

Business Standard

ICICI Pru MF, SBI MF corner half of LIC's ₹31,552 crore OFS in August

The two fund houses bought LIC shares worth Rs 17,145 crore in August, while mutual funds together accounted for an estimated 76.5 per cent of the government's OFS.

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Life Insurance Corporation of India

ICICI Prudential Mutual Fund (MF) and SBI MF together acquired nearly 423.9 million shares worth Rs 17,145 crore in Life Insurance Corporation of India's (LIC's) offer for sale (OFS) in August, accounting for more than half of the Rs 31,552-crore issue, an analysis of the latest MF holdings data shows. The Union government raised Rs 31,552 crore through the OFS by selling a 6.5 per cent stake in the insurance giant.

ICICI Prudential MF emerged as the largest buyer, raising its holding in LIC from 62 million shares at the end of July to 334 million shares in August. Its net purchase during the month stood at Rs 11,003 crore. SBI MF increased its holding from 15 million shares to 167 million shares, with net purchases of Rs 6,142 crore, according to data from Prime Database.

Overall, mutual funds' holdings in LIC, which were less than 1 per cent as of July 2026, surged to 5.4 per cent in August.

HDFC MF was the third-largest buyer, with a net purchase of Rs 1,775 crore. Quant MF, which had no reported holding in LIC at the end of July, bought 18.7 million shares worth Rs 758 crore in August. Nippon India MF and Mirae Asset MF also significantly increased their holdings, with net purchases of Rs 742 crore and Rs 720 crore, respectively.

Mutual funds as a whole increased their holdings in LIC by roughly Rs 24,123 crore in August, equivalent to 76.5 per cent of the total value of the OFS. These figures are estimated based on monthly changes in MF portfolios and may, therefore, differ from the actual OFS allocations.

The government sold the 6.5 per cent stake to meet the minimum public shareholding (MPS) requirement. Its stake in LIC fell from 96.5 per cent to 90 per cent following the OFS, one of the largest such transactions.