

NATIONAL CONVENTION OF WORKERS AGAINST DISINVESTMENT OF ONGC SHARES

Constitution Club, New Delhi: 17th December, 2014

DECLARATION

This National Convention of ONGC workers being held at the Constitution Club (Deputy Speaker's Hall), New Delhi with participation of more than a hundred delegates representing trade unions functioning in ONGC from all over the country irrespective affiliations expresses grave concern and anguish at the renewed move of the Government at the Centre for disinvestment of further 5% shares in ONGC and thus pushing the process of creeping privatization of the Maharatna oil PSU. .

Over the period 1994 to 31st March 2014, successive Central Governments have already divested in installments 31.06% of ONGC's share and realized Rs.27,885.00 crores which is 81 times more than what has been invested by the government in ONGC. The present share holding of government in ONGC has come down to 68.94%

Now the government's move to further 5% disinvestment, if not stopped, shall reduce Government share in ONGC to 63.94% pushing it further closer to conclusive privatization of this pride of the nation the Maharatna upstream oil PSU.

During the course of last 57 years of its glorious existence, ONGC has paid Rs.86,128 crores as dividend, Rs.3,85,041 crore duties and taxes to central exchequer and Rs. 2,85,920 crore subsidy to oil marketing companies. ONGC is successful in establishing the record of Reserve Replacement Ratio (RRR) of more than 1 consecutively for last 9 years. Thus the ONGC has been earning thousands of crore of profit after paying huge amount of taxes, duties and dividend to central exchequer and also subsidy to the oil marketing companies year after year. ONGC has also established hydrocarbon reservoir in the East Coast and Daman. As on date ONGC operates with 72 on-land Drilling Rigs, 38 off-shore Rigs, 85 work-over Rigs, 202 on-land installations, 240 off-shore installations, 23 seismic party, 79 logging units, 4 process installations.

Convention notes with sense of pride and satisfaction that ONGC is the topmost profit earning CPSE in the country. Its net profit during 2012-13 was Rs.20,925.70 crores which was 15.50% of the total net profit of Rs.1,35,048.07 crore achieved by all profit making CPSEs in the country. Equally impressive is the fact that ONGC is a debt free company. ONGC is mostly funding its own expansion and investments from its own internal resource generation.

The convention expresses serious concern that the Finance Ministry of the present Government has identified over a dozen public sector undertakings for equity disinvestment during the remaining few months of the current financial year. The Government has been aggressively working to mop up Rs.58,425.00 crore by selling stake in PSUs. In the budget, the Government estimated to collect Rs.43,425 crore from selling stake in PSUs and another Rs.15,000 crore from sale of residual stake in previously divested PSUs.

The convention notes that in a recent letter to the P&NG Ministry, ONGC management has conveyed concern against hurried disinvestment of shares and has flagged at least five issues and cautioned the Government that without resolving those issues any divestment may not realize the true potential or value of ONGC's stature. The convention considers such development, by and large, contributing factor towards organising powerful united struggles to stop present move of disinvestment.

