

# LIC stake in NSE-listed firms dips

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Life Insurance Corporation of India, the country's largest insurer, saw its holding in companies listed on the National Stock Exchange (NSE) dip in the quarter ended June (Q1) amid a surge in Indian equities.

The percentage of holding across 295 companies, where its holding is more than 1 per cent, slipped to 3.74 per cent in Q1 from 3.83 per cent in the previous quarter ended March 31 on an aggregate basis by value percentage, data from *primeinfobase.com* shows. Historically, the holding had touched its peak of 5 per cent in the quarter ended June 30, 2012.

While insurers are not known to be big drivers of domestic stocks unlike FPIs or MFs, they have helped prop up the market against steep falls in the past. Domestic insurers led by LIC had stepped up their equity purchases during March and April last year, taking advantage of the attractive valuations amid the Covid-19-induced market plunge.

The rich valuations and the sustained run-up in the market this year could have prompted some profit-taking.

"LIC has been booking profits in the last two quarters," said Pranav

## LIC'S HOLDINGS IN INDIAN EQUITIES

	Total value (₹ trn)	Ownership by value (%)	
Mar 31 '19	6.2	4.21	
Jun 30 '19	6.1	4.12	
Sep 30 '19	5.7	4.00	
Dec 31 '19	6.0	3.96	
Mar 31 '20	4.2	3.88	
Jun 30 '20	5.4	3.98	
Sep 30 '20	5.9	3.91	
Dec 31 '20	6.8	3.70	
Mar 31 '21	7.7	3.83	
Jun 30 '21	8.4	3.74	

Source: *primeinfobase.com*

Haldea, managing director, PRIME Database.

In value terms, LIC's holding stood at ₹8.43 trillion on June 30, an increase of 9.88 per cent over the previous quarter, primarily because of the market rally.

LIC's ownership by the number of shares went down marginally to 0.84 per cent as of June 30 from 0.85 per cent in the previous quarter.

Companies which saw the highest selling by LIC include banks such as SBI, ICICI Bank, and HDFC Bank, while the highest buying was seen in RIL, Tech Mahindra, and Maruti Suzuki, among others.

Overall, LIC's holding went up in 76 companies listed on NSE in the last quarter. The average stock price of these companies in the same period increased by 16.7 per cent. Its holding went down in 91 companies, whose average stock price in the same period increased by 26.5 per cent, data from *primeinfobase.com* showed.

The state-owned insurer continues to command a lion's share of investments in equities by insurance companies, with a 76 per cent share.

Unit-linked insurance plan (ULIP) products at LIC registered growth in premium of 1,592 per cent for the year ended February 2021, according to reports. The insurance behemoth had launched three such products in the last quarter of financial year 2019-20.

The asset allocation in ULIP products varies from customer to customer, but typically about 75 per cent is invested in stocks. Traditional products, such as term, endowment, and whole-life policies are more long term and have 5-20 per cent invested in stocks.