

NETS 2.95 TIMES SUBSCRIPTIONS Enthused retail investors and policyholders boost applications to a **record 7.3 m**

LIC's Mega Public Offer Sails Through

Share allotment to be made on May 12, listing scheduled for May 17: DIPAM Secy

Our Bureau

Mumbai | New Delhi: The country's largest ever public issue, by the Life Insurance Corporation (LIC), was subscribed 2.95 times on the final day of bidding Monday, underpinned by robust demand from retail investors, employees and policyholders of the insurer that millions of ordinary Indians view as their primary shield against life's risks.

The ₹21,008-crore issue, through which the Union government sold 3.5% in the insurance giant, received bids for 478.3 million shares against the 162 million on sale (excluding the anchor book), exchange data showed. The issue received more than 7.3 million applications, breaking the 14-year-old record of Anil Ambani's Reliance Power share sale that drew 4.8 million applications in 2008.

The success of the share sale was largely driven by LIC's policyholders and employees, who were among the biggest subscribers to the issue. Foreign institutional participation in the issue was, however, mo-

dest in comparison.

"This issue has shown that our capital markets and our investors also have the capacity," said Tuhin Kanta Pandey, secretary, Department of Investment and Public Asset Management (DIPAM), which is in charge of the government's share-sale programme. "We can't depend only on foreign institutional investors. FIIs are also welcome, but predominantly this issue has been domestically lifted. It will help deepen the stock market."

The portion reserved for policyholders was subscribed 6.12 times, while

Participation Record

INVESTOR CATEGORY	NO OF TIMES SUBSCRIBED
Qualified Institutional Buyers (QIBs)	2.8
Non Institutional Investors	2.9
Retail Individual Investors (RIIs)	2.0
Employee Reserved	4.4
Policyholder Reserved	6.1
Total	3.0

Source: BSE at 7 PM IST



Top 10 IPOs By Number of Applications

ISSUE	YEAR	SIZE (₹ CR)	TOTAL APPLICATIONS (LAKH)
Life Insurance Corp	2022	21,008	73.38
Reliance Power	2008	10,123	46.44
Glenmark Life	2021	1,514	34.06
Devyani International	2021	1,838	32.78
SBI Cards	2021	10,341	32.46
Latent View Analytics	2021	600	32.06
Rolex Rings	2021	731	30.82
Paras Defence	2021	171	30.70
Tega Industries	2021	619	30.47
FSN E-Commerce	2021	5,350	29.68

Source: primedatabase.com



TUHIN KANTA PANDEY
Secretary, DIPAM



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the employees' quota was subscribed 4.40 times. Bids for both these categories ensured that the issue sailed through on the second day.

"Participation from tier-2 and tier-3 cities was high for the LIC IPO. We can attribute this to the deeper agent and policyholder penetration of LIC," said Girirajan Murugan, CEO, FundsIndia. "We got a good amount of applications from the newly formed Union Territories as well."

The bulk of the applications from institutional, HNI and retail investors came in the last two days of the IPO process. The portion set aside for

the retail category was subscribed 1.99 times. The non-institutional or high networth individuals' (HNI) category and qualified institutional buyers portion witnessed subscriptions of 2.91 times and 2.83 times, respectively. A majority of the domestic brokerages had recommended clients to subscribe to the IPO citing cheaper valuations than LIC's private sector peers. The issue was sold in a price band of ₹902-949 apiece.

The pricing was done keeping in view the core intrinsic value along with growth potential, and not on the basis of day-to-day fluctuations, said Sanjay Malhotra, secretary, Department of Financial Services.

LIC's pricing in the unofficial grey market has declined in the past few days. The grey market premium, considered a sentiment indicator before listing, over the upper end of the issue price of ₹949 fell from over ₹85 before IPO opening to under ₹40 on Monday.

Pandey said the shares will likely be allotted on May 12 and should be in investors' demat accounts before May 17. The listing would be on May 17, he added. "There are a lot of geopolitical factors which are affecting the market. But this is what it is. Let's hope everything goes well. We are hopeful and confident about the listing day," Pandey said.

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LIC Mega Offer

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The previous record in terms of the amount raised in an IPO in the domestic market was by One97 Communications, the parent of Paytm, in 2021.

The company raised ₹18,300 crore in November last year. State-run miner Coal India raised ₹15,199 crore in 2010. Glenmark Life's IPO in 2021 saw the highest number of applications after LIC and Reliance Power.

The five-day LIC issue opened for subscription on May 4. About 35% of the total shares in the offer are reserved for retail investors, while 10% has been earmarked for LIC's policyholders. They were offered a discount of ₹60 per share, while retail investors and employees got a discount of ₹45. The IPO was an offer-for-sale of up to 221.4 million shares from the Government of India. For the first time, the bidding process for the LIC issue was opened on Saturday to facilitate better participation among retail investors. Also, all bank branches designated to ASBA (application supported by blocked amount) applications were kept open to the public on Sunday.

LIC last week raised ₹5,627 crore from 125 anchor investors by allotting 59.3 million shares at ₹949 each, the upper end of the price band, in the pre-IPO sale. Domestic mutual funds dominated the anchor book. Foreign investors participating in the anchor allotment included Societe Generale, Government Pension Fund of Norway, Government of Singapore, Monetary Authority of Singapore and Ghisallo Master Fund.