

LIC looking at valuation of ₹8 tn for mega IPO

Bloomberg

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India is seeking a valuation of between ₹8 trillion (\$109 billion) and ₹10 trillion for state-backed Life Insurance Corp. of India (LIC) in what's slated to be the nation's biggest initial public offering (IPO).

The government is considering selling a 5-10% stake in the company, which could raise between ₹40,000 crore and ₹1 trillion, according to people with knowledge of the matter, who asked not to be identified as the matter is private.

The potential valuation is based on preliminary talks and may change after further discussions, due diligence and an official valuation report, the people said. A spokesperson for the finance ministry declined to comment. LIC didn't immediately respond to an email seeking comment.

Prime Minister Narendra Modi's government is pushing ahead with LIC's IPO to help plug a widening budget gap as it aims to raise ₹1.75 trillion by March through divestments. The LIC sale is key to the government achieving this target. India may also allow foreign direct investment in the insurer to ensure diversified and strong demand across investors.

Bankers met government and LIC officials last week to formally kick off the sale process. A listing is expected between January and March next year, Bloomberg has reported earlier.

The government selected 10 banks, including Kotak Mahindra Bank Ltd., Goldman Sachs Group Inc., JPMorgan Chase & Co. and ICICI Securities Ltd., to arrange the IPO.