and to remind ourselves why we have come to where we are, an awful mess, a national catastrophe (...) why we have come to where we are, is because as from 2005, the then Prime Minister and Government did not allow either the FSC or Bank of Mauritius, or even more, to function as independent regulators.”

Mr Deputy Speaker, Sir, the fraudulent malpractices and the mechanisms of the Ponzi scheme are now well established. In fact, as far back as 29 March 2011, the auditors, KPMG, had already disclosed the fraud and the resulting losses of the insurance company and its related subsidiaries to the audit committee and directors of BAI Co. (Mtius) Ltd. The insurance company, Mr Deputy Speaker, Sir, had already collapsed as far back as 2009. I am now tabling a copy of the presentation delivered on 29 March 2011 by the Auditors on the Results of Audit for the financial year ending 31 December 2010, which unequivocally highlights the following -

- (i) At page 6, Mr Deputy Speaker, Sir, for the financial years 2004 to 2010, the Insurance Business consistently recorded Operating Losses. Only for the year ending December 2010, the Insurance business reported an operating loss of Rs1,760,830,000.
- (ii) At page 10, with regard to Single Insurance Premiums, the famous Super Cash Back Gold (SCBG), Net Deficits were recorded for years 2008 to 2010 with a shortfall of Rs704,302,000 for the year ending 31 December 2010. KPMG disclosed that the losses would amount to Rs6,071,398,000 for the financial year ending December 2013, Mr Deputy Speaker, Sir.
- (iii) The actuarial report, which is contained in the presentation, concluded that, and I quote -

“Policyholders’ funds being invested in assets in related entities where minimal return obtained and recoverability low.”

This, Mr Deputy Speaker, Sir, proves the Ponzi scheme;

- (iv) At page 11, the heading ‘Single Premiums Expected Return’ - KPMG stated that net deposits should bring returns of 10.5% to enable the company to pay guaranteed returns. KPMG questioned, and I quote -

“Is the company yielding such returns on its investments?”

Mr Deputy Speaker, Sir, they were promising people in the towns and villages returns of up to 10%, 12%, 14% within Super Cash Back Gold (SCBG) and their investment products when they could not even generate more than 1 to 2% and had to use funds from new investors to repay the old investors. This again proves the Ponzi scheme.

- (v) At page 13 – KPMG reported that by December 2013, cash deficit - and we are talking in cash terms - would amount to Rs13,600,000,000. That was already stated to all the Directors of the BAI Group and to the full audit committee of the BAI Group as far back as 29 March 2011 that by December 2013 the cash deficit would be Rs13,600,000,000. They all knew, Mr Deputy Speaker, Sir. In actual fact, the consolidated accounts of the holding company based in the Bahamas, Klad Investments Ltd confirmed that as at December 2012...

The Deputy Speaker: Hon. Minister Bhadain, please, can you answer the question?

Mr Bhadain: I am coming to that, Mr Deputy Speaker, Sir. I have to set the scene to explain the specific answers. I am sure the hon. Leader of the Opposition is also interested in finding out what exactly happened before I give specific answers to his questions.

(Interruptions)

Well, if I may be allowed to continue, Mr Deputy Speaker, Sir.

So, Klad Investments Ltd., the holding company of the group confirmed that as at December 2012, the excess liabilities of the group over its assets amounted to USD302,000,000 which is above Rs10,000,000,000. This is in actual fact when KPMG had already stated that it would be Rs13,600,000,000.

- (vi) More importantly, Mr Deputy Speaker, Sir, at page 15, it is disclosed that the company had been involved in, and I quote –

“Round- tripping of transactions in 2009.”

The diagram shows how the company engineered a loan of Rs3,600,000,000 by the transfer of funds...

(Interruptions)

The Deputy Speaker: Hon. Minister Bhadain, please, answer parts (a), (b), (c), (d) and (e) of the question. Thank you.

Mr Bhadain: Yes. But, Mr Deputy Speaker, Sir, it needs to be explained. The context has to be put into.

(Interruptions)

Mr Bhadain: But anyway I will come to the specific answers.

So, with regard to parts (a) and (b) of the question, I am informed that the then Conservators submitted an interim report on 17 April 2015 to the Financial Services Commission (FSC) and subsequently, a final report on 02 July 2015 on the estimated value of assets and liabilities of BAI Co. (Mtius) Ltd and its related entities based on their actuarial and professional valuations.

