

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 2595.
TO BE ANSWERED ON FRIDAY, THE 25TH MARCH, 2022.**

PROPOSED CHANGES IN FDI POLICY

2595. SHRI PRABHAKAR REDDY VEMIREDDY:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether it is a fact that the Ministry is mulling changes in FDI policy;
- (b) if so, the details thereof;
- (c) whether the proposed changes are being done for allowing foreign players to bid for LIC since LIC Act does not permit foreign investment; and
- (d) whether it would contradict the stand of Government that LIC would be opened only for domestic investors or general public of the country?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a) & (b):** To promote Foreign Direct Investment (FDI), the Government has put in place an investor-friendly policy, wherein many sectors are open for 100% FDI under the automatic route. Further, the policy on FDI is reviewed on an ongoing basis, to ensure that India remains attractive & investor friendly destination. Changes are made in the policy after having detailed consultations with stakeholders including apex industry chambers, associations, representatives of industries/groups and other organizations. Government has recently undertaken a number of reforms across sectors. In the past year, reforms in the FDI policy have been undertaken in sectors such as Insurance, Petroleum & Natural Gas, Telecom etc.
- (c) & (d):** There is no provision in the Insurance Act, 1938 or the Life Insurance Corporation Act, 1956 regarding foreign investment in the Life Insurance Corporation of India (LIC) or allowing investment into LIC only to domestic investors or general public. As such, the framework applicable for foreign investment in LIC consists of the Foreign Exchange Management Act, 1999 ("FEMA"), the rules and regulations made thereunder, and the FDI Policy. Accordingly, vide Press Note 1 (2022 Series) dated 14.03.2022, Government has amended the FDI Policy to permit FDI up to 20% in LIC under the automatic route.
