CITU
1970-2020
Continuing the legacy of 100 years of struggles and sacrifices
50 years of fight for class unity

United Struggle of the Workers of Energy Sector

POWER, COAL, OIL & NATURAL GAS

Against synchronised Attack of Privatisation

Published by
Electricity Employees Federation of India
All India Coal Workers' Federation
Petroleum & Gas Workers' Federation of India


Welcome to

TAMIL NADU

Pristine beaches, beautiful ancient temples, enchanting hill stations and lip smacking local cuisine, Tamil Nadu is a potpourri of experiences. Located in the southernmost part of India, the state is a living museum that takes immense pride in its traditional values that are still preserved in local art and literature.

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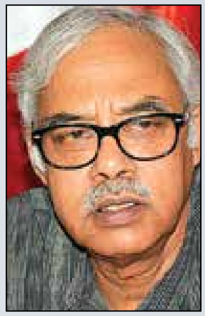
FOREWORD



Energy being the prime mover of civilization, play role of crucial importance in modern society. All resources of energy originate from nature. Human being all over the world should have open access to energy product and services against payment of affordable cost of conversion. Capitalist-Imperialist duo is continuously designing the energy market to deny the right to energy of human race in this or that plea all over the globe, precisely to retain absolute control over the production process and economy for profit maximization. Consequentially, energy resources in various countries have become the apple of discord in the world both in economic and political fronts, specifically in the capitalist world.

Energy workers of India closer to CITU are organized in three national federations (AICWF, EEFI & PGWFI) have decided together to publish a booklet on the eve of 16th National conference of CITU. We must admit that out of various basic needs of human being like food, water, shelter, health, education and transport cannot be made available without energy. Capitalist world led by colossal global corporations are creating impediment in various innovative as well as dubious ways and means to make energy availability scarce and costlier. Common people including their advanced vanguard like organized workers are also not aware of the conspiracies of capitalist class hand in hand with the Governments of the developing countries including India. Besides various legislations/measures pushing through the policy of transfer of natural energy resources to private corporates' control, foreign and domestic, with dubious intent, are posing severe problems for the pro-people growth of the industry.

