

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4694
ANSWERED ON:07.08.2009
LIC HOLDINGS IN MUTUAL FUNDS
Baalu Thiru Thalikkottai Rajuthevar

Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Corporation of India (LIC) proposes to reduce its holding in LIC Mutual Fund below 50% and lose the management control in favour of a Japanese financial services company;and

(b) if so, the details thereof and the reaction of the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Life Insurance Corporation of India (LIC) has reported that presently its holding in LIC Mutual Fund is 49,5.0%. The proposal is to divest a minority stake of 35% in LIC Mutual Fund in favour of M/s. Nomura Asset Management Co. Ltd. This divestment will be done by GIC Housing Finance Ltd. and LIC Housing Finance Ltd. in favour of M/s. Nomura Asset Management Co. Ltd. After divestment, LIC group's (LIC & LIC Housing Finance Ltd.) holding will be 65% in LIC Mutual Fund and the management control will remain with LIC.