In their final report, the Conservators reported that, in terms of assets, the reported values as at 30 April 2015 was Rs13.1 billion and the insurance liabilities were Rs25 billion. Now that again confirms the Ponzi which had already been detected as far back as 2009, Mr Deputy Speaker, Sir.

With regard to part (b)(i), I am informed that BAI Co. (Mtius) Ltd had a portfolio of 135,283 recurring premium policies - and I must highlight to the attention of the hon. Leader of Opposition that they are not pension policies as mentioned in the question, but recurring insurance premium policies - and 24,690 single endowment policies, which is, of course, the Super Cash Back Gold. In respect of the recurring premium policies, Government has given its commitment to safeguard the interest of those who have contributed to these policies. That was done within 24 hours of the scandal breaking up, Mr Deputy Speaker, Sir. This has necessitated the carving out of Rs6.5 billion worth of assets by the Special Administrators from BAI Co. (Mtius) Ltd to the newly created National Insurance Co. Ltd. Since 07 August 2015, the National Insurance Co. Ltd, which deals with both life insurance and general insurance, has been in operation and the 135,283 policies are well safeguarded and are being serviced, in fact, the insurance company, Mr Deputy Speaker, Sir, is now growing significantly in value and new policyholders are subscribing to new policies.

Mr Deputy Speaker Sir, regarding the 24,690 single endowment policies, Super Cash Back Gold, which was held by 14,570 policyholders who have contributed a total of Rs19.2

billion in capital, Government took the bold step and decided to repay 12,001 policies representing a capital amount of less than Rs500,000. 11,436 policies for a total amount of Rs2,374,622,099 have already been repaid since 15 May 2015.

With regard to policyholders having invested Rs500,000 or more, Rs3,484,000,000 have already been repaid to 6,968 policyholders on 30 June 2015.

The remaining amount of Rs12.8 billion payable to the second batch of the Super Cash Back Gold policyholders would be converted into debentures, to be issued by the National Property Fund Limited ('NPFL') annually in 5 equal tranches of Rs2.6 billion. These debentures would carry zero coupon rate, with redemption dates of 30 June 2016; 30 June 2017; 30 June 2018; 30 June 2019 and 30 June 2020.

With regard to part (b)(ii) of the question, Mr Deputy Speaker Sir, I am informed by the FSC that, with regard to the investors of Bramer Asset Management Ltd, there were different funds under management and this is another way where they have decided to go in the towns and villages and loot the people of this country.

I wish to inform the House that -

- (a) With regard to A.L.E.E.F Ltd, sufficient assets were available to cover for liabilities amounting to Rs58 m. I am also informed by the FSC that the existing CIS manager has been replaced by a new one and the fund is operating normally;
- (b) With regard to Emerging Africa Bond Fund (EABF), sufficient assets were available to cover the liabilities of the Fund amounting to Rs150 m. I am informed that one CIS Manager has already expressed interest to take over management of the Fund, which will continue to operate normally also;
- (c) With regard to Bramer Property Fund Limited (BPF), Discretionary Portfolio Management Fund (DPM), Hennessy Investment Trust (HIT), Hennessy Capital Limited (HCL), and Bramser Services Bond (BSB) because the hospitals were also issuing bonds, Mr Deputy Speaker, Sir, 6,362 investors, including individuals and charitable organisations have invested a total amount of Rs4.3 billion.

So, with regard to BPF, DPM, HIT, HCL and BSB, Government again took a bold step, Mr Deputy Speaker, Sir, and agreed to repay 85% of the capital of those having invested less than Rs500,000 and 80% for those having invested Rs500,000 or more. With regard to 3,498 investors who had invested less than Rs500,000 the total repayment would have

amounted to Rs430 m. 2,294 persons registered their claims with NPFL and out of which 1,444 were repaid on 31 July 2015 for a total amount of Rs240,495,294, the remaining applications are still being processed as their documentations were incomplete and they will be paid in due course when a proper documentation is submitted.

