

### RATING

Business	★★★★★
Financials	★★★★★
Valuation	★★★★★
Management	★★★★★

Ranking 1 to 5, denoting lowest and 5 highest



भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

Date - 22/03/2024

Company : Life Insurance Corporation of India.

Sector : Life Insurance.

CMP : ₹880-905

Rating - BUY

1st Target : ₹ 950

2nd Target : ₹ 1050

Techno-Funda

#### Stock Info

Mkt Cap (₹ in cr)	571147.3
52-Weeks High/Low	530.05 - 1,175.00
Avg Volume	5,447,234
No. of eq shares (cr)	632.50
Face Value	₹10
Bse Code	543526
Nse Code	LICI
Free Float (cr)	22845.90

Source : NSE/BSE

#### Particulars

	2022	2023
P/E	-	9.39
P/B	-	7.31
Overall Expense Ratio	14.50%	15.53%
Commission Ratio	5.54%	5.39%
AUM	40,84,833Cr.	43,97,205Cr.
VNB (Gross)	9920.00	11553.00
Total VNB Margin (Net)	15.10%	16.20%
Total Gross NPA	6.03%	2.56%
Total Net NPA	0.04%	-
ROE %	45.85	126.00
ROA %	0.10	0.82
Net Margin %	0.56	4.52
Equity-to-Asset	-	0.01
Total Premium Income	4,27,419 Cr.	4,74,005Cr.
Maturity Claims Paid	2,05,527Cr.	1,85,044Cr.

Source : Company, Fin2Research

#### Particulars

	% of Total Shares
Promoters	96.50%
Mutual Funds/AIF	0.79%
Bank & Insurance co.	0.17%
Other DIIs	0.04%
FII	0.06%
Retails and Others	2.44%
Total	100.00%

Source : Company

**Life Insurance Corporation :** Life Insurance Corporation (LIC) stands as the leading insurance provider in India, commanding a market share exceeding 66.2% in new business premiums. The corporation provides a diverse range of insurance offerings, including participating and non-participating products. These encompass unit-linked insurance plans, savings-oriented insurance products, term insurance plans, health insurance policies, as well as annuity and pension schemes.

#### Key Highlights:

- ❑ LIC has recently expanded its portfolio with the introduction of several new non-participating (Non Par) products. Some of the notable additions include the Dhan Vriddhi Plan, Jeevan Kiran Plan, Jeevan Utsav Plan, and the Group Post-Retirement Medical Benefit Plan. These new offerings are designed to cater to the diverse needs of customers and provide them with innovative insurance solutions.
- ❑ In line with its growth strategy, LIC is focusing on changing its product mix by launching competitive products that stand out in the market. By continuously innovating and adapting to changing customer preferences and market dynamics, LIC aims to enhance its product offerings, drive sales growth, and improve profit margins.
- ❑ Looking ahead, LIC plans to introduce new variants of term products in the upcoming quarters. This strategic move aims to further diversify its product range, offering customers more choices and flexibility in selecting insurance coverage that best suits their requirements.
- ❑ **New Policies Sold:** LIC sold 1.25 crore new policies, indicating a strong demand for its insurance products and a robust sales performance during this period.
- ❑ **Agent Network Expansion:** The total number of agents associated with LIC increased to 13.74 lakh, reflecting the company's efforts to expand its distribution network and reach out to more customers.
- ❑ **New Business Premium through Other Channels:** LIC's other distribution channels, apart from agents, collected a new business premium amounting to INR 1,423 crore. This highlights the diversified approach adopted by LIC in reaching out to customers through various channels.
- ❑ **Improvement in Persistency Rates:** LIC witnessed an improvement in persistency rates on both premium and policy basis. This indicates higher customer retention and satisfaction, as policyholders continue to maintain their insurance policies with LIC over an extended period.
- ❑ **Balancing Profitability and Competition:** LIC aims to strike a balance between profitability and competition in the non-participating (non-par) and annuity segments. This involves carefully pricing its products to remain competitive while ensuring sustainable profitability.
- ❑ **Maintaining Growth Trajectory with Rational Margins:** LIC's strategy focuses on sustaining its growth momentum while maintaining rational margins. This involves optimizing its Value of New Business (VNB) and making strategic decisions to enhance profitability without compromising on growth.
- ❑ **Growth in Non-Par Business:** LIC has experienced growth in its non-par business, driven by strategic efforts and the introduction of new product offerings. This growth reflects LIC's ability to adapt to market dynamics and meet customer demand with innovative insurance solutions.
- ❑ **Digital Initiatives and Growth:** LIC's digital initiatives, particularly through the Agent assisted ANANDA app, recorded a significant growth of 47.59% in policies completed. This underscores the increasing adoption of digital platforms by customers and agents alike, as well as LIC's commitment to leveraging technology to enhance customer experience and operational efficiency.

#### Key Risk :

- ❑ **Challenges in Margin and Growth Strategy:** LIC faces challenges in balancing its margin and growth strategy in a competitive market. This requires careful planning, market analysis, and continuous monitoring to ensure that the company remains profitable while pursuing growth opportunities.
- ❑ **Interest rate :** Interest rate fluctuations and movements in the equity market can have a substantial impact on the profitability of the Life Insurance Corporation of India.



LIC

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CMP : @ 903

Target : 1st@ 950, 2nd@ 1050

LICI (Daily) 904.3

Last Update: Today at 13:49:58 pm

Vol: 3.938M

Moving Avg (20) C -> 976.24

Bollinger (20, 2) -> 854.9 - 1,098

EMA (50) C -> 946.35

EMA (150) C -> 827.23



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LIFE INSURANCE CORPORATION OF INDIA**Guidelines on Report:**

- It is recommended to enter in a staggered manner within the prescribed range provided in the report.
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis.
- Once target1 achieved, use trailing stop loss of recommended average price.
- The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact via mail or other mode of communications.

**Portfolio Allocation:**

- It is not recommended to allocate entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.
- It is recommended to diversify the corpus in a proportionate manner among various techno-funda research reports and other reports as stated.

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