

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.

The convention shockingly notes that today the entire energy sector in the country – power, coal, oil & natural gas industries – are under severe attack of disinvestment, denationalization and Privatization. In the oil & natural gas segment Government stake in ONGC, IOCL, HPCL, BPCL, GAIL & OIL have already been brought down to 68.94%, 68.92%, 51.11%, 54.93%, 57.90% and 68.43% respectively. And further dilution of stake is pushed by the present Government aggressively. In power sector, privatization is going on in big scale. Heavy doses of disinvestment in NTPC, NHPC, POWERGRID, Power Finance Corporation have been carried out by the Government. While disinvestment of stake in Coal India Ltd is going on, the situation has taken a worst turn with denationalization coal mines by the present Government through an act of Parliament recently despite strong struggles and opposition by coal It should be noted that three private business tycoons of the country – Mukesh and Anil Ambani brothers and Adani are continuously tightening their grip in the energy sector with support from the corporate captive Government. Shocking point is that these disinvestments are done not for business need of the PSEs concerned but to meet the budget deficit of the Government occurred due to various huge undue favour showered on private corporates by the Government totally ignoring business and economic prudence. In other words unnecessary disinvestment is imposed on the PSEs by the Government

The convention is of the firm view that the very concept of disinvestment and ultimate privatization of public sector industries is nothing but abject economic and political surrender to private business magnets – both indigenous and foreign – by the ruling polity absolutely against the interest of the people and the country. Fight against privatization and disinvestments is therefore the priority task before the public sector workers in particular and trade union movement in general and there cannot be any compromise on this issue.

In the meantime the convention condemns the disastrous and pervasive amendments to labour laws carried out by the present Government at the centre and by many state Governments. Such amendments have thrown out 72% of industries in organized sector out of coverage of labour laws. All these amendments are empowering employers to deny trade union rights to workers and to retrench and lay off workers or declare closure/shut down of establishments at will and also resort to mass scale contractorisation of permanent and perennial nature jobs.

The convention recalls that working class in the country had to struggle hard to achieve Labour Laws. Now the retrograde amendments of Labour Laws are nothing but crime on the working people of the country who creates GDP, generate revenue for the public exchequer and profits for the employers. The convention resolves to actively participate in struggles already launched jointly by all the Central and Regional Trade Unions of the country to defeat the anti-worker attack of the Government.

The convention notes that the workers of ONGC at the joint call of the trade unions have already observed protest programmes against the disinvestment decision by organising gate meetings and local conventions.

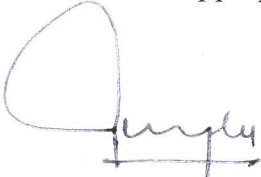
Today's convention unanimously decides to carry forward the struggle by organizing intensive movement to fight the onslaught of the government and save ONGC the premiere public sector upstream oil company from loot and plunder by the private business houses and further resolves to go up-to any length to defeat the move.

This Convention appeals to the entire work force in ONGC to demonstrate the power of all-in-unity of the trade union movement and take part in the following programmes at all levels thundering the message of unity of workers and their strong determination at each and every workplace throughout the country in opposing the move of the Central Government to disinvest the share of ONGC.

The convention decides to conduct massive propaganda and agitation effectively implementing the following programmes:

- 1) Translate this declaration in local languages, print sufficient copies and distribute to each and every ONGC workers at all work locations **by 31st December 2014**
- 2) Gate meeting/General Body meeting by all unions jointly to communicate the message and decisions of the convention **by 31st December 2014**
- 3) Organise joint conventions at all major work locations of ONGC to be completed **by 11th January 2015** (exact dates for each locations to be decided locally)
- 4) All ONGC unions to Fax Message to Prime Minister **during 5-9 January 2015** urging to stop share disinvestment
- 5) Massive postering **during 5 -11 January 2015** at all work locations (matter to be finalized centrally)
- 6) Observation of all India '**Anti-disinvestment Day**' by wearing badge printing 'Stop Disinvestment of ONGC Share' (date to be finalised soon)
- 7) If necessary to launch '**Strike Action**' (date to be decided jointly by the leaders of unions of ONGC at appropriate time)

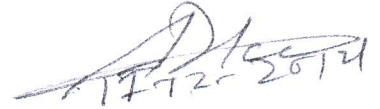
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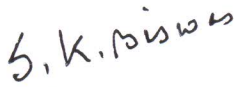
Pradeep Mayekar
General Secretary
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Mumbai



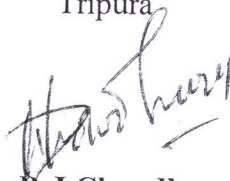
Tusar Dutta Majumdar
General Secretary
ONGC Workers' Union
Tripura



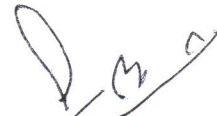
A.R. Tadvi
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