

## EQUITY RESEARCH REPORT

# LIFE INSURANCE CORPORATION OF INDIA

( NSE: LICI , BSE : 543526 )

DATE : 9/4/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON LIFE INSURANCE CORPORATION OF INDIA. IT IS INDIA'S LARGEST GOVERNMENT OWNED LIFE INSURANCE AND INVESTMENT CORPORATION. THE MAIN ROLE OF LIC IS TO INVEST IN GLOBAL FINANCIAL MARKETS AND DIFFERENT GOVERNMENT SECURITIES AFTER GATHERING FUNDS FROM PEOPLE THROUGH THEIR VARIOUS LIFE INSURANCE POLICIES.

### ABOUT THE BUSINESS :

LIC IS AN INDIAN MULTINATIONAL PUBLIC SECTOR LIFE INSURANCE COMPANY HEADQUARTERED IN MUMBAI. IT IS INDIA'S LARGEST INSURANCE COMPANY AS WELL AS THE LARGEST INSTITUTIONAL INVESTOR WITH TOTAL ASSETS UNDER MANAGEMENT WORTH ₹49.24 TRILLION AS OF MARCH 2023. IT IS UNDER THE OWNERSHIP OF GOVERNMENT OF INDIA AND ADMINISTRATIVE CONTROL OF THE MINISTRY OF FINANCE.

### PROS :

- COMPANY IS ALMOST DEBT FREE .
- COMPANY HAS DELIVERED GOOD PROFIT GROWTH OF 71.6% CAGR OVER LAST 5 YEARS.
- COMPANY HAS A GOOD RETURN ON EQUITY (ROE) TRACK RECORD : 3 YEAR ROE 108%.

### CONS :

- STOCK IS TRADING AT 9.33 TIMES ITS BOOK VALUE.
- THE COMPANY HAS DELIVERED A POOR SALES GROWTH OF 8.37% OVER PAST FIVE YEARS.
- TAX RATES SEEMS LOW.

### RESEARCH ANALYST

**P.SUNANDINI @ AS RESEARCH TECHNIC.**



### MARKET SNAP SHOTS :

<b>MARKET CAP</b>	<b>₹ 5,72,981</b>
<b>STOCK P/E</b>	<b>14.1</b>
<b>ROCE</b>	<b>149%</b>
<b>CURRENT PRICE</b>	<b>999</b>
<b>BOOK VALUE</b>	<b>₹ 96.70</b>
<b>ROE</b>	<b>130%</b>
<b>HIGH</b>	<b>₹ 1,175</b>
<b>LOW</b>	<b>₹ 530</b>
<b>DIVIDEND YIELD</b>	<b>0.44%</b>
<b>FACE VALUE</b>	<b>₹ 10.00</b>

### SHARE HOLDING PATTERN :

<b>PROMOTERS</b>	<b>96.50%</b>
<b>FII</b>	<b>0.06%</b>
<b>DII</b>	<b>1.00%</b>
<b>PUBLIC</b>	<b>2.43%</b>
<b>NO.OF SHAREHOLDERS</b>	<b>29,36,740</b>

**PEER COMPARISON :****SECTOR: INSURANCE****INDUSTRY: FINANCE & INVESTMENTS**

<b>S.No.</b>	<b>Name</b>	<b>CMP Rs.</b>	<b>P/E</b>	<b>Mar Cap Rs.Cr.</b>	<b>Div Yld %</b>	<b>Qtr Sales Var %</b>	<b>ROCE %</b>
<b>1</b>	<b>Life Insurance</b>	<b>897.35</b>	<b>14.07</b>	<b>567573.67</b>	<b>0.45</b>	<b>8.32</b>	<b>148.72</b>
<b>2</b>	<b>SBI Life Insuran</b>	<b>1487</b>	<b>80.09</b>	<b>148954.33</b>	<b>0.18</b>	<b>45.55</b>	<b>15.47</b>
<b>3</b>	<b>HDFC Life Insur.</b>	<b>627.9</b>	<b>88.56</b>	<b>134998.53</b>	<b>0.3</b>	<b>37.55</b>	<b>9.56</b>
<b>4</b>	<b>ICICI Pru Life</b>	<b>598</b>	<b>94.48</b>	<b>86190.94</b>	<b>0.1</b>	<b>51.67</b>	<b>10.02</b>
<b>5</b>	<b>ICICI Lombard</b>	<b>1630</b>	<b>43.74</b>	<b>80300.82</b>	<b>0.92</b>	<b>13.51</b>	<b>21.24</b>
<b>6</b>	<b>General Insuranc</b>	<b>326.5</b>	<b>8.93</b>	<b>57315.36</b>	<b>2.2</b>	<b>-3.53</b>	<b>20.59</b>
<b>7</b>	<b>New India Assura</b>	<b>225.8</b>	<b>40.03</b>	<b>37235.88</b>	<b>0.85</b>	<b>7.65</b>	<b>4.87</b>