Mr Deputy Speaker Sir, the remaining amount of Rs3 billion payable in respect of 2,864 investors would be converted into debentures and issued by the National Property Fund Limited ('NPFL') annually in 5 equal tranches of Rs600 m. in a similar manner to Super Cash Back Gold. These debentures would carry zero coupon rate, with redemption dates of 30 June 2016; 30 June 2017; 30 June 2018; 30 June 2019 and 30 June 2020. I am informed by the NPFL that the needful is being done for the issue of the first tranche of the 30 June 2016 debenture.

With regard to part (c) of the question, regarding job losses, I am pleased to inform the House that contrary to many press reports which stated that there are a number of jobs which are being lost on a weekly basis, I must say at Apollo Hospital no job has been lost except for certain members of top management who have been asked to go. With regard to Iframac, no job has been loss to date and the process regarding Iframac is ongoing and with regard to Courts which employed over 900 persons, the new company which has taken over Courts has maintained 80% of the jobs within Courts. With regard to the Insurance Company BAI Co. (Mtius) Ltd, the company is operating normally now as National Insurance Company Limited and again, except for a few jobs at senior management level, all the employees are working. So, there have not been any major job losses in any of those companies.

(Interruptions)

The Deputy Speaker: Please continue!

Mr Bhadain: Yes. As I stated in Courts 80% of the jobs are being maintained. 20%, probably the new company will deal with that, and they will operate on a last in, first out basis.

I am informed by the Ministry of Labour, Industrial Relations, Employment and Training that, with regard to GRNW Boatyard, Publico Ltd, Yukondale and Voyageur Travel Tour which are all the companies which are operating within the group, 101 persons, who were working in those companies, had their employment terminated and they have all been dealt with according to law. The former employees are being compensated under the Employment Rights Act and will benefit from the Workfare Programme. As far as the other

companies which transacted business with the BAI Group, I am informed that no job losses have been reported as at date.

With regard to part (d) of the question, concerning payment of Rs44 m. to the small suppliers of Courts Ltd, my colleagues the hon. Minister of Finance and Economic Development and the hon. Minister of Business Enterprise and Cooperatives have met the representatives of Barclays, State Bank of Mauritius, Banque des Mascareignes along with the Special Administrators on this issue. I am pleased to announce, Mr Deputy Speaker, that the banks in a spirit of solidarity, understanding the social issues involved, have agreed to earmark Rs44 m. from the total amount of Rs390 m. which is owed to them, for payment to those small suppliers of Courts. Subsequently, the Minister of Finance and Economic Development and the hon. Minister of Business, Enterprise and Cooperatives met the SME suppliers to explain the *modus operandi* for effecting payment to them.

I am informed that payment to the SME suppliers would be effected as soon as the procedures for the sale of Courts (Mtius) Ltd are completed.

With regard to part (e) of the question, in respect of Apollo Bramwell Hospital, the then special administrators have invited bids. However, the bids received were not reflective of the real value of the hospital and its operations as compared to the market value as determined by the Conservators themselves on 17 April 2015. I am informed by the FSC that the hospital operations and assets have been transferred to the National Insurance Co. Ltd. and NIC Healthcare Limited on 25 August 2015 by the Special Administrators. The operations of the hospital are now under the purview of the Ministry of Finance and Economic Development and the employees will be transferred to NIC Healthcare Limited. This will bring finality and certainty to the concerns of some 800 employees of the hospital.

With regard to Iframac Limited (transport division), I am informed by the FSC that two interested parties, namely GBH and Fleet Africa, who had expressed interest to make a bid to take over Iframac as a going concern, were not entertained by the previous Special Administrators while on the other hand, companies who were not part of this bidding process in the likes of CFAO represented by IMC, Axess and Leal were granted confidential information on employees, payroll, terms of service, salaries and also invoicing.

I am further informed by the FSC and I quote –

“The Special Administrators never informed the Board that the franchise agreement of Mercedes, Peugeot and Mitsubishi included a clause whereby the brand

would contractually be lost as a result of the appointment of an administrator, by the then Board of Directors of Iframac Ltd.”

Mr Deputy Speaker, Sir, I also wish to inform the House that with regard to Iframac, a meeting has been held yesterday with the representatives of Fleet Africa, the trade union representatives of Iframac Limited and the employees and also E.A.L. Man Hin & Sons Ltd who have expressed their interest to join in a consortium so that the Honda brand can now be used by New Iframac Motors for the sale of cars. Today, we are in the process of discussing and finalising the agreement between the New Iframac Motors Ltd., Fleet Africa and also E.A.L. Man Hin & Sons Ltd and there are various options which are on the table and we will be enlightened by this afternoon.