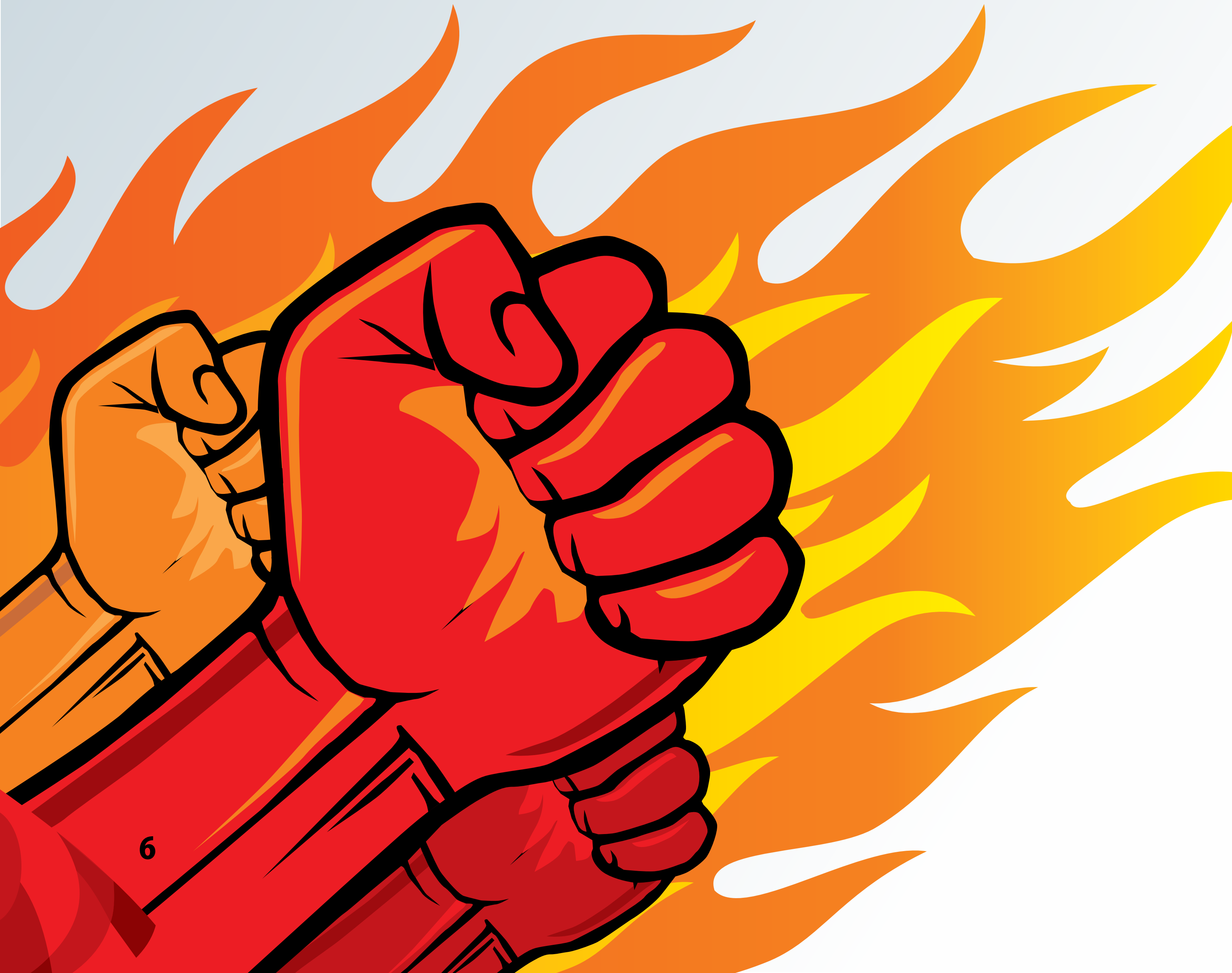
Constraints and comfort for all the three sectors like coal, electricity and natural gas are having similarity. Hence, concerted struggle of all these three sectors in close cooperation with one another, may become advantageous for both the workers and employees as well consumers.

I am confident that this concerted effort will not be confined in this publication only, as attack of neo liberal policy will not cease at the present juncture. However, CITU is confident that these three federations and their constituents in the energy sector will be able to carry forward the struggle hands in hands with the workers and people. Class oriented international organization like WFTU is going ahead in this direction. We also should not lag behind. We need to go ahead with full vigour of energy and ideology.

Tapan Sen
General Secretary

Fight Synchronized Onslaught with Synchronized Struggle

Swadesh Dev Roye
Secretary, CITU



> The resistance to synchronized privatization onslaught must be by integrating the struggle of the workers of all the segments of energy sector jointly irrespective of affiliations.

All the three major segments of Energy Sector - Power, Coal, Oil & Natural Gas has come under synchronized attack of aggressive privatization. Narendra Modi Government is in 'mission mode' to hand over the control of entire energy economy to private business houses within the country and abroad. It is worth noting that the most powerful cronies of Modi Government already have deep business interest in the energy sector. With the current privatization drive, Modi Government is facilitating the emergence of a huge private monopoly in oil & gas sector.

In building public sector Energy Assets of our country, one of the main architects had been the Planning Commission of India.(PCI). Energy sector got the lion's share in the outlays of the Five Year Plans. Between 1975 and 2000, 25 to 28% of plan expenditure was deployed for energy sector. But for the stunning success of the huge emergence of public sector giants in the fields of Power, Coal and Oil & Natural Gas, India neither would have been freed from the exploitative clutch of foreign MNCs nor would have attained the height of self-reliance.

