

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2046
ANSWERED ON:12.12.2008
EQUITY STAKES IN THE TOBACCO COMPANIES
Chakraborty Shri Ajay;Sharma Dr. Arvind Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Life Insurance Corporation of India (LIC) and Specified Undertaking of Unit Trust of India (SOUTI) are holding equity stakes in the tobacco companies,
- (b) if so, the details thereof; and
- (c) the reasons for holding equity stakes in the tobacco companies where as the Government is discouraging the consumption of tobacco?

Answer

MINISTRY OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (c) LIC & SUUTI hold the following equity stake in the following companies.

ITC : VST Ind.

LIC 53,68,89,861 9,72,703

SOUTI 44,84,34,405

Investments by LIC are in the nature of financial investments. The erstwhile Unit Trust of India prior to the passing of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 had invested in a variety of securities including the shares of ITC. Such investments are also in the nature of financial investment and were in companies in various sectors. Many of these investments including in the ITC are at present held by the UTI's successor SUUTI.

It may however be noted that ITC has presence in many segments like hotel, packaging and retail besides tobacco. Investment by LIC in VST Industries was made prior to April 2001 and no further investments have been made subsequently by LIC.