



LIC's \$2 billion contrarian bet: 10 stocks the DII giant bought while the market bled

By Nikhil Agarwal, ETMarkets.com Last Updated: May 08, 2026, 09:46:00 AM IST

Synopsis

Life Insurance Corporation of India invested nearly \$2 billion in 10 stocks during the March quarter's market fall. LIC bought shares in companies like Bajaj Finance, Bharti Airtel, TCS, and Infosys even as their prices dropped. This strategic move saw LIC increase its stake in several companies. The insurer also reduced holdings in other stocks, showing a selective approach.



When Indian markets were bleeding through the March quarter, India's largest institutional investor was writing cheques. [Life Insurance Corporation of India \(LIC\)](#) deployed roughly Rs 18,500 crore (nearly \$2 billion), scooping up shares in [Bajaj Finance](#), [Bharti Airtel](#), [TCS](#), [Infosys](#), [IRFC](#), [HAL](#), and [Hyundai Motor India](#), even as

these stocks fell as much as 30%. It was a calculated bet by the country's most consequential domestic buyer and the market is now watching to see if it pays off.

LIC added 2.32 crore shares in Bajaj Finance, spending an estimated Rs 2,167 crore even as the stock dropped 19% during the quarter. It bought Rs 2,153 crore worth of Bharti Airtel, Rs 2,143 crore of TCS, which fell 26%, and Rs 2,068 crore of [Cipla](#). Most dramatically, it nearly doubled its stake in Indian Railway Finance Corporation (IRFC), adding 18.72 crore shares worth Rs 2,044 crore as shares of the PSU rail stock crashed 30% to record the steepest decline among its top purchases, according to data from Prime Database.

The buying spree extended to Infosys, down 23%, where LIC added an estimated Rs 1,897 crore worth of shares, and Hindustan Aeronautics Ltd (HAL), down 21%, where it deployed Rs 1,819 crore. [HCL Technologies](#), Hyundai Motor India and Maruti Suzuki rounded out the top ten purchases, with Rs 1,399 crore, Rs 1,390 crore, and Rs 1,374 crore invested respectively.

10 stocks with highest buying by LIC in Q4

Company	Estimated Buy (Rs crore)	Stock Price in Q4
Bajaj Finance	2,167	-19
Bharti Airtel	2,153	-15
TCS	2,143	-26
Cipla	2,068	-19
IRFC	2,044	-30
Infosys	1,897	-23
HAL	1,819	-21
HCL Tech	1,399	-17
Hyundai Motor	1,390	-23
Maruti Suzuki	1,374	-26

Table: Nikhil Anarwal • Source: Prime Database • [Download image](#)

The pattern is deliberate and consistent as LIC bought into weakness across the board, with the average stock price of the 58 companies in which it raised holdings falling 12.24% during the quarter, according to the data.

[Also Read | India Inc promoters pour crores to buy the dip in these 18 stocks. Did you sell too early?](#)

Yet even as it bought aggressively, LIC was simultaneously trimming positions elsewhere and the contrast reveals a more nuanced portfolio strategy than simple bottom-fishing. Its largest sell was State Bank of India (SBI), where it offloaded 4.22 crore shares worth Rs 4,626 crore even as SBI stock barely moved, falling just 0.29%. It also cut ICICI Bank by Rs 3,449 crore and reduced HDFC Bank by Rs 1,145 crore despite that stock falling 26% in a notable divergence from its buy-the-dip playbook applied to private sector peers like Bajaj Finance and Infosys. Coal India and Tata Steel, both of which actually gained during the quarter, also saw LIC trim its positions.

The overall portfolio impact of the market downturn was severe. LIC's total holding in NSE-listed companies stood at Rs 15.11 lakh crore as of March 31, 2026 to record a decline of 13.63% over the prior quarter, per Prime Database. Its share by value in NSE-listed companies slipped marginally to 3.71% from 3.72%. However, when measured only against free-float, excluding promoter holdings, LIC's share actually edged up to 7.42% from 7.39%, suggesting its buying was proportionally larger than the market's overall move.

10 stocks with highest percentage increase in LIC holding

Company	Holding Dec 2025	Holding Mar 2026	Stock Price in Q4
Firstsource Solutions	Less than 1%	4.01%	-39%
Cipla	7.69%	9.59%	-19%
IRFC	1.1%	2.54%	-30%
Max Healthcare	Less than 1%	2.25%	-8%
Lupin	1.81%	2.79%	10%
Trent	1.94%	2.92%	-23%
Indian Hotels	Less than 1%	1.84%	-23%
Hyundai Motor	2.24%	3.04%	-23%
Persistent	1.37%	2.07%	-22%
HAL	2.45%	3.11%	-21%

Table: Nikhil Anarwal • Source: Prime Database • [Get the data](#)

The percentage-stake increases tell their own story of conviction. Firstsource Solutions saw LIC cross the 4% threshold from below 1%, even as the stock fell 39% to record the sharpest decline among the insurer's top buys by percentage.

IRFC's stake jumped from 1.10% to 2.54%. Cipla climbed from 7.69% to 9.59%. Hyundai Motor India moved from 2.24% to 3.04%, HAL from 2.45% to 3.11%. LIC also initiated or crossed the 1% threshold in Max Healthcare, Indian Hotels, and Persistent Systems, all of which fell between 7% and 22% during the quarter.

Also Read | [Nifty's 2 pillars now facing structural headwinds: Ravi Dharamshi's warning on IT & consumption](#)

LIC's largest holdings by value remain anchored in the country's biggest names. Reliance Industries tops the list at Rs 1,21,548 crore, followed by State Bank of India at Rs 78,638 crore and Larsen & Toubro at Rs 59,684 crore. ITC, Infosys, TCS, HDFC Bank, Bharti Airtel, ICICI Bank, and ONGC complete the top ten. By percentage stake, LIC remains the dominant institutional force in IDBI Bank at 49.24% and LIC Housing Finance at 45.24%, with double-digit stakes in ITC, L&T, Dr. Reddy's, Tech Mahindra, and Coal India.

The March quarter buying follows a well-established LIC playbook of using market dislocations to accumulate quality at scale. With LIC holding going up in 58 companies whose average price fell 12.24%, the insurer has effectively increased its exposure to the market's pain points. Whether that proves prescient depends on how quickly the stocks it loaded up on from IT majors battered by global uncertainty to IRFC caught in a PSU selloff recover from their worst quarter in years.

For now, LIC has done what it has always done when the market bleeds: bought more.

(Disclaimer: Recommendations, suggestions, views and opinions given by the experts are their own. These do not represent the views of The Economic Times)

Add **ET** as a Reliable and Trusted News Source



(You can now subscribe to our [ETMarkets WhatsApp channel!](#))