It is too well known to be repeated here the shocking story of dismantling of the PCI by Narendra Modi, exercising his 'Prime Ministerial Authority' without taking into confidence either Parliament or even his Cabinet (Puja Mehra – 2019). The NITI Aayog, instituted over the graveyard of PCI is working totally in the reverse gear. PCI built public sector in India, the NITI Aayog is breaking those national assets including the core and strategic sectors.

Integrated National Energy Policy – 2017

As per directive of Narendra Modi Government, the NITI Aayog has prepared an integrated National Energy Policy which was released in June 2017. Each of the energy segments - Electricity, Oil & Gas and Coal have been dealt with extensively. Careful reading and close scrutiny of the Policy Paper of the Modi Government shall reveal that it is nothing but `a blue print for conclusive privatisation of total energy sector of the country.

Among the three segments of energy, coal sector is top in the hit list of privatization. Because till recent past, entry of private sector in coal mining has been well resisted by the coal mine workers.

Privatisation Route-Map for Coal, Electricity, Oil & NG

COAL INDIA LIMITED (CIL): Among the three segments of energy, coal sector is top in the hit list of privatization. Because till recent past, entry of private sector in coal mining has been well resisted by the coal mine workers. The obvious indignation of the Government can be traced in the derogatory comments of NITI Aayog, "The present coal regime in India continues to be a historical relic. While most other sectors of the economy have evolved to adopt free market principles ... coal sector has remained untouched by liberalizing reforms ... it is essential that we move away from this opaque coal economy and introduce greater competition (read privatization) in it." Therefore it is clear that the onslaught of privatization of coal sector including the recent promulgation of Ordinance is nothing but execution of the blue print prepared by the NITI Aayog.

POWER SECTOR: NITI Aayog Policy Paper noted, "However, the reforms have remained incomplete in the sense that some sectors, which could attract private players, continue to be dominated by Government companies. Transmission and distribution fall in this category." It further continued to elaborate 'privatization potential', "The role of private sector must be expanded to all investment areas, including supplying electricity to rural areas. The likely separation of wire from content is expected to throw up more investment opportunities in the distribution sector. Various models exist for participation of the private sector in Distribution."

Therefore, the intention and content of the Electricity Amendment Bill 2018 is nothing but implementation of the directive from the NITTI Aayog document.

In the meantime NTPC is under two-prong attack. In one hand Government has indicated to disinvest further 10% equity holding. If carried out, the Government holding shall come down to around 46.41%. On the other hand under pressure from the Government, recently NTPC had to take over number of small and financially stressed power plants from some of the BJP ruled states. These steps are aimed at making NTPC vulnerable to privatization at grossly unvalued price. The transmission CPSU Powergrid has been asked to sell any four transmission lines in two phases and pay the sale proceed to the Government.

More derogatory steps recommended by the policy document in question are paraphrased from the NITI Aayog policy document: "India needs large doses of

private capital, both domestic and international, and this will be forthcoming only if we erect world-class Regulations (read facilating private sector) Ease of entry and exit for private players, free consumer choice of vendor, market determined prices etc. Indian energy market is now ready for several new regulatory interventions as listed below:"

- Separation of content and carriage in electricity, city gas, liquid fuels (at select locations)
- Sharing of energy infrastructure by inclusion in the definition of 'common carriers' (storages and marketing infra, ATF hydrants, offshore infra, LNG terminals,
- Data sharing especially in the area of oil/gas exploration
- Unbundling between gas transporters and marketers

UP STREAM OIL & NG SEGMENT: Asking ONGC, OIL etc to facilitate private sector with its discovery drilling data, the Policy Paper states "there is potential (read necessity) for opening up the upstream data business to the private sector by liberalizing controls on data sharing" Similarly the Policy Paper has proposed to privatize ONGC discovered oil fields, "there is a need to monetise discoveries". It is the policy directive that ONGC had to ink joint venture with its private competitor, RIL of Ambani, " closer association of NOC (National Oil Companies) with private sector" Looking at the policy formulation of NITI Aayog regarding upstream oil business, it is obvious that more aggressive privatization onslaught on up steam are bound to come.

