

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4246
ANSWERED ON:11.08.2017
Investment by LIC in Tobacco Company
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Will the Minister of FINANCE be pleased to state:

- (a) whether Life Insurance Corporation of India (LIC) has made investments in a big tobacco manufacturing company and if so, the details thereof and the reasons therefor;
- (b) whether LIC/Government is aware of cautionary message on tobacco products and the health hazards being faced by the people due to its consumption and if so, the details thereof; and
- (c) the compulsion behind making such investments in cigarette company by LIC?

Answer

Minister of State in the Ministry of Finance

(a) to (c): Life Insurance Corporation of India (LIC) is holding equity shares of ITC Ltd which has diversified presence in various businesses. The Corporation's investments are carried out within the norms, rules and regulations issued by the Insurance Regulatory and Development Authority of India (IRDAI) from time to time in order to maximise return to the policyholders and minimise risk keeping within the limits prescribed by IRDAI.

The investments are done through the secondary market considering the performance and prospects of the individual company and the sector as a whole, with the objective of earning good returns for its policyholders.

Government is aware of the health hazards attributable to tobacco usage. The Cigarettes and Other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014, and further notification dated 24th September, 2015 mandates specified health warnings covering 85% of the principal display area of the packages of tobacco products. Tobacco consumption is a major risk factor for some of the Non-Communicable Diseases (NCDs) such as cancers, cardiovascular diseases, chronic respiratory diseases etc.