ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDINGS SECRETARIAT ROAD HYDERABAD 500 004
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To,
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

We reproduce below a Press Statement issued by AIIEA today against the decision of the government to further dilute its equity in the LIC through an Offer for Sale. We request all our units to ensure its widest possible circulation in the media. **We also request all our units to hold demonstrations during lunch recess tomorrow i.e. 05 August 2026 against this move of the government.**

With Greetings, Comradely Yours

Shreekant S Mishra

General Secretary

PRESS STATEMENT

AIIEA Condemns Further Disinvestment of LIC
Calls Upon Employees to Hold Lunch-Hour Demonstrations on 5 August

Hyderabad-04/08: The All India Insurance Employees' Association (AIIEA) strongly condemns the Government of India's decision to further dilute its stake in the Life Insurance Corporation of India (LIC) through the Offer for Sale (OFS) announced on 3 August 2026. The offer comprises a base sale of 2.5 per cent of LIC's paid-up equity with an additional greenshoe option of 4 per cent, taking the potential disinvestment to 6.5 per cent.

The Government has attempted to justify this move by invoking the SEBI requirement of achieving a minimum 10 per cent public shareholding by May 2027. However, this technical compliance cannot obscure the larger reality that yet another tranche of public ownership in India's premier financial institution is being surrendered to the market. This follows the earlier dilution of 3.5% through LIC's IPO in May 2022 and represents a continuing retreat of the Government from its commitment to strengthen the public sector.

The latest disinvestment also exposes the deep crisis in the Government's economic management. Having failed to stimulate investment, generate quality employment and augment revenues through sustainable means, the Government is increasingly dependent on selling public assets to bridge its fiscal deficit. During the current financial year alone, it has already realised over ₹21,000 crore by offloading shares in seven public sector undertakings. This is nothing short of selling the nation's family silver to cover up the failures of its economic policies.

LIC is not merely a profitable enterprise; it is a unique national institution built with the trust and savings of millions of policyholders. It has played an unparalleled role in mobilising household savings, financing

nation-building and extending life insurance to every corner of the country. Weakening public ownership in such an institution is against the long-term interests of policyholders, the economy and the nation at large.

AIIEA reiterates that LIC belongs to the people of India, not to the stock market. We call upon the Government to immediately withdraw the proposed OFS and abandon its policy of piecemeal privatisation of public assets. We appeal to all democratic forces, trade unions, policyholders and citizens to unite in defence of LIC and the public sector, which remain indispensable instruments for equitable growth, social justice and national development.

AIIEA has called upon its members and employees across the country to hold lunch-hour demonstrations on **5 August 2026** to register their strong protest against the Government's decision. The demonstrations will reaffirm the employees' resolve to defend LIC's public character and oppose every attempt to dilute government ownership of this premier national institution.

For favour of kind publication, please

Sd/-
General Secretary