REFINERY & MARKETING: With the current move of the Government to totally privatize through outright sell out, the entire refining and marketing business of BPCL and, as of now, the more than

14,000 KM crude and product pipelines of IOC and the signal from the Government to ONGC to sell out their equity holding of HPCL, it is clear as broad day light that such decision is driven by the privatization policy enunciated in the Policy Paper. That the preferred target of the Government is to hand over the highly commercially lucrative and efficient marketing network of the oil PSUs is evident from the policy Paper, "to encourage competition (?) by entry of private sector in a big way … creation of common carriers and access to marketing infrastructure will be liberalized."

Synchronized Attack Calls for Co-ordinated Resolute Resistance

The 'mission privatization' project pursued with animal spirit by the Modi – 02 regime is driven by both ideological and financial understanding of the BJP Government. It is necessary to understand that the challenge before us is the synchronized privatization of the three segments of energy sector. The integrated National Energy Policy prepared by the NITI Aayog under the direct guidance of the Prime Minister in his capacity as the Chairman of NITI Aayog is acting as the 'Blue Book for Privatisation' of energy sector.

The tax revenue of the Government shall face more slip and slide because of the wrong handling of the ongoing systemic crisis of capitalism. This is because the economic policy of the Government is driven by capitalist class bias. Therefore Government dependence on so called alternative revenue is going to increase and consequently volume of selling out CPSUs shall also increase.

The fight against privatization must be intensified. In the meantime the trade union movement in all the three segments of energy sector in our country, first and foremost, must take serious initiative to organize workshops, seminars and conventions to collectively study and understand the real, immediate and ultimate goal and mission of the Modi Government outlined in the integrated National Energy Policy.

The resistance to synchronized privatization onslaught must be by integrating the struggle of the workers of all the segments of energy sector jointly irrespective of affiliations. Neglect to this urgent task shall imply underestimation of the depth of the danger and also underestimation of the synchronized strength of the energy sector workers. And also would amount to undermining the strategic striking power of energy sector. Let this joint publication be a stepping stone for building synchronized struggle against dismantling of energy CPSUs. Let us campaign, propagate, agitate and launch synchronized action demanding:-

Energy & Environment
Challenges of the Workers Worldwide

Prasanta N Chowdhury
President, TUI (C&E)

Energy is most fundamental ingredient of human life. But its escalating conversion and consumption rate is concurrently challenging the sustenance of mankind following ecological imbalance.

Energy has an eminence over all other commodities and services essential for modern society. Workers who manufacture the commodities and render services are organised in Trade Unions, who leads them to conceive related essentiality for the society. Trade Union International, sector specific organisations of WFTU enters the industry right from resources, technology and protecting interest of end consumer. TUI (Energy) constituted in 2007 extended its effort to organise workers of different segments of energy as integral force. India was assigned the Presidential portfolio right from the beginning till now. India hosted the 3rd Congress of TUI (Chemistry & Energy) in Trivandrum. Three major Federations of India acted together for the purpose of hosting the Congress but concerted activity of energy organisations is needed to protect common interest of workers, consumers' as well whole people. Clubbed Energy governance has been made pertinent for the whole world with the object of exploitation. Workers also should think over the ground reality to pave the way to concerted struggle to ensure right to energy for the mankind.

This planet, the World, abode of most advanced living creature mankind, is facing lots of challenges of which most crucial two are environment and scarce energy sources. Former one; energy is most fundamental ingredient of human life. But its escalating conversion and consumption rate is concurrently challenging the sustenance of mankind following ecological imbalance.