With regard to Courts, Mr Deputy Speaker, Sir, again, there has been quite a lot of erroneous reports which have been made in the Press regarding Courts Asia Hillbrow and also Mammoth represented by Mr David Isaacs. The situation is very clear. The FSC decided to instruct the Special Administrators that no exclusivity should be given to any bidders. And according to their process, the Special Administrators decided that they were going to have a preferred bidder, but that was in accordance with their procedures that they have established themselves. The reason why the FSC did not want to give any exclusivity is because transparency would be lost and it would not be in line with all good practices of good governance, because if you give exclusivity to only one person, then you will not have the benefit of both bids. Now, when both bids were considered - because Special Administrators have already engaged with both companies - they submitted a report on 16 July 2015, showing both bids. They were told to continue the negotiations with both bidders and at some time they decided to disengage with Mammoth represented by Mr David Isaacs and to continue negotiations only with Courts Asia represented by the company Hillbrow so much so that Mammoth decided to write directly to the FSC and say: ‘What do we do because they are not talking to us anymore? And the FSC said: ‘You send your final bid to the Administrators and you copy it to the Board of the FSC’, which was done. And on the basis of both bids which were received, the FSC made an informed decision, mainly based on the social aspects because, as I have explained before, with regard to the financial aspect of Courts, Rs44 m. is going to the Small and Medium Enterprises and Rs390 m. is owed to the banks based on fixed charges which are there on the properties. So, in financial terms, the Special Administrators would not have been able to bring one rupee which was going to repay insurance policyholders. Therefore, the social aspect was more important in terms of

preserving the jobs of the employees, in terms of preserving the salaries and the conditions of service of the employees and, thirdly, in terms of maintaining the years of service of those employees as well. Now, both on the social side and the financial side, the FSC was happy to go ahead with the...

The Deputy Speaker: Hon. Minister, please! Excuse me for interrupting. Will your answer be much longer?

Mr Bhadain: No. I am just finishing, Mr Deputy Speaker, Sir.

The Deputy Speaker: Thank you.

Mr Bhadain: So, the FSC was very happy with the bid, informed the Minister accordingly, in accordance with the provisions of the Insurance (Amendment) Act and, of course, I went to Cabinet to seek Cabinet's approval which was obtained. Sorry, Mr Deputy Speaker, Sir!

Mr Bérenger: Mr Deputy Speaker, I want you to give us some extra time after what has happened. If I can start on the first part of my question; at first, the ex-conservators estimated that there would be a surplus of Rs6 billion comparing assets and liabilities. And then, as the hon. Minister told us, when an Interim Progress Report was submitted to the FSC on 07 April 2015, that Rs6 billion surplus turned into a Rs12 m. deficit, *d'un trou, donc, de R 12 milliards*. And now, we are told that a final report was submitted on 02 July and I did not catch all the figures. Am I right from the figures quoted to say that this deficit, *le trou*, has now grown up to Rs19 billion and can I ask the hon. Minister whether this final report like the Interim Report which was made public, will be made public and circulated?

Mr Bhadain: Well, firstly, Mr Deputy Speaker, Sir, I am not aware that the Conservators ever reported any surplus. I thought it was always a deficit which was reported. Now, the figures I have quoted are the figures which have been provided to me by the FSC based on the final report submitted by the Conservators. So, these figures are, according to the FSC, the accurate ones, which I believe they are. With regard to the deficits which the hon. Leader of the Opposition is referring to, the situation is very simple, Mr Deputy Speaker, Sir, and we have always operated in all transparency. There is Rs19 billion which had to be repaid to the Super Cash Back Gold insurance policyholders.

Mr Bérenger: My question is: what is the deficit as per the final report whereas in the interim report it was officially put at Rs12 billion?

Mr Bhadain: The final figure is what it is. It is in the final report as I have quoted before. That is the end of the matter as far as I am concerned based on what the FSC has submitted to me, but I am also explaining what the real situation is. I am sure the hon. Leader of the Opposition will be interested to know.

