



ALL INDIA INSURANCE PENSIONERS' ASSOCIATION

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President : Com Ashok Tiwari

Date : 22nd June 2020

General Secretary : Com T K Chakraborty

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To

All Divisional/Regional/State units of AIIPA

Dear Comrades,

Re: Letter to Finance Minister regarding Appointment of pre-transaction advisors for LIC-IPO

We are reproducing herein below letter dated 22nd June 2020 addressed to Finance Minister, which is self explanatory.

With greetings.

Comradely yours.

General Secretary

Date: 22nd June 2020

To,
Smt Nirmala Sitharaman,
Hon Finance Minister,
Govt of India,
New Delhi.

Madam,

Appointment of pre-transaction advisors for LIC-IPO

All India Insurance Pensioners' Association (AIIPA) feels concerned that in spite of well meaning suggestions, against listing of LIC announced in the Budget, the Government is proceeding ahead with its plans.

As the Government is well aware, there were spontaneous protests by the entire workforce - Class I Officers, Development Officers, Employees and Agents of LIC, immediately after the budget proposal and were followed up with letters urging the Government to drop the ill-conceived move.

“Yogakshemam Vahamyaham”, the motto of LIC has been eminently fulfilled for over 63 years, with LIC mobilising the savings of the people and ploughing them for national development.

LIC's funds have come in handy for Central Governments of various periods, to shore up the economy, to stabilise the stock market and to achieve its disinvestment targets and it has been a biggest contributor to national exchequer, through its ever increasing dividends and taxes.

LIC has built up for itself a Brand Name and that has sustained them with major market share, even in the period of 20 years of competition and the faith reposed by the people in Public Sector LIC, has been a major factor for its progress.

As per Press Reports, two independent advisors from among consulting firms/investment bankers/financial institutions fulfilling certain criteria will be appointed to assist the Government, in the preparatory process for LIC IPO.

This announcement comes at a time when the Government with a disinvestment target of Rs. 2.1 lakhs crores, has deferred disinvestment of Air India, BPCL etc., as an aftermath economic effects of Covid 19.

The apprehensions of the Government that volatility of the market, may adversely affect the valuations, has caused the deferment; however this logic does not seem to have stopped the government on the issue of LIC IPO. We would like to reiterate at this juncture that we are opposed to dilution of Government stake in any Public Sector especially in financial sector.

The Government and the advisors are expected to work on changes in capital structure, legal formalities, timing of IPO etc., though Press Reports indicate, sometime in last quarter of this fiscal.

AIIPA is of the considered view that, listing of LIC is not good for the economy, not appropriate for LIC as a commercial organisation, against the interest of the Crores of Policy Holders and other stakeholders and, above all, not appreciable in the matter of mobilising of people's savings for public welfare.

Organisations representing all sections of work-force in LIC have, in a recent communication, called upon the Government to desist from the move to appoint advisors and decide not to go in for listing of LIC and we, from AIIPA, representing LIC Pensioners join them, in urging the Government, to retain status-quo and help LIC to achieve greater heights that will surely be a step towards "Atma Nirbhar Bharat".

Thanking You,

Yours faithfully,



(T.K.CHAKRABORTY)
General Secretary