Coal, petroleum & natural gas are the major sources of primary energy. World Energy Council Estimation between 1990 and 2018 on use of various sources of energy reveals Oil 32%, Coal 26% Gas 23% Biomass 10% and Electricity 9% globally in total. If the consumption of fossil fuel in major consuming countries like China, USA & India is taken into consideration, we find 3164, 2258 and 929(MtOe) of primary energy besides 6167, 3971 & 1247(TWH) of Electricity emits 9467, 5118 & 2277(MtCO2) respectively.

Total energy consumption of major energy consuming countries for the year 2018 was China 3164Mtoe, USA 2258Mtoe and India 929Mtoe. Use of Electricity has gone in China 6167 TWH, in USA 3971 TWH and in India 1243TWH. Consequentially rate of emission of these three countries are China 9467 MtCO2, USA 5118 MtCO2 and India 2277 MtCO2.

Coal is other vital source of energy. For Generation of Electricity major component is still Coal. World Average of Electricity generation from Coal is 40% while in USA 49%, China 83%, India stood to 72%. All these countries are responsible for worst level of emission.

From the consumption pattern cited above we understand pivotal role of Oil and Gas as source of energy. These two components of energy constitute as 55% of total energy resources. Here lies the secret of Geo-Politics over energy sources. What for Capitalist-Imperialist combine are behind war mongering in Middle East Asia as well Gulf region. This region is having over 60% of Oil and Natural Gas reserve of the whole world.

First challenge is reduction of consumption in developed countries. The second challenge is to diminish the dominance of fossil fuel in energy production. Third challenge is advancement of technology to develop bio fuel. Technology is not harnessed for mankind since USSR has become non-existent. Technology of extracting shale gas and oil innovated by USA is still not available for countries other than China having considerable shale reserve. France is still generating 78% of electricity from nuclear reactors, barring France, Finland and some east European countries other developed countries

Struggle of Energy Workers in tandem with the people will lead to reach the aim of materialising the slogan of "right to energy as human right". WFTU the leader of global class oriented organisation of 110 million Workers guides us to that direction.

declared to abandon harnessing this limited reserve fuel 235U isotope. Forth generation nuclear reactors, with solution of nuclear residues or use of abundantly available thorium are far away. Technology of hydrogen cell or nuclear fusion is still confined in laboratories.

Workers become sacrificing lamb in all phases of Transition of Technology as well resources. Application of new technology in the production process cuts jobs. Contractorisation and outsourcing reduces scope of jobs. Energy pricing policy formulated by the regulators make retail consumers scapegoat. All creams are consumed by traders and major business magnets. How Adani-Ambani duo are cheating the Discoms and in turn to low end consumers of northern, western states of India is now open secret. In order to enable Adani Ambani grab more and more profit, Modi Government openly defy the strictures of Apex Court.

In India, how people are extorted to pay more and more tax for use of Petro products can be seen from its exemption from GST. It is given to understand to Indian people that India is having scarcity of resources; hence Government is to import Oil from other countries. Fact is that India use to import crude from abroad but Indian Rupees earned through exporting is far more than the cost spent for importing. In 2017-18 India spent Rs 744 million to import crude and earned Rs. 23858 million through exporting Oil products.

Apart from World War-I and II, 20th Century experienced several crisis over the world peace, most of those evolved from Geo Politics. Crisis over Suez Cannel, Gulf War in early seventies, Twin Pillar Approach formulated by President Nixon, Iranian Revolution in 1979, Kuwait invasion by Iraq in 1990, assassination of Saddam Husain, conspiracy in Venezuela, Al-Qaida insurgence, Turmoil in Palestine & Syria, Taliban extremism in Afghanistan, nourishment of Terrorist by Pakistan and Saudi Arabia at behest of US, Persian Gulf, North Korea and Iran in 2020 are having similar tune and tone.

Hence, working class, who are the vanguard of suffering humanity and forefront warrior for world peace is to prepare its struggle with priority of agenda against the imperialist hegemony. Energy resources are wealth of nature. Hence, right to energy is human right by default. Its ownership cannot be divided by the Government to its cronies at the sweet will of the political bosses.

