

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDINGS SECRETARIAT ROAD HYDERABAD 500 063**  
(E-mail: aiieahyd@gmail.com)

Cir.No.16 / 2022

25th April, 2022

To  
All the Zonal /Divisional /State /Regional Units

Dear Comrade,

We reproduce herein below a Joint Circular issued by AIIEA and AILICEF today on the issue of the LIC IPO and our protest action. Please ensure wide circulation of the same amongst the employees.

With Greetings,

Comradely Yours



General Secretary

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**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**ALL INDIA LIC EMPLOYEES' FEDERATION**

To,

Date: 25.04.2022

All LIC Employees

**PROTEST AGAINST LIC IPO**  
**TWO HOUR STRIKE ON THE DAY SUBSCRIPTION OPENS**

The government is determined to list LIC in the stock exchange and bring the IPO of LIC. As per reports in the media, the LIC Board has pared down the IPO size from the earlier 5 per cent to 3.5 per cent. It is estimated that the government will mobilise around Rs. 21,000 crores by disinvesting 3.5 per cent of its shares from the LIC. The LIC is expected to file the revised application with the SEBI very soon. The desperation of the government to sell shares of the LIC to mop up some resources for meeting the fiscal deficit is evident. This desperation is all the more evident from the fact that the government has drastically brought down the valuation of LIC from the earlier estimates of around Rs.15 lakh crore to Rs. 6 lakh crores, according to media reports. This is a serious breach of trust with the millions of policy holders and citizens of this country who have supported LIC for all these years. This is the most blatant effort to sell the valuable assets of the nation built by the sweat and toil of the workforce with support from the insuring public at dirt cheap price. The spokespersons of the government have been openly advocating that the share price is being kept low so that the investors can profit with the higher listing price. This scheme of neo-liberal economic thought is simply unacceptable.

The government is likely to issue the IPO in the first week of May. If the decision to bring IPO of LIC ignoring the opinion of an overwhelming section of the people is antithetical to the nation's interest, the timing of the IPO is something worse than that. The stock market in India is highly volatile today, especially after the Russia-Ukraine conflict. Foreign investors are reported to have withdrawn \$16 billion from Indian stocks this year. India's benchmark index has lost 1.8% in 2022. The inflation rate has

already breached the central bank's tolerance rate. Thanks to the utter mismanagement of the economy by the government and the global headwinds, the Indian Rupee is approaching a fresh record low.

Unfortunately, the government is determined to go ahead with the IPO of LIC regardless of the consequences. Insurance employees have successfully defended LIC in the public sector since the last 28 years. Ever since the Malhotra Committee recommendations for privatisation of LIC in 1994, LIC employees have launched a massive campaign and struggle to protect and strengthen LIC in the public sector. The millions of policy holders of LIC and the people of India at large have stood solidly behind us in this patriotic struggle. It is because of this struggle of the employees that love and admiration for LIC has grown by leaps and bounds in spite of the invidious attempts of the ruling classes to destabilise the LIC.

There is no doubt that the IPO of LIC is the first step towards the privatisation of this successful public sector institution. A government committed to neoliberalism and wedded to the ideology of privatisation can never rest content with diluting only 3.5 per cent shares of LIC. They would certainly make efforts to privatise the LIC, given our experience in the case of public sector banking and public sector general insurance companies. We must therefore mobilise the broadest section of the people against these nefarious moves of the government. LIC employees have already given vent to their anger against the IPO of LIC by going for a two days strike action on 28-29 March 2022 along with crores of workers in the organised and unorganised sectors. The struggle must now be carried forward to resist the move to bring the IPO of LIC.

The selling of LIC also raises some legal and moral questions. The nationalisation of life insurance business and setting up of LIC was to protect the savings of the policyholders. The government saw its role as a trustee. This becomes clear from the LIC Act 1956 when the government with an investment of Rs. 5 crore as initial capital; also made suggestions that any time the LIC feels the need, it can reduce this capital. Secondly, LIC was asked to compensate the erstwhile insurers for the businesses taken over and over a period of time, LIC has paid compensation far in excess of the initial capital provided by LIC. This makes it clear that the entire business and expansion has been done with the funds of the policyholders who in real terms are the owners of LIC. The government now wants to appropriate and hand over to the few investors the value created through the policyholders funds. This is highly immoral.

In the circumstances, it has become necessary to lodge a strong protest against these devious designs of the government. **We, therefore, call upon all LIC employees to join a Two-Hour Walk-Out Strike preceding lunch recess on the day the LIC IPO opens for subscription.** We have written to the other unions in the industry about the need for this protest action. We hope, they will decide to join the strike action to jointly lodge our strong protest and to show our determination to continue to carry forward the struggle to protect the interests of the nation, LIC, its workforce and the policyholders.

With Greetings,

Comradely Yours

Sd/-  
Shreekant Mishra  
General Secretary, AIIEA

Sd/-  
Rajesh Kumar  
General Secretary, AILICEF