

Title: Presented a petition against the move to open the Indian Insurance sector to foreign companies through the Insurance Regulatory and Development Authority Bill, 1999.

12.40 hrs.

SHRI RUPCHAND PAL (HOOGHLY) : I beg to present a petition signed by Shri R.P. Manchanda and others representing the All India Insurance Employees Association, All India LIC Employees Federation and General Insurance Employees All India Association against the move to privatise the Indian Insurance Industry and opening up of the Insurance Sector to foreign companies through the Insurance Regulatory and Development Authority Bill, 1999.

(Placed in Library. See No. LT 71/99)

SHRI INDRAJIT GUPTA (MIDNAPORE) : Sir, I have written to you before 10 o' clock. I do not know whether my notice was delayed.

MR. SPEAKER: Shri Indrajit Gupta, I had called your name but you were not there.

SHRI INDRAJIT GUPTA (MIDNAPORE) : Sir, I have not been able to hear the full speech of the hon. Minister of Finance. The only one point that I wanted to make is that in the name of regulation - this is called a Regulatory Act - the Government has not got the authority to give away the assets and properties of this nation to foreign parties. If they want to open this sector in such a way that only Indian insurance companies can enter private companies and compete with the corporations I could understand that. Though I do not agree with it, I could understand that logic. But to give away assets and properties of these two corporations to foreign companies, multi-national corporations is something which is certainly against the public interest, against the national interest and that is why we are opposing it. That is not regulation. It is something else.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Sir, I have already clarified that there is no intention on the part of the Government to give away any of the assets or liabilities of the existing Indian insurance companies. Let me clarify, through you, to Shri Indrajit Gupta, the hon. father of this House, that if we had left it vague, without defining what an Indian company means, then it could have meant any Indian company registered in India under the Indian Companies Act.

We want to be very clear about it and that is why we have defined what an Indian company means and how much foreign shareholding could be there. If we had not restricted it to 26 per cent, it could have, perhaps, meant 74 per cent, 49 per cent or 51 per cent. But we are clarifying it by saying that it would be restricted to 26 per cent. I would like to repeat that there is no intention on the part of the Government to privatise GIC or LIC. So, the question of handing over any of these corporations or any property thereof, any share thereof to any multinational or any foreign company does not arise.

MR. SPEAKER: Matters under Rule 377 may be treated as laid on the Table of the House.

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