

LIC stake in NSE firms hit all-time low of 3.64%

CONTRASTING STYLE. Insurance major books profits, pares stake in December quarter; at 8.81%, MFs' holding rises to a new high

Our Bureau
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Life Insurance Corporation of India (LIC), India's largest institutional investor, saw its shares across 277 NSE-listed companies — where its holding is more than 1 per cent — decline to an all-time low of 3.64 per cent for the quarter ended December, from 3.73 per cent in the previous quarter.

This may have been primarily due to profit booking against the backdrop of the market making fresh highs. LIC commands a lion's share of investments in equities by insurance companies — with over 68 per cent share or ₹13.02-lakh crore, data from primeinfobase.com shows.

Insurance companies, as a whole, sold a net of ₹15,622 crore during the quarter, a major part of which is attributable to LIC.

MFS HOLDINGS UP

In contrast, the share of domestic mutual funds (MFs) in companies listed on the NSE rose to an all-time high of 8.81 per cent as on December 31, 2023 — a rise of eight percentage points from the previous quarter, powered by net inflows of ₹58,198 crore.

The share of domestic institutional investors (DIIs) as a whole decreased marginally to 15.96 per cent in Q3.

The share of foreign portfolio investors (FPIs) declined to 18.19 per cent in Q3, down by 21 bps from the previous quarter, despite net inflows of ₹50,588

Stakeholders' strategy

	No. of companies holding increased	Average change in stock price (%)	No. of companies holding decreased	Average change in stock price (%)
FIIIs	718	20.01	689	12.12
DIIs	621	16.18	539	14.26
MFs	566	14.68	336	13.38
Insurance companies	279	14.71	354	15.83
LIC	58	10.56	111	18.75
Private promoters	118	19.98	370	18.61
Retail	1007	13.99	869	20.22
HNI	758	18.18	921	17.08

Source: Primeinfobase.com; Note: For Sept-Dec period

crore. The gap between FPI and DII holding narrowed further to an all-time low this quarter, with DII holding just 12.23 per cent lower than that of FPIs.

NARROWING GAP

The FPI to DII ownership ratio also decreased to an all-time low of 1.14 from an

all-time high of 1.99 in the quarter ending March 31, 2015.

DIIs increased their allocation the most to utilities (from 2.93 per cent of their total holding in September quarter to 3.31 per cent of their total holding in Q3) and decreased their allocation most to financial

services (27.60 per cent to 26.92 per cent). FPIs increased their allocation most to utilities (3.40 per cent to 3.84 per cent) and decreased their allocation to financial services (31.90 per cent to 30.90 per cent).

STRONG SHOW

The share of the government (as promoter) increased to a 6-year high of 9.38 per cent at the end of Q3 on the back of a strong performance of several PSUs, including LIC. The BSE PSU Index rose by 23 per cent during the period.

The share of private promoters declined to a 5-year low of 41.31 per cent as on December 31, 2023.

Over the last one year alone, it has fallen by 330 basis points in the backdrop of stake sales by promoters and relatively lower

promoter holding in some of the companies now coming out with IPOs.

RETAIL SELLING

The share of retail investors (individuals with up to ₹2 lakh shareholding in a company) decreased marginally to 7.57 per cent as on December 31, 2023.

Retail investors sold net equities worth ₹12,163 crore during the quarter. The share of high net worth individuals rose marginally to 2.06 per cent in Q3.

The combined retail and HNI share declined to 9.63 per cent as on December 31, 2023, from 9.68 per cent as on September 30, 2023.

The combined retail, HNI and MF share, however, reached an all-time high of 18.44 per cent as on December 31, 2023.