

Government of India
Ministry of Finance
Department of Financial Services
Lok Sabha
Unstarred Question No. 1647

To be answered on Friday, November 25, 2016/Agrahayana 4, 1938 (Saka)

Mandatory Listing on Exchanges

1647. SHRI G. HARI:

Will the Minister of FINANCE
be pleased to state:

- (a) whether the Insurance Regulatory and Development Authority of India (IRDAI) proposes that life insurers to mandatorily list shares on the stock exchanges; and
- (b) if so, the details thereof and the reasons therefor?

Answer
Minister of State in the Ministry of Finance
(Shri Santosh Kumar Gangwar)

(a) & (b): Insurance Regulatory and Development Authority of India (IRDAI) issued a Discussion Paper on "Listing of Indian Insurance Companies" on 11th August 2016 in order to seek feedback on mandatory listing of life and non-life insurers.

The Discussion Paper *inter_alia* suggests the following:

- i) Public listing enables the retail and institutional investors to participate in the fortunes of the company.
- ii) The mandate for disclosure requirements is significantly higher for listed entities. These include disclosures required to be made to the stock exchanges and through print media;
- iii) Public shareholding by both retail and institutional investors means that there is a greater scrutiny of the decision making process, resulting in greater transparency of operations;
- iv) The Statutory and regulatory provisions ensure that the interest of minority shareholders are protected.