

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-3099
ANSWER ON 23.03.2021

Investment by public financial institutions in tobacco companies

3099. SHRI SANJAY SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government agencies like LIC and UTI have invested in tobacco companies which are involved in manufacturing of tobacco products;
- (b) if so, the details of the investments made; and
- (c) the reasons for encouraging public financial institutions to invest in these tobacco companies?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (c): Investment by LIC is made in accordance with the Life Insurance Corporation Act, 1956, the Insurance Act, 1938 and various rules and regulations issued by the Insurance Regulatory and Development Authority of India (IRDAI). In order to optimize return to policyholders on various investments, LIC diversifies its investment amongst various sectors taking into account the risk and return factors. Considering this principle, LIC has made investment in ITC Limited which is a company well diversified into various sectors such as packaging, agro-business, information technology, branded apparel, personal care and other FMCG products.

The Specified Undertaking of the Unit Trust of India (SUUTI) currently holds equity shares in ITC Limited which were received by SUUTI from the erstwhile Unit Trust of India (UTI).
