



BUMPER FISCAL in store for country's largest institutional investor owing to sharp rally

At ₹15k cr, LIC Touches 80% of FY20 Equity Gains in HI Itself

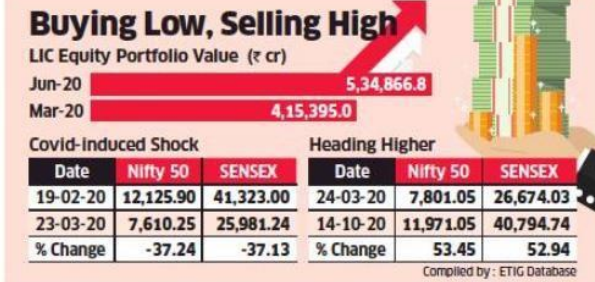
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Mumbai: Life Insurance Corporation's equity investments may be on track for a bumper year in FY21 thanks to the sharp stock market rally in the past six months.

So far this financial year, the state-owned insurer, which is the largest domestic institutional investor in Indian stocks, has booked close to ₹15,000 crore as profits from equities, a senior executive of LIC told ET. This is about 80% of the gains it made from the market last financial year. In FY20, LIC made ₹18,500 crore profits from equities, he said.

LIC has invested about ₹50,000 crore in the last six months in Indian equities, the official said.

"LIC is a contrarian investor. We found opportunities in March when markets fell and then when stocks went up, we booked profits," the ex-



ecutive said.

After falling 37% between February 19 and March 23 this year, the BSE benchmark Sensex recovered 53% from March 24 till date. Firm global cues, inflows from foreign institutional investors fuelled the stock rally. Financial markets calmed after a turbulent period in February-March sparked by the coronavirus

pandemic and volatility has ebbed thanks to the large doses of fiscal and monetary policy stimuli in developed economies.

The LIC executive said in the last six months (April-September) it has already invested ₹2.6 lakh crore across equities, government securities, corporate bonds and state development loans. In the remaining part of this fi-

scal, it plans to invest at least ₹2 lakh crore. Last fiscal year, it had invested over ₹4 lakh crore across equity, corporate bonds and G-Secs.

The market value of LIC's holding in Indian companies swelled to ₹5.34 lakh crore as of June 30 from ₹4.15 lakh crore on March 31. The data for the September quarter were not fully available as companies are yet to make the disclosures.

On an overall basis during the quarter, LIC's holding went up in 51 listed companies, while its holding reduced in 30 companies. Its holding in around 224 companies remained unchanged.

Data compiled by ETIG Database show that in the June quarter, LIC increased its stake by more than 1% in Dredging Corp. of India, Havells India, Bata and Tata Steel. Companies in which LIC reduced its stake more than 1% include GAIL, Power Grid, Tata Consumer, Dr Reddy's Lab & Britannia Industries.



Eye on China, India gifts Myanmar submarine

AJAI SHUKLA
New Delhi, 15 October

With New Delhi's announcement on Thursday of the gift of a used submarine to Myanmar, India has played a high card in its long-running competition with Beijing for influence in that country.

The Indian Navy has operated INS Sindhuvir, a Soviet-origin Kilo-class submarine, since 1988. Now, with its service life extended by 10-15 years in an overhaul at Hindustan Shipyard Ltd, it will serve the Myanmar navy till the 2030s.

"Cooperation in the maritime domain is a part of our diverse and enhanced engagement with Myanmar. In this context, India will be delivering a kilo class submarine INS Sindhuvir to the Myanmar Navy," the Ministry of External Affairs announced.

Last year, India supplied the Myanmar navy with Shyena light torpedoes built by Bharat Dynamics Ltd.

These purchases are being paid for through a line of credit that India has granted Myanmar.

In gifting the submarine to Myanmar, India is competing with China for influence in the region. China had won the last round in 2017, when it sold Bangladesh two refurbished Type 035G Ming-class

submarines for \$203 million.

India regards the Myanmar relationship as vital, since the two share a 1,640-km border, and several insurgent groups from Nagaland and Manipur have used Myanmar as a refuge. New Delhi has wooed Naypyidaw (Myanmar's capital) to help in curbing the activities of militants from the Northeast.

India has also sought Myanmar's cooperation in pursuing the Kaladan multi-modal transit project, as a channel for conveying goods to Mizoram and the other northeastern states through the sea route.

This involves sending containerised goods, shipped from Indian ports, to Myanmar's Sittwe Port. From there, the goods are shipped north up the Kaladan River to Paletwa, where an inland water jetty is to come up. The goods will be unloaded and shipped onwards by road.

The Kaladan project is also a route for conveying to India liquefied natural gas from Myanmar's Shwe gas project in the Bay of Bengal. ONGC-GAIL have signed a contract with Myanmar for this.

However, China scored over India in winning the project to build a port at Kyauk Phu. From here, goods are shipped northwards across Myanmar to China's Kunming province.

The Indian Navy has operated INS Sindhuvir, a Soviet-origin Kilo-class submarine, since 1988



Oil PSUs promote Aatmanirbhar Bharat campaign

Public sector oil and gas companies such as IOC, GAIL, BPCL and ONGC will launch a portal to provide information on their capital goods requirements to domestic industry in line with the government's Aatmanirbhar Bharat campaign. The portal "aims to highlight the capital goods requirement of oil and gas majors besides the items related to maintenance, repair, and overhaul (MRO)," said IOC.