

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2442
ANSWERED ON:08.12.2006
PRIVATE INSURANCE COMPANIES
Dhotre Shri Sanjay Shamrao;Gawali Smt. Bhavana Pundlikrao

Will the Minister of FINANCE be pleased to state:

- (a) whether private insurance companies are facing great difficulties due to ban imposed by the Reserve Bank of India on loans taken from corporate bodies of different countries;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): No, Sir. However, as per the information provided by the Insurance Regulatory and Development Authority (IRDA), the private insurance companies are permitted to raise funds through the equity route. These funds are raised from their promoter shareholders.

(c): Does not arise.