



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

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Clarifications

The Department of Industrial Policy and Promotion (FC Section), Ministry of Commerce & Industry, Government of India, vide Press Note No. 2 (2009 Series) dated 13 th February, 2009 has issued Guidelines for calculation of total foreign investment, i.e., direct and indirect foreign investment in Indian companies. These guidelines are effective from the date of the issue of the Press note.

While concerns have been expressed in some quarters, it is clarified that in case of Indian insurance companies, in view of the fact that the manner of calculation of twenty six per cent equity capital held by a foreign company is laid down in clause 11 of the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, the Press Note under reference has excluded the insurance sector from the methodology as detailed there under. Thus, the insurance sector has been left out of the purview of the said methodology and shall continue to be governed by the provisions of the relevant Insurance Laws and Regulations.