

LIC stock lags, but portfolio prospers

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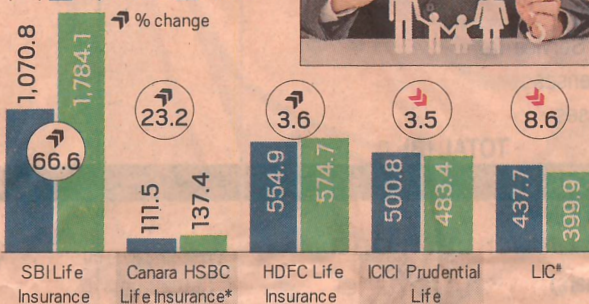
THE LIFE INSURANCE Corporation of India (LIC) has been one of the biggest domestic institutional investors in the equities market - the value of its holdings in NSE-listed companies has risen from ₹9.31 lakh crore in June 2022 to ₹15.11 lakh crore as of March 2026, according to PRIME Database data.

The insurer's investment income increased 10% year-on-year to ₹4.32 lakh crore in FY26 from ₹3.93 lakh crore in FY25. Compared with FY22 (₹2.94 lakh crore), the investment income surged nearly 50%.

Yet, shareholders of LIC have not enjoyed similar gains. As of June 5, the stock was down 8.6% from its May 2022 listing price, adjusted for the recent bonus issue. Its performance has trailed all the listed life insurance peers — SBI Life Insurance, HDFC Life Insurance, ICICI Pru-

IN NUMBERS

Performance of life insurance stocks
(in ₹) ■ May 17, 2022 ■ Jun 5, 2026



#adjusted for bonus shares *listed on October 14, 2025



dential Life Insurance and Canara HSBC Life Insurance — during the period.

Analysts attribute the disconnect between LIC's investment performance and stock returns to intensifying competition and the company's ongoing transition in its product mix.

According to Raghvesh Sha-

ran, insurance and capital markets research analyst at JM Financial Institutional Securities, the life insurance industry has delivered a healthy double-digit growth over the past four-five years, but LIC has ceded market share to private players, which is normal given LIC's already-dominant position.

Sharan expects LIC to maintain growth despite weaker demand for its flagship participating products. A rising contribution from non-participating products in individual new business is helping improve profitability and pushing its value of new business (VNB) margin closer to those of private peers, he said.

Ajit Mishra, senior vice president (research) at Religare Broking, said the gap between LIC's strong investment portfolio performance and its subdued stock returns reflects concerns over potential government stake dilution, the company's historically lower-margin participating product mix, and periodic mark-to-market volatility in its investment book.

However, both analysts remain constructive on LIC's long-term prospects.

Sharan said sustained growth in new business premiums and VNB margins could drive a re-rating of the stock.