

## **'Path-breaking' and 'landmark' decisions, say FICCI President, R.V. Kanoria**

**NEW DELHI, October 4, 2012.** Describing the Cabinet approval to a hike in FDI cap in the insurance sector to 49% and allowing up to 26% foreign equity in the pension sector as “path-breaking and landmark” decisions, **Mr. R.V. Kanoria, President of FICCI said**, “the new installment of big bang reforms is a clear message that the government is determined to strengthen the economy.

Mr. Kanoria said that while these forward looking measures would infuse the much-needed capital in the insurance and pension sectors, “There is an imperative need to make investment guidelines more flexible so that such funds can be used to support infrastructure development. Today, insurance and pension funds are constrained to participate in infrastructure projects as these are required to invest a substantial portion of their funds in government securities and also not allowed to invest in projects rated below a certain level. These limitations need to be somewhat relaxed.”

**FICCI also welcomes the Cabinet approval to the changes in the Companies Bill 2011** which has been prepared after considering recommendations of the Standing Committee and comments from the finance and law ministries as well as the Planning Commission.

FICCI MEDIA DIVISION