Mr Bérenger: Can we know whether he will make that final report public, circulate it and whether the deficit has grown to Rs19 billion?

Mr Bhadain: Mr Deputy Speaker, Sir, regarding the final report of the Conservator, I have no problem whatsoever to make it public, but this is the report of the Conservators at the time when Conservators were in operation. Since then we moved on with Special Administrators being appointed and the hon. Leader of the Opposition himself is aware that the law was voted here to appoint the Special Administrators. I am now giving the accurate situation, unless the hon. Leader of the Opposition is not willing to hear that.

Mr Bérenger: Answer questions ...

The Deputy Speaker: Hon. Leader of the Opposition!

(Interruptions)

Hon. Bhadain, please sit down!

Mr Bhadain: In fact, Mr Deputy Speaker, Sir...

(Interruptions)

The Deputy Speaker: The Minister has answered the question. Hon. Leader of the Opposition!

Mr Bérenger: Yes. Mr Deputy Speaker, Sir, we will study the liabilities when the final report is made public and see what is the deficit in the final report, whether it is Rs90 billion or not. Do the liabilities referred to by the hon. Minister include money lent by the Bank of Mauritius and by other banks, if not, can we have details?

Mr Bhadain: Mr Deputy Speaker, Sir, that is exactly why I was giving an accurate state of affairs...

(Interruptions)

And now I am being asked about it!

(Interruptions)

Let me explain to the House what the situation is for the benefit of the hon. Leader of the Opposition and for the benefit of all the hon. Members.

Mr Bérenger: On a point of order...

(Interruptions)

The Deputy Speaker: Hon. Members, please! Please hon. Leader of the Opposition!

Mr Bérenger: If he cannot give the figures, say so!

The Deputy Speaker: Hon. Minister Bhadain, the question was about the deficit and whether the Bank of Mauritius had lent money. Please answer the question!

Mr Bhadain: Yes, of course, the Bank of Mauritius has lent money.

(Interruptions)

Mr Bérenger: Can we have the figure?

Mr Bhadain: To explain the figures, Mr Deputy Speaker, Sir, I must be able to explain...

(Interruptions)

Let me explain!

(Interruptions)

This is the first time that I see that an Opposition is not willing to hear answers! The situation is as follows, Mr Deputy Speaker, Sir, and I will answer that as well if I may start where I should.

The Deputy Speaker: Will it be a long answer?

(Interruptions)

Mr Bhadain: Well, it was a very...

(Interruptions)

It was a very long and complex board, Mr Deputy Speaker, Sir, and I will try to be quick.

The Deputy Speaker: Hon. Minister, please sit down! Time is running out. The question was about the figure. Can you give the figure?

Mr Bhadain: Yes, the figure was Rs3.5 billion as far as I remember, but I have to explain what the situation is. There is 19...

The Deputy Speaker: Hon. Minister, I am sure the hon. Leader of the Opposition or any other hon. Member might ask a question about explanation. The question was about the figure.

Mr Bhadain: I don't want to mislead them.

Mr Bérenger: I will also ask the hon. Minister whether he has figures for money spent by this whole BAI affair out of Government funds apart from the Rs200 m. that was disbursed to get a new bank going, what other service has been spent by Government?

Mr Bhadain: Again, I will have to go back and explain where we are!

(Interruptions)

The Deputy Speaker: Silence! Silence! Order, please sit down!

(Interruptions)

Hon. Minister, a question was put to you!

Mr Bhadain: No, there are no public funds which have been taken from the Consolidated Fund at this moment in time. However, the Bank of Mauritius...

The Deputy Speaker: No time wasting, please!

Mr Bhadain: The Bank of Mauritius has granted a loan for the repayment of the Super Cash Back Gold Premium policyholders on 30 June 2015 at a rate of, I believe, 3.6 percent interest so that these people could be repaid because these people were suffering, because these people are people who have put money from their VRS, lump sums and everything they have worked for all their life and which had been brutally taken away from them. As a caring, responsible Government we decided that these people had to be repaid...

(Interruptions)

This Government has been elected by the people, for the people, Mr Deputy Speaker, Sir.

