

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:871
ANSWERED ON:19.07.2002
FOREIGN DIRECT INVESTMENT IN LIFE INSURANCE BUSINESS
RENU KUMARI SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Cabinet propose to review its earlier decision to allow the foreign financial companies to enter into the life insurance business in the country;
- (b) if so, whether some of the foreign players have purchased more shares of some private banks dealing with insurance business to surreptitiously increase the percentage to more than 26% ; and
- (c) if so, the measures taken by the Government to check the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

- (a) : No, Sir. There is no proposal under the consideration of the Government to allow more than 26% foreign equity in an Indian insurance company.
- (b) & (c) : No, Sir.