

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4073
ANSWERED ON:03.08.2009
EXTENSION OF LIMIT OF FDIS
Meinya Dr. Thokchom

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government proposes to extend the limit of FDIs in sectors like Insurance, Banking and Media;
- (b) if so, the details thereof; and
- (c) the likely impact of it on the management issue?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): FDI upto 26% is presently allowed in the Insurance sector. The Government introduced the Insurance Laws(Amendment) Bill, 2008 in the Rajya Sabha on 22.12.2008. The Bill, inter-alia, provides for enhancement of holdings of equity shares by a foreign company, either by itself or through its subsidiary companies or its nominees in Indian Insurance Companies from 26% to 49% except in case of insurance co-operative societies where the limit continues to be 26%. There is no proposal to extend the limit of FDI in Banking and Media.

(c): Increase in foreign equity holding limit to 49% in the Insurance sector would not result in change in management control automatically.