Mr Bérenger: Mr Deputy Speaker, Sir, we have been given information concerning guarantees given, especially to the hundred and so people who contributed for a later pension. Can I know from the hon. Minister whether this has been done in writing, whether these people have been provided with letters confirming that they will benefit from the same conditions of pension that they were to benefit from under the BAI scheme? Not just that, has it been done in writing?

Mr Bhadain: There is no reason to do anything in writing, I mean, if we understand correctly what is being done and for that we need time. What is happening is that the NIC has taken over the 135,283 policies which were being operated before as regular premium switching in pensions. These are being operated normally and, at their maturity date, everybody is going to be repaid. The NIC has been duly licensed by the FSC, the assets and liabilities match in their balance sheet, unlike what Mr Rawat was doing.

The Deputy Speaker: Hon. Minister, the question is very clear, it is about whether it was given in writing or not!

Mr Bhadain: Well, I said no. It was not given in writing because there was no need for that.

The Deputy Speaker: Thank you!

Mr Bérenger: Mr Deputy Speaker, Sir, if I can move on rapidly, regarding the sum of Rs44 m. to be paid to the *petits fournisseurs*. Being given that there is a line of credit from the Bank of Mauritius - I understand that there are other lines of credit and so on - now these people are told to wait until the Courts issue is settled then they will be paid. Can't Government use the line of credit from the Bank of Mauritius or any other source to pay them their due and then it will be recouped when the whole Courts saga is over and...

(Interruptions)

Rs44 m.! Can that Rs44 m. be paid out of the line of credit or otherwise?

Mr Bhadain: Actually, Mr Deputy Speaker, Sir, we have done far better than that! What we have done is that we have got the banks to agree that they are going to pay the Rs44 m. themselves out of their own generosity because they do understand the social crisis and what has gone on in this country! This money is going to be repaid in the couple of weeks to

come because the agreement has already been signed between Courts and the Special Administrators and the completion date is next week.

Mr Bérenger: The last part of my question, Mr Deputy Speaker, Sir, can we know as far as Apollo-Bramwell Hospital is concerned whether there is a policy decision from the Ministry of Finance and Economic Development or what have you as to what is going to happen to Apollo-Bramwell Hospital? Is it going to be *un hôpital universitaire* or is it going to be run on another basis? Have there been discussions with Apollo India for them to take over? What is the situation as at now?

Mr Bhadain: Firstly, Mr Deputy Speaker, Sir, it will not be run with fraud money anymore! Secondly, in terms of what will happen to the hospital going forward, it will be managed by professional people; there are people from India, the Apollo Group in India, who have signified their interest of managing the hospital. They have sent a proposal and this is being looked at by my colleague, the Minister of Finance and Economic Development.

The Deputy Speaker: Thank you. Time is over!

(Interruptions)

Mr Bérenger: If you want to change the rules of the game, until now...

The Deputy Speaker: Hon. Leader of the Opposition, we have allowed five additional minutes to the question. I will allow you a last question, hon. Leader of the Opposition!

Mr Bérenger: My last question, Mr Deputy Speaker, Sir, is that the hon. Minister has been reported on 26 August on the occasion of the opening ceremony of the organisation of Eastern and Southern Africa Insurers of having said the following –

- (i) *Les amendements apportés à l'Insurance Act vont à l'encontre de la démocratie, and*
- (ii) *Le texte de loi – the amendments to the Insurance Act – ce texte de loi sera abrogé dès que les problèmes liés à la BAI seront réglés.*

Can he confirm that? And can I ask him what does he mean when he says that the amendment we brought goes against democracy? Secondly, is the whole amendment going to be repealed or part thereof, and if it is part thereof, which part thereof?

Mr Bhadain: Mr Deputy Speaker, Sir, these are not the correct words which I had said on that occasion. What I had meant was, because of a situation where an administrator had been appointed by the Board and he was operating under the Insolvency Act, we had to go ahead and change the Insurance Act so that we could appoint a Special Administrator to go and repay all the insurance policyholders who had been affected by this huge Ponzi scheme. I stated that in a democratic State we would wish that we did not have to do that, but because we had to go and repay all these people, we had to go ahead and do it. This was what I explained at the conference.

The Deputy Speaker: Time is over! Hon. Members the Table has been advised that Parliamentary Question No. B/365 addressed to the Rt. hon. Prime Minister has been withdrawn. Hon. Ameer Meea!

