

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)

RAJYA SABHA
UNSTARRED QUESTION NO. 1032
TO BE ANSWERED ON TUESDAY, JULY 26, 2022
SRAVANA 4, 1944 (SAKA)

LIC IPO

1032. SHRI RAGHAV CHADHA:

WILL THE MINISTER OF FINANCE BE PLEASED TO STATE :

- (a) the current value of Life Insurance Corporation of India (LIC) after it went for the Initial Public Offering (IPO) and the amount lost as a consequence of devaluation;
- (b) the reasons why LIC wiped out over ₹1.50 lakh crore of investors' capital, becoming one of the largest wealth guzzlers of recent times;
- (c) the reasons behind the continuous crashing of LIC in the market; and
- (d) the steps taken by Government to ensure that LIC shares do not touch new lows every day?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KISHANRAO KARAD)

(a) and (b): The market capitalization of a listed entity changes on a continuous basis, based on a small volume of shares traded in the market. The LIC IPO comprised of 22,13,74,920 shares which were disinvested by Government of India as an Offer for sale. These shares represented 3.5% of the total shares outstanding of LIC. The Government of India continues to hold 96.5% of the total outstanding shares of LIC. The market value of the shares subscribed to by investors at the close of the listing day (17th May 2022) on Bombay Stock Exchange (BSE) was Rs. 19380.3 cr. This market value of shares subscribed to by investors at the close of different dates is tabulated below-

Date	Share price (Close price at BSE in Rs.)	Value of shares subscribed to by investors (in Rs. Crore)
1 st July 2022	676.75	14981.5
7 th July 2022	698.15	15455.3
14 th July 2022	712.15	15765.2
21 st July 2022	687.55	15220.6

(c) & (d): The stock market performance of a particular stock needs to be analysed on a medium to long-term basis for a newly listed entity. There are several factors that affect the trading

price of an entity such as geo-political factors, global and national macro-economic environment and perceptions of market participants on the prospects of a particular sector and/or the entity. The LIC Board and management have been continuously engaged in strengthening and improving the performance parameters, keeping in view the interest of policyholders, shareholders and other stakeholders.
