

IPO SnapShot - LIC

Issue Open Date	04-May-22
Issue Closing Date	09-May-22
Price Band (Rs)	902 - 949
Issue Size (Shares)	22,13,74,920
Minimum Order Quantity	15
Market Lot	1
Face Value (Rs)	10
IPO Market Timings	10 AM to 5 PM
IPO Grading	-
Discount to retailers	Rs 45
Discount to Policy Holders	Rs 60

Promoters

President of India

Lead Managers to the Issue

Kotak Mahindra Capital Co Ltd
 Axis Capital Company Limited
 BofA Securities India Limited
 Citigroup Global Market India Private Limited
 Nomura Financial;; Advisory and Securities

Registered Office Address

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Company Secretary and Compliance Officer
 Tel: +91 22 2202 2079
 Email: Investor@licindia.com

Name & Address of Registrar

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 Financial district Nanakramguda
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Listing at

BSE, NSE

LIC, was formed by merging and nationalizing 245 private life insurance companies in India on September 1, 1956 with initial capital of Rs 5 Crore. Life insurance Corporation has been providing life insurance in India for more than 65 years and is the largest life insurer in India, with a 64.1% market share in terms of premiums (GWP), 74.6% market share in terms of number of individual policies issued, an 81.1% market share in terms of number of group policies issued for Fiscal 2021. LIC is ranked fifth globally by life insurance GWP and 10th globally in terms of total assets. The Corporation is the largest asset manager in India as at September 30, 2021 of ₹39,558,929.24 million on a standalone basis. They have the largest individual agent network among life insurance entities in India. The Corporation has a broad, diversified product portfolio covering various segments across individual products and group products. Their individual products comprise 16 participating insurance products and 16 non-participating products, which include savings insurance products; term insurance products; health insurance products; annuity and pension products; and unit linked insurance products. They offer riders that provide additional benefits along with the base product to cover for additional risks, such as accidental disability, death, critical illness and premium waiver on the death of the proposer.

RATIONALE TO SUBSCRIBE

LIC is the largest life insurer in India in terms of GWP, NBP, number of individual policies issued, and number of group policies issued for Fiscal 2021 driven by its individual agent network especially in rural areas and a sense of trust created by brand LIC among individuals. India has one of the largest young populations in the world, with a median age of 28 years. About 90% of Indians will still be below the age of 60 by CY 2021. Urbanization is also one of India's most important economic growth drivers as it will drive substantial investments in infrastructure development, which, in turn, is expected to lead to job creation, development of modern consumer services and increased ability to mobilize savings. Estimated 65% of households in India will have an annual income of less than Rs. 0.2 million in Fiscal 2022. This proportion decreased from 76% in Fiscal 2017. LIC holds a 64% share by total life insurance premium and grew at 9% CAGR from Fiscals 2016 to 2021.

LIC's majority of new business premium is still sourced through their own teams, with direct selling which accounts for approximately 91% of group new business profit. Total life insurance premium grew at a robust 12% CAGR during Fiscals 2016 to 2020. New business premium has grown at 15% CAGR in the past five years with LIC and private insurers growing at 14% and 18% CAGR, respectively. Private players have increased their focus towards individual NBP and increased their market share from 44% in Fiscal 2016 to 50% in Fiscal 2021. Life Insurance Corporation featured a high claim settlement ratio of 98.62% in the FY 2020-21. As of December 31, 2021, LIC had 1,329,448 individual agents in India, respectively, of which 1,046,856 were active. LIC will be highly beneficial from its big army of agents due to the nature of the life insurance business that requires more attention to the assessment of each case. They have also adopted more digital ways of selling products and services in the past one year amid the pandemic. LIC generated highest return on equity among peers like SBI, HDFC, ICICI, Max etc. Their Persistency Ratios decreased as at March 31, 2020 compared to as at March 31, 2019 but had generally recovered as at March 31, 2021 and December 31, 2021. For Fiscal 2021 and the nine months ended December 31, 2021, a separate mortality reserve of ₹23,445.99 million and ₹74,195.61 million was provided for the COVID-19 pandemic on a consolidated basis. Despite global headwinds and dwindling secondary market conditions IPO should be subscribe for longer time horizon rather than any short term

Data Source : www.nseindia.com

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