**KEYPOINTS :**

- LIC HAS RETAINED ITS MARKET LEADERSHIP WITH THE MARKET SHARE AT 62.58% IN TERMS OF FIRST YEAR PREMIUM INCOME (FYPI) AND 71.76% IN TERMS OF POLICIES (NOP) FOR FY 2022-23
- DURING FY 2022-23, LIC'S FYPI TOUCHED 2.32 LAKH CRORE WITH GROWTH OF 16.67% OVER LAST FINANCIAL YEAR .
- LIC HAS BEEN REGULARLY COMING OUT WITH UPDATED VERSIONS OF PORTAL AND APP FOR PROVIDING A HOST OF ONLINE CUSTOMER CARE SERVICES AND COMPLETION OF NEW BUSINESS.
- LIC DIGITAL APP, ANANDA APP, DOC-Q APP AND VARIED INTERACTIVE SERVICES OFFERED TO POLICY HOLDERS ON WHATSAPP HAVE BEEN LAUNCHED WITH AN INTENT TO OFFER PROMPT AND QUALITY SERVICE TO POLICYHOLDERS.
- LIC'S GOLDEN JUBILEE FOUNDATION (GIF) SUPPORTS FOR THE ECONOMICALLY WEAKER SECTIONS OF THE SOCIETS IN ALIGNMENT WITH ITS OBJECTIVES OF RELIEF OF POVERTY OF DISTRESS, ADVANCEMENT OF EDUCATION, MEDICAL RELIEF AND PROVISION FOR ANY OTHER OBJECT OF GENERAL PUBLIC UTILITY, ACROSS THE COUNTRY.
- THE CORPORATION HAS INITIATED SPECIAL DRIVES LIKE 'BIMA GRAM' TO DRIVE INSURANCE AWARENESS IN RURAL INDIA AND 'BIMA SCHOOL' TO DRIVE INSURANCE AWARENESS AMONG SCHOOL CHILDREN.
- THE CORPORATION HAS BEEN MAKING SIGNIFICANT INVESTMENTS IN THE COUNTRY TOWARDS BUILDING OF SOCIAL POWER GENERATION AND DEVELOPMENT OF ROADS, BRIDGES, RAILWAYS, ETC.
- LIFE INSURANCE IS A BUSINESS WHICH IS BASED NOT ONLY ON TRUST BUT ALSO SPANS OVER A LONG PERIOD OF TIME BETWEEN CUSTOMER AND THE LIFE INSURER.
- WITH THE ADVENT OF ADVANCED TECHNOLOGY IN PROCURING AS WELL AS SERVICING PROCESS OF LIFE INSURANCE INDUSTRY, A VAST DATA IS CREATED,PROCESSED,KEPT,REPORTED AND ARCHIVED IN A DISTRIBUTED WAY IN INFORMATION SYSTEMS.
- IRDAI HAS ENGAGED ALL INSURANCE SECTOR STAKEHOLDERS WITH A VISION OF "INSURANCE FOR ALL " BY 2047.

- THE CORPORATION HAS RECEIVED VARIOUS AWARDS AND ACCOLADES DURING THE YEAR IN DIVERSE AREAS SUCH AS CLAIM SETTLEMENT, LEADERSHIP AND EXCELLENCE IN CUSTOMER SERVICE AND CONTINUES TO BE ONE AMONG INDIA'S MOST TRUSTED BRANDS.
- WITH ITS PATH BREAKING REFORMS THE EFFORTS ARE DIRECTED AT ATTAINING THIS OBJECTIVE AND STRENGTHENING THE FINANCIAL INCLUSION AGENDS OF THE GOVERNMENT.
- LIC IS PARTICIPATING WHOLE HEARTEDLY IN VARIOUS REGULATORY INITIATIVES AT MULTIPLE STAGED OF DEVELOPMENT SUCH AS BIMA SUGAM, BIMA VAHAK AND BIMA VISTAAR.
- OVER THE YEARS, THE RULING PARTY HAS BEEN TAKING STEPS TO INTRODUCE NEW LIFE INSURANCE SCHEMES FOR LOWER-INCOME GROUPS.
- ONE SUCH IS THE PMJAY - ORADHAN MANTRI JEEVAN BIMA YOJANA ,LAUNCHED BY THE PRIME MINISTER OF INDIA,WHICH AIMS TO PROVIDE HEALTH CARE TO TEN CRORE FAMILIES.
- IT IS A YEARLY LIFE INSURANCE SCHEME THAT IS RENEWABLE FORM YEAR TO YEAR , PROVIDING COVER FOR DEATH FOR ANY REASON.
- THE SHARE PRICE CAN GO UPTO 955 IF IT BREAKS 941 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 856 IF IT BREAKS 841 ON THE LOWER SIDE.
- IN CONCLUSION , LIC SHARES MAY GO UP IN NEAR FUTURE WITH NEW SCHEMES BEING INTRODUCED BY THE GOVERNMENT , WHICH COULD BE AN ADVANTAGE FOR INVESTORS TO INVEST IN.

## PIVOT TABLE

	SUPPORT				RESISTANCE				
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
28-04-2024	906.35	876.35	889.05	902.6	915.3	928.85	941.55	955.1	892.5
27-03-2024	906.35	859.25	873.1	883.3	898.15	907.35	922.2	931.4	897.45
26-03-2024	906.35	861.3	876.75	887.1	902.55	912.9	928.35	938.7	906.35
22-03-2024	916.15	875.6	880.78	893.6	901.28	914.06	921.78	934.56	901.8
21-03-2024	916.15	813.4	864.23	897.8	896.28	915.06	928.33	947.11	866.9
20-03-2024	916.15	856.32	845.76	856.3	875.56	886	905.36	915.92	879.55

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.