

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 883**

TO BE ANSWERED ON 03 DECEMBER, 2024/ 12 AGRAHAYANA, 1946 (SAKA)

UNPRECEDENTED FALL IN STOCK PRICES

883: DR. KANIMOZHI NVN SOMU:

Will the Minister of Finance be pleased to state:

- (a) whether there is an unprecedented fall of stock prices and points amounting to a loss of Rupees several lakh crores to investors after the general elections-2024 and if so, the measures taken by Union Government to investigate the same;
- (b) the details of the investigations done so far and current status of funds invested by various arms of Government like SBI, LIC and other Public Sector Banks in the share market; and
- (c) whether it is a fact that there was a demand to investigate the matter by the SEBI, if so, the details thereof?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (c): Stock market movements are a function of investor perceptions along with other factors which may include, inter-alia, global economic scenarios affecting foreign capital flows, domestic macro-economic parameters and overall corporate performance.

The stock market benchmark indices, Sensex and Nifty-50, showed an upward trend since the announcement of the general elections on 16th March, 2024 and increased by 5.3% and 5.6% respectively till 3rd June, 2024. On 4th June 2024, the date of announcement of results of the general elections, Sensex and NIFTY-50 decreased by 5.7% and 5.9% respectively. The indices recovered within three days and have reached record levels since 4th June 2024, registering an increase of 11.3% and 10.9% respectively as on 27th November, 2024.

The decrease in market capitalisation of companies listed on NSE and BSE on 4th June, 2024 was recovered within a period of five days and it has increased by around ₹50 lakh crore since then as on 27th November, 2024.

Securities and Exchange Board of India (SEBI), as the statutory regulator of securities markets, is mandated to put in place regulatory and surveillance frameworks for effecting stable operations and development of the securities markets. It conducts regular surveillance of trends in the securities markets to enhance market integrity and safeguard interest of investors. Any alleged violation of its Regulations is investigated and based on the findings of the investigation, appropriate enforcement action is initiated by SEBI under the powers given by the SEBI Act, 1992. Though SEBI has received representations on the above stock market movements, no specific information on any unfair trading has been provided.

The current status of funds invested by various arms of Government like SBI, LIC and other Public Sector Banks in the share market is at Annexure – A.

Table 1: Status of funds invested by LIC and other Public Sector Banks in the share market

S.No.	Name of Organisation	Value of Investments (in ₹ crore, as on 31st March 2024)
1.	Life Insurance Corporation of India (LIC)	Book Value of Equity Investments: 7,42,310 Market Value of Equity Investments: 14,58,696
Exposure of Public Sector Banks (PSBs) to the listed equity market (in ₹ crore, as on 22nd November, 2024):		
2.	State Bank of India	15,257.84
3.	Punjab National Bank	3,418.72
4.	Bank of Baroda	2,365.38
5.	Central Bank of India	1,620.05
6.	Canara Bank	1,606.72
7.	Indian Bank	1,240.19
8.	UCO Bank	883.38
9.	Union Bank of India	604.96
10.	Bank of India	201.72
11.	Indian Overseas Bank	184.11
12.	Bank of Maharashtra	53.98
13.	Punjab & Sind Bank	22.85

Source: LIC, PSBs
