

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

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To  
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

**GOVERNMENT SPEEDS UP THE PROCESS OF LIC IPO**  
**UNITED INDIA INSURANCE COMPANY IDENTIFIED FOR SALE**  
**BANNING OF DEFENCE EMPLOYEES' STRIKE IS UNDEMOCRATIC**  
**PROTEST DEMONSTRATIONS ON 23<sup>RD</sup> JULY 2021**

The Government of India has launched a blistering attack on its own Public Sector Undertakings and their workforce. Committed, as it is, to the retrograde economic ideology of neo-liberalism, the Government is in a tearing hurry to dismantle the public sector enterprises and hand them over to the private capital.

The Cabinet Committee on Economic Affairs has cleared the LIC IPO. The Group of Ministers headed by Finance Minister has been authorised to decide the percentage of share the government would sell. The Advisors to the Initial Public Offer have been appointed. The actuarial firm Milliman Advisors is appointed to determine the embedded value of LIC and it is expected that the task would be completed by August. The government is in the process of engaging bankers to manage the public issue. According to available information, the government would make all efforts to list LIC in the stock exchanges by the end of this year.

The government brought about necessary amendments to LIC Act through the Finance Bill violating the legislative norms due to massive protest and public mobilisation against the LIC IPO. The government was apprehensive that if these amendments are brought out independent of the Finance Bill, it will find the going tough despite enjoying brute majority in the Parliament. The notification of these amendments effectively means corporatisation of LIC and raises serious questions over its existence as an instrumentality of the State under Article 12 of the Constitution. The AIIEA is absolutely clear in its understanding that LIC IPO is the first step towards privatisation. This is evident from the amendments to LIC Act which commit that the government can bring down its stake in LIC to 51% in due course. There is no guarantee that the government would remain loyal to this commitment if we look at what is happening in Banking and General Insurance Industry where such commitment have been made through law.

While amending the GIBNA Act under Insurance Laws Amendment Act 2015, the government committed that it will retain at all times 51% stakes in the Public Sector General Insurance Companies. The Government has now decided to do away with this legal commitment through further amendments to GIBNA Act. These amendments are likely to be introduced in the Monsoon Session of the Parliament commencing on July 19<sup>th</sup>. The Government has decided to sell outright United India Insurance Company in the current financial year. The matter would not rest with privatisation of United India. In tune with the Public Sector Policy of the Government, attempts will be made to privatise the other three PSGI companies too, in due course.

The Government has decided to sell IDBI Bank and there is pressure on LIC to reduce its stake so that management control is transferred to the new buyer. It is the responsibility of LIC to ensure that the interests of the Institution and the policyholders are protected. There should not be any blind compliance with the government directive. It is understood that NITI Ayog has recommended Indian Overseas Bank and Central Bank of India as candidates for privatisation. Again the matter would not rest there. The Finance Secretary T.V Somanathan is reported to have said that eventually most of the public sector banks will be sold.

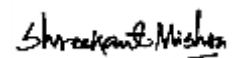
The Secretariat of AIIEA which met on July 8 decided to continue our resistance to the policy of privatisation of the Government of India. The AIIEA will make all efforts to bring a total unity of unions on the issue of LIC IPO. It has already forged a United Front in General Insurance. As per the call of AIIEA, the units in General Insurance have been meeting the Members of Parliament to explain grounds of our opposition to privatisation of United India Insurance Company. A large number of Members of Parliament from Tamil Nadu, Kerala and other parts of the country have already been met and the task continues. The struggle against privatisation in General Insurance has to be combined with the demand for immediate settlement of wage revision which is unjustly held up by the Government and GIPSA for nearly 48 months now.

The AIIEA notes with concern the undemocratic and authoritarian action of the government in banning through an Ordinance the planned strike action of the Defence employees. This Ordinance takes away the just right to strike and protest of workers involved in production of defence equipment, services and operation or maintenance of any industrial establishment connected with the military as well as those employed in repair and maintenance of defence products. The defence workers had decided to go on strike actions to oppose the government decision to dismantle the Ordnance Factory Board (OFB) and convert it into 7 corporations. This understandably is a step towards privatization of defence production endangering the national security. The AIIEA condemns this action and joins the Central Trade Unions in supporting the struggle of Defence employees. The Central Trade Unions have called upon the entire working class to protest this brutal attack on the rights of the workers and against the privatization policy of the government by holding meetings and organizing protest demonstrations on July 23. The trade union movement has also been demanding measures to alleviate the sufferings of the workers due to Covid pandemic and massive job losses.

Therefore, **the AIIEA calls upon its units to hold demonstrations on 23<sup>rd</sup> July, 2021 in front of all offices during lunch recess** to register our protest against the all-out war declared by the government on the Public Sector and its workforce. This demonstration must convey to the government that we are determined to fight back this brutal offensive. The AIIEA along with the central trade unions and other independent federations is committed to build massive resistance to its neoliberal agenda.

With greetings,

Comradely yours,



General Secretary.