

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

RAJYA SABHA
UNSTARRED QUESTION NO. 854
TO BE ANSWERED ON TUESDAY, FEBRUARY 9, 2021
MAGHA 20, 1942 (SAKA)

DISINVESTMENT OF LIC

854 . SHRI RIPUN BORA:

WILL THE MINISTER OF FINANCE BE PLEASED TO STATE :

- a. whether Government proposes to disinvest Life Insurance Corporation of India (LIC);
- b. if so, the reasons to allow privatisation of shares thereof; and
- c. protection and guarantee of Government on the protection of policy holders thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

a) to c) In the Budget speech 2020-21, it was inter alia announced that "listing of companies on stock exchanges disciplines a company and provides access to financial markets and unlocks its value. It also gives opportunity for retail investors to participate in the wealth so created. The Government now proposes to sell a part of its holding in Life Insurance Corporation of India by way of Initial Public Offer (IPO)". The IPO would be brought out after necessary legislative changes and regulatory approvals. In the Budget Speech 2021-22, it has been announced that, "In 2021-22 we would also bring the IPO of LIC for which I am bringing the requisite amendments in this Session itself ". In Finance Bill, 2021-22 it has been proposed to have a reservation on a competitive basis, to an extent of up to ten per cent. of the issue size, in favour of life insurance policyholders of LIC. The Government will remain the majority shareholder and will continue to retain management control safeguarding the interest of policy holders.
