GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION No. 2433

ANSWERED ON MONDAY, AUGUST 3, 2026/SHRAVANA 12, 1948 (SAKA)

Investment made by LIC in Private Companies

2433. SHRI RAJEEV RAI:

Will the Minister of FINANCE be pleased to state:

(a) the details of investments made by Life Insurance Corporation of India (LIC) in listed private companies during the last five years where it acquired or increased its stake despite significant reduction by institutional investors;

(b) the criteria and due diligence adopted for such investments and whether they were based solely on commercial considerations, if so, the details thereof;

(c) whether any audit or review has examined their performance, if so, the details thereof; and

(d) the steps taken to strengthen transparency, accountability and risk management in the investment of policyholders' funds?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Life Insurance Corporation of India (LIC) has informed that during the last five years, it had different level of exposure in listed companies. Such increase or decrease in stake in such companies was based on LIC’s independent investment assessment, approved investment framework and taking into consideration the future outlook of the company/ies. Providing a list of companies, in which LIC has invested, may not be commercially prudent and could affect LIC’s financial interests.

(b): LIC’s investments are governed by the provisions of the Insurance Act 1938, IRDAI Investment Regulations, LIC Act 1956, Internal Guidelines of LIC approved by Investment Committee and Board, SEBI Regulations and RBI Regulations along with the approval process under its internal investment framework by considering factors including assessment of the stock, company fundamentals, valuation metrics, market related factors, management of the company and corporate governance, risk assessment and portfolio considerations and due diligence based on information available from various sources, regulatory filings, stock exchange disclosures etc.
Investment decisions in equities of private companies and PSU companies, are taken after considering factors such as the fundamentals and financial performance of the investee company, business prospects etc., based on the equity investment criteria and due diligence and following the prescribed norms and Standard Operating Procedure (SOP) in this regard.

(c) & (d): LIC has informed that concurrent auditors independently verify the checks and controls for all investment transactions. Additionally, these processes are reviewed by Statutory Auditors, System Auditors, IFC Auditors, and Information Systems Auditors. LIC has informed following steps with regard to strengthening of transparency, accountability and risk management in the investment of policyholders' funds :-

(i) Equity investments are undertaken within Regulatory framework of IRDAI, Insurance Act, the approved investment policy and SOPs, which provide the broad parameters for investment decisions, limits and approvals.

(ii) The portfolio's returns are compared to benchmarks, industry standards and objectives. Benchmark for equity / ULIP investments is NSE 200 index / NSE 100 index.

(iii) Review of portfolio is taken periodically (Monthly, quarterly & annually) and presented to the Competent Authority. The consistency of the performance over various periods is evaluated to ensure long term goals of the funds.

(iv) Review of assets allocation and sector exposure is carried out to ensure they align with the investment strategy, risk tolerance, regulatory guidelines and product mandates.

(v) Portfolio rebalancing is carried out as and when required. The investment portfolio is reviewed by LIC Investment committee periodically.

(vi) A stop loss mechanism exists to monitor continuous decline in stock values, with such stocks presented to the Committee for review.

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