

# Business Standard

## LIC: Lot of bank shares, few votes

Banking law caps voting rights at 10% and insurer's holding is over this limit in 18 banks

N Sundaresha Subramanian | New Delhi April 28, 2016 Last Updated at 22:49 IST



On

*An exterior view of Life Insurance Corporation of India's (LIC) headquarters*

Friday, an Extraordinary General Meeting (EGM) of public sector lender Bank of India (BoI) will consider approval of a preferential issue of shares to Life Insurance Corporation of India (LIC). LIC will get 1.6 million shares at Rs 96.63 each, a slight discount to the market price of Rs 97.95. Even so, there's a rider. The bank has mentioned in the EGM notice that: "The voting of LIC is restricted to 10 per cent of the total voting. Hence, issuance of fresh shares will not increase their voting right." Regulation 12(2) of the Banking Regulation Act said, ...