

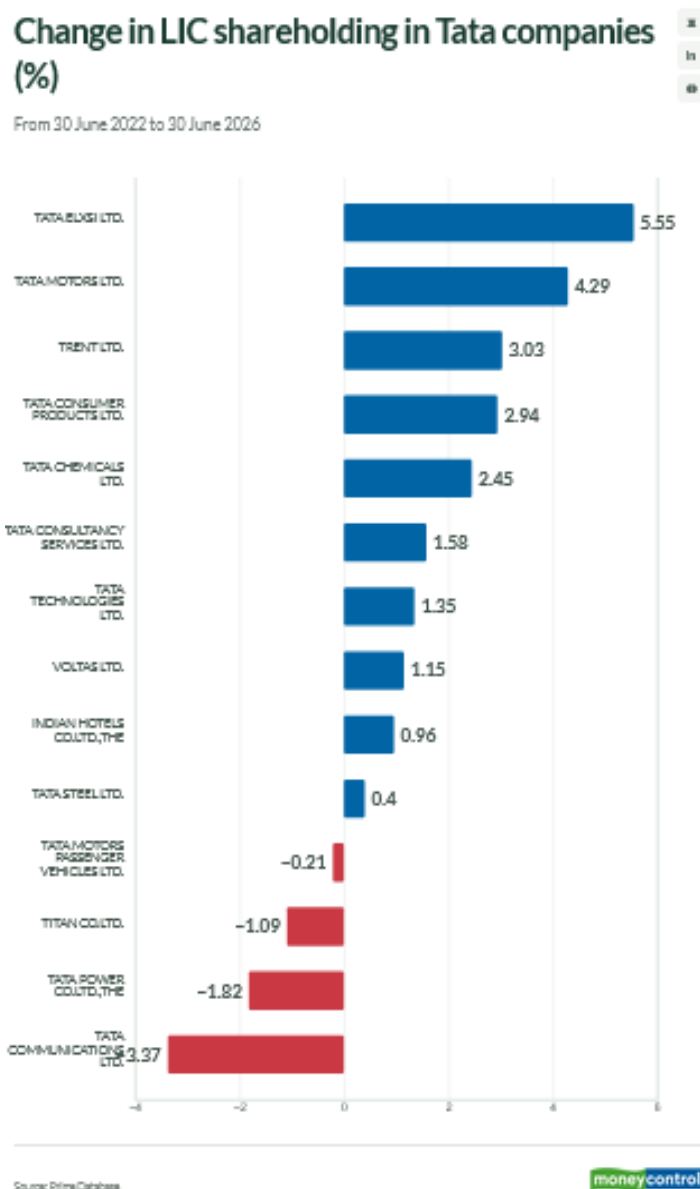
# LIC's Tata Group portfolio surges past Rs 1 lakh crore as stakes rise under Chandrasekaran's second term- Moneycontrol.com

Pavan Burugula

Of the 14 listed companies of Tata Group, 10 companies saw a rise in LIC holdings since June 2022 when Chandra was appointed as chairman of Tata Sons board for a second time

The build-up in LIC's investments in Tata group companies assumes significance amid an unprecedented governance standoff at Tata Sons over Chandrasekaran's continuation on the board of Tata Sons

State-owned insurer and India's largest institutional investor the Life Insurance Corporation of India (LIC) significantly upped its exposure to Tata Group companies during the second term of N Chandrashekar as Tata Sons board chairman, data analysed by *Moneycontrol* shows. The buying propelled LIC's investment value in Tata Sons listed companies to above Rs 1 lakh crore.



Out of the 14 listed companies promoted by the Tata Group, 10 companies saw a rise in LIC holding since June 2022, shortly after Chandrasekaran assumed office for the second time, Prime Database showed.

The build-up in LIC's investments in Tata group companies assumes significance amid an unprecedented governance standoff at Tata Sons over Chandrasekaran's continuation, the holding company's potential listing and the future strategic direction of the group.

Tata Sons' board has backed Chandrasekaran for another five-year term, with Tata Trusts chairman Noel Tata dissenting, while the Trusts have questioned the validity of the decision.

Chandrasekaran's reappointment as a director, necessary for him to continue as chairman, will ultimately require shareholder approval. Tata Trusts, which collectively owns around 66 percent of Tata Sons, may therefore hold the decisive vote.

The dispute comes as the group also faces questions over capital allocation to businesses, including Air India, Tata Digital and Tata Electronics, and the RBI's rejection of Tata Sons' application to surrender its core investment company registration.

Any prolonged leadership or strategic uncertainty could have material implications for public market investors of Tata group.

### **LIC's Tata portfolio**

In percentage terms, Tata Elxsi saw the biggest jump in LIC investments since 2022.

According to the data, LIC owns 6.59 percent in the company against 1.04 percent as on June 2022. Between 2020 and 2022, Tata Elxsi delivered explosive growth as its share price surged over 10 times from Rs 713 apiece in April 2020 to touch a lifetime high of Rs 10,238 in August 2022.

However, LIC's major entry into the stock appears to have happened post the rally. Since August 2022, the shares have fallen to a third of their value and are trading at Rs 3,333 apiece as on September 18, stock exchange data shows.

Tata's retail brand Trent also saw fresh investments from LIC as the insurer's stake went from 0 percent in June 2022 to a little over 3 percent currently.

Trent also had a bull run in the market between August 2020 and October 2024 as its share price also surged over 10 times to touch a life time high of Rs 5,200 apiece, but since then has corrected to Rs 2,806 apiece, data shows.

Not just Trent, even Tata Consumer Products saw a near 3 percent rise in LIC holdings during the period, with the insurer now owning a 8.23 percent stake in the company.

In Tata Chemicals, LIC's stake increased from 6.79 percent in June 2022 to the current 9.24 percent. Generally, insurance regulations permit LIC to own only up to 10 percent in a single listed entity in the capacity of an institutional investor. This implies the legroom for fresh LIC investments in Tata Chemicals is less than 0.7 percent.

In value terms, TCS is the biggest bet of LIC in Tata group, with its 5.52 percent stake valued at 41,960 crore accounting for roughly 40 percent of LIC's exposure to the group. Tata Steel is the second largest in value terms with LIC's 6.3 percent stake valued over Rs 14,000 crore, data shows.

The four companies that did not see a rise in LIC holding include Tata Communications, Tata Motors, Tata Motors Passenger Vehicles and Titan.

In case of Tata Communications, LIC owned 3.37 percent as on June 2022 but this how now has fallen to less than 1 percent. To be sure, as on June 2022 Tata Motors and Tata Motors Passenger Vehicles were a single entity which was demerged by the Tata Group in 2025. In Titan, LIC reduced its stake by 1.09 percent since June 2022 and the current exposure is pegged at 2.17 percent.