

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 1874**  
ANSWERED ON – 13.3.2023

**INVESTMENT IN ADANI GROUP**

1874. SHRI ANTO ANTONY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any statistics regarding investments made by the public sector institutions like Life Insurance Corporation of India (LIC), Employees Provident Fund Organization (EPFO), State Bank of India (SBI) and other institutions into the Adani Group or Adani Enterprises Ltd.;
- (b) if so, the details of investments made by the public sector institutions during the last 10 years, year-wise and institution-wise;
- (c) whether the Government has any statistics regarding revenue generation or loss made by these institutions due to investments in Adani group of companies or Adani Enterprises Ltd.; and
- (d) if so, the details of revenue generation or loss made by public sector institutions during the last ten years, year-wise and institution-wise?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(DR. BHAGWAT KARAD)

**(a) to (d):** Employees Provident Fund Organization (EPFO), Ministry of Labour and Employment has informed that they invest in equity markets only through Exchange Trade Funds replicating BSE-SENSEX and NIFTY- 50 indices.

The Life Insurance Corporation of India (LIC), as per its press release dated 30.01.2023, has clarified its position on investments made in Adani Group and the same is attached in the annexure-I.

As per data received from Public Sector General Insurance companies, namely New India Assurance Company Limited, United India Insurance Company Limited, National Insurance Company Limited, Oriental Insurance Company Limited and General Insurance Corporation of India, total exposure in Adani Group of Companies as on 31.1.2023 is Rs 347.64 crore which is 0.14% of the total AUM of all the five companies.

The Reserve Bank of India has informed that RBI does not collect borrower level investment data and such information is not maintained by it.

Further, the State Bank of India (SBI) and the nationalised banks have informed that as per provision for obligation as to fidelity and secrecy under section 44 of the State Bank of India Act, 1955 and the Section 13(1) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, they can't divulge any information relating to or to the affairs of their constituents. Further, response of SBI to some of the media queries with regard to its exposure in the group is at annexure-II.

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**PRESS RELEASE****30/01/2023 PANINDIA**

In the ordinary course of business, LIC does not share details of its company and industrial group specific investments. However, given that certain information is being circulated in the various articles in media and Video Channels about LIC's exposure to Adani Group of companies, we are releasing this information to share the factual position regarding our exposure in Adani group of companies in the equity and debt segments.

LIC's total holding under equity and debt is Rs. 35,917.31 Crores as on 31.12.2022 under Adani group of companies. The total purchase value of equity, purchased over the last many years, under all the Adani group companies is Rs. 30,127 Crores and the market value for the same as at close of market hours on January 27th, 2023 was Rs.56,142 Crores. The total amount invested under Adani Group amounts to Rs. 36,474.78 Crores as on date. These investments have however been made over a period. Further it may be appreciated that the credit rating of all of the Adani debt securities held by LIC are AA and above which is in compliance with the IRDAI investment regulations as applicable to all the Life Insurance companies.

The total Assets Under Management by LIC are over Rs. 41.66 lakh crore as at September 30, 2022. Therefore, LIC's exposure in the Adani group, as on date, is **0.975%** of LIC's Total AUM **at book value**.

LIC is a 66 year old institution of repute and standing and continues to follow strict investment framework compliant with applicable guidelines and regulations. It is also important to note that while the market value of assets can change in either direction, LIC invests from a long term perspective and based on detailed due diligence. LIC follows a robust procedure for **valuation of its liabilities** and determination of solvency margin in order to ensure its financial soundness on continued basis. The available solvency margin of LIC as at September 2022 was well above the target solvency level of 160%. LIC Board and its management is committed to and conscious of its responsibilities towards all the stakeholders and will continue to follow appropriate principles and practices to safeguard their interests at all the times.

Dated at Mumbai on 30<sup>th</sup> January, 2023.

For Further Information please contact: Executive Director (CC)  
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We believe that the news contained in this release is of value to your readers. While we would thank you to publish it as soon as possible, We also readily recognize that the decision to do so rests entirely with you.

Response of SBI to some of the media queries with regard to its exposure in the group

While as a matter of policy, SBI does not comment on individual clients, in the interest of setting the context right, it is clarified that SBI's exposure to Adani group is well below the Large Exposure Framework of RBI (LEF). All exposure to the group from SBI is secured by cash generating assets with adequate TRA / Escrow mechanism in place, hence debt service will not be a challenge

In fact, the Indian banking system exposure to the group as a % to their total debt has been declining over the last 2-3 years. Same period, their Debt to EBDITA also has been getting better, which helps the group to service it's obligations comfortably

As is known, most of their acquisitions have been financed through overseas borrowings and market instruments, hence there is no exposure build up to Indian banking system on this count

SBI keeps reviewing the non-funded exposures to all large entities periodically and there is no concern or likelihood of any devolvement at this juncture

The Bank as a matter of policy keeps a watch on all our exposures to large groups and will take measures from time to time basis our assessment.