

Govt approves 15 FDI proposals worth Rs 7,262 crore

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Based on the recommendation of Foreign Investment Promotion Board (FIPB), the government has approved 15 Foreign Direct Investment (FDI) proposals, worth Rs 7,262 crore. The proposals approved, include many insurance companies increasing equity stake in Indian ventures like Nippon Life Insurance, Tata AIA and Aviva Life. However, Yes Bank's proposal to raise foreign investment limit to 74% from the existing 41.87% amounting Rs 6,885 crore has been recommended to be approved by the Cabinet Committee on Economic Affairs (CCEA).

Of the approved proposals, the highest was from Nippon Life for Rs 2,265 crore to hike stake in Reliance Life Insurance from 26% to 49%, followed by, Tata AIA Life Insurance Company's proposal for Rs 2,055 crore to increase AIA International's stake from 26% to 49% for Rs 2,055 crore. Aviva Life Insurance Company's proposal to raise the shareholding of Aviva International Holdings, UK, to 49% by transferring the 23% currently held by Dabur Investment Corp to it was also approved. Total foreign inflow through this deal is about Rs 940 crore. This is the first set of big-ticket investments in insurance after Parliament approved a Bill in March last year to raise FDI limit in the sector to 49% from 26%. The government expects over Rs 25,000 crore investments because of the change in the investment policy.

The FDI proposal from insurance sector which were approved included, Sun Life Financial (India) Insurance, Almondz Insurance Brokers, Taurus Ventures. Raheja QBE General Insurance Co's Rs 102 crore proposals for transfer of 23% shares held by Prism Cement to Hong Kong's QBE Asia Pacific Holdings and thereby increasing foreign shareholding to 49% also got the nod.

In the defence sector, there were two significant proposals including Quantum Simulators to set up a simulator manufacturing company with a 49% stake was approved. This proposal is expected to bring investment of Rs 14 crore and Tata Sikorsky Aerospace. Other proposals which also got approval includes Vsoft Technologies, Venus Aesthetic, Beloorbayir Biotech, PTL Enterprises, Sun Pharma Advanced Research and International Asset Reconstruction.

However, 10 FDI proposals were rejected, which includes Apollo Hospitals Enterprise, Lupin, Dipon Gas and Infrastructure. On the same time 8 FDI proposals

were deferred which includes Whirlpool Asia, Bupa Singapore, RMC Arc insurance brokers etc.