

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

**LOK SABHA
UNSTARRED QUESTION NO. 26
ANSWERED ON JULY 22, 2024/ 31 ASHADHA, 1946 (SAKA)**

UNPRECEDENTED FALL OF STOCK PRICES

26. Dr. T Sumathy Alias Thamizhachi Thangapandian:

Shri S Venkatesan:

Shri Anand Bhadauria:

Shri Vijayakumar Alias Vijay Vasanth:

Shri V K Sreekandan:

Will the Minister of **FINANCE** be pleased to state:

- a) whether it is a fact that there is an unprecedented fall of stock prices and points amounting to a loss of Rs. 30 lakh crores to investors immediately after the general elections-2024 results and if so, the details thereof;
- b) the measures taken by the Union Government to investigate the scam behind the unprecedented fall of stock prices and points amounting to a loss of Rs. 30 lakh crores to investors;
- c) the details of the investigations done so far and the current status of funds invested by various arms of Government like SBI, LIC and other Public Sector Banks in the share market;
- d) whether it is also true that the stock market went up unprecedentedly on the basis of specific investment advice to the 5 crore family investing in the stock markets, if so, the details thereof;
- e) whether it is a fact there was a demand to investigate the matter by the Securities and Exchange Board of India, if so, the details thereof along with the steps taken in this regard;
- f) whether the Government is considering the demand for JPC probe or SEBI investigation on 'engineered' volatility resulting in heavy losses for investors, if so, the details thereof;
- g) whether the Government is having any assessment on its fall out on retail investors, if so, the details thereof; and
- h) the details of 100 largest sellers on 3rd June, 2024 on NSE and stock exchanges along with amount involved therein?

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

(a) to (h): 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 12.9% and 13.3% respectively as on 18th July, 2024.

The decrease of around ₹30 lakh crore 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 ₹59 lakh crore since then as on 18th July, 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.

The details of 100 largest sellers, category-wise, on 3rd June, 2024 on the stock exchanges are at Annexure – B.

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 16th July 2024):		
2.	State Bank of India	8,509.13
3.	Punjab National Bank	3,787.57
4.	Canara Bank	2,515.89
5.	Indian Overseas Bank	2,186.76
6.	Bank of Baroda	2,096.65
7.	Central Bank of India	799.60
8.	Union Bank of India	502.19
9.	Indian Bank	247.08
10.	UCO Bank	235.25
11.	Bank of India	174.79
12.	Bank of Maharashtra	80.74
13.	Punjab & Sind Bank	34.66

Source: LIC, PSBs

Annexure- B

Table 1: 100 largest sellers on 3rd June, 2024 on NSE (Cash segment)

Client Categories	No. of Clients	Gross Sell Value (in Rs. Crores)
Others	38	54,210.96
FPI	27	10,658.31
Mutual Fund	21	15,572.79
Retail	7	4,544.36
Insurance	6	2,566.45
PMS	1	362.52
Total	100	87,915.39

Table 2: 100 largest sellers on 3rd June, 2024 on BSE (Cash segment)

Client Categories	No. of Clients	Gross Sell Value (in Rs. Crores)
Retail	79	6,317.86
FPI	13	342.01
Insurance	3	222.03
Mutual Fund	5	201.85
Total	100	7,083.75

Source: SEBI

Note: a. "Retail" includes HUF, Individual/Proprietorship Firms, NRI and Partnership Firm / Limited Liability Partnership.

b. "Others" includes Public & Private Companies/Bodies Corporates, Trust/Society, Domestic Financial Institutions (Other than Banks & Insurance), Statutory Bodies, New Pension System, Non-Govt. Organisation, Non-Banking Financial Company (NBFC) and Domestic Venture Capital Fund.

c. FPI: Foreign Portfolio Investors, PMS: Portfolio Management Service
