

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1492
ANSWERED ON:03.03.2000
NRIS SEEK ROLE IN INSURANCE SECTOR
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Will the Minister of FINANCE be pleased to state:

- (a) whether NRIs have requested the Government to give due share to NRIs in sectors like insurance and manufacturing;
- (b) if so, whether Government have considered NRIs request; and
- (c) to what extent their demands have been accepted?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

a), b) & d): In pursuance of the ongoing liberalisation process, policies and procedures governing NRI investment are streamlined from time to time to create a more favourable investment environment for NRI, which include (i) automatic approval upto 100% in the high priority industries
(ii) higher Foreign Direct Investment limits in sectors having sectoral caps,
(iii) allowing 100% investment in Housing and Real Estate sectors and
(iv) increase in individual secondary market investment limits. In insurance sector, the Insurance Regulatory and Development Authority Act, 1999 provides for maximum of 26% of the foreign equity capital in an Indian insurance company which include investment by NRIs. Once set up, the IRDA will start entertaining applications for investment in insurance sector.