Common people all over the world as well in India cannot follow the intricacies of technology, complicacies of energy related legislations and diplomacies of geo-politics. Hence, the historical responsibility of making people aware lies upon the energy workers and their class conscious organisations. Energy workers are to be united to consolidate their struggle with the mass people who become the victims of policy formulated by the Government in the interest of capitalists and hegemony of the imperialists. Struggle of Energy Workers in tandem with the people will lead to reach the aim of materialising the slogan of "right to energy as human right". WFTU the leader of global class oriented organisation of 110 million Workers guides us to that direction.

Electricity Sector
the key enabler for development

B Pradeep
Vice President, EEFI

The Electricity Bill 2000, which was the prelude to the Electricty Act, 2003 was opposed tooth and nail by the working class in the country. Various state governments, especially that lead by progressive forces in the states of Kerala, West Bengal and Tripura stood against the central legislation.

Start of the industry

When the country started its journey as an independent soveriegn republic, electricity production and consumption was mostly limited to urban centers and was run predominently by private entities. The total installed capacity was only about 1,362 MW in1947. Reportedly the commercial use of electricity commenced in India at Calcutta in 1897 and the first thermal plant (Emambagh Power Station) started operation in 1899 in Calcutta followed by Delhi in 1905 . The first major hydro electric station in India was erected at Sivasamudram in Mysore in 1902, even while a smaller plant was operational from 1897 at Sidrapong, Darjeeling. This was followed by the hydro-electric station for the Bombay area. However, the fact remains that India was facing tremendous power shortage. The growth in plant capacity did not keep pace with the growth in load since 1940. There was an acute power shortage in Bombay, Delhi, parts of Uttar Pradesh, Madras and West Bengal. Several restrictions were imposed on new connections and measures like staggering of holidays were in position.

Post Independence Journey in nutshell

In 1948, Parliament enacted the Electricity Supply Act, 1948 to pave the way for the formation of the State Electricit Boards (SEBs). The Electricity Supply Act, 1948 was enacted since it was felt that the pace of electrification was much below the desired pace and that electricity was only available in major towns/cities. During the period 1948 to 1956, the SEBs took over most private licensees upon expiry of their license agreements. While the growth of the Indian power sector primarily began in the private sector, the Industrial Policy Resolution of 1956 reserved generation and distribution of electricity exclusively for the public sector while allowing existing private utilities to continue. However, no new private licenses were granted. The electricity sector is a concurrent subject under Article 246 of the Constitution where the Federal Government is responsible for policies and statutory and organizational field work and it is the States' duty to provide for power generation and supply to consumers. The primary mandate to the SEBs were to expand the electric power grid and to reach out to the remotest villages of the country so that the benefit of the new versatile energy form is enjoyed by all contrymen. To tap the vast potential of various river basins and use of abundant natural resources like Coal and Lignite for power generation, Government of India along with respective state governments created new entities like Damodar Valley Coporation (DVC), Bhakra Beas Managment Board (BBMB), Thehri Hydro Development Corporation (THDC), North Eastern Electric Power Corporation (NEEPCO), Neyveli Lignite Corporation (NLC), Nathpa Jhakri Power Corporation (NJPC) etc through various enactments and administrative orders. In order to give a further boost to power generation, the Government of India subsequently created the National Hydroelectric Power Corporation (NHPC) and the National Thermal Power Corporation (NTPC) in 1975. These Corporations established large regional generating stations, the benefits of which were shared by the States of the region. As inter state and inter regional power transfer requirements grew, Power Grid Coporation of India (PGCIL) was established and a National grid operating at same frequency become a reality in 2014. PGCIL is now notified as the Central Transmission Utility (CTU) responsible for integrated planning and development of the interstate transmission system.

Correlation of Electricity use and Human Development

The relation between electricity consumption and GDP growth is well established. Beyond that, various studies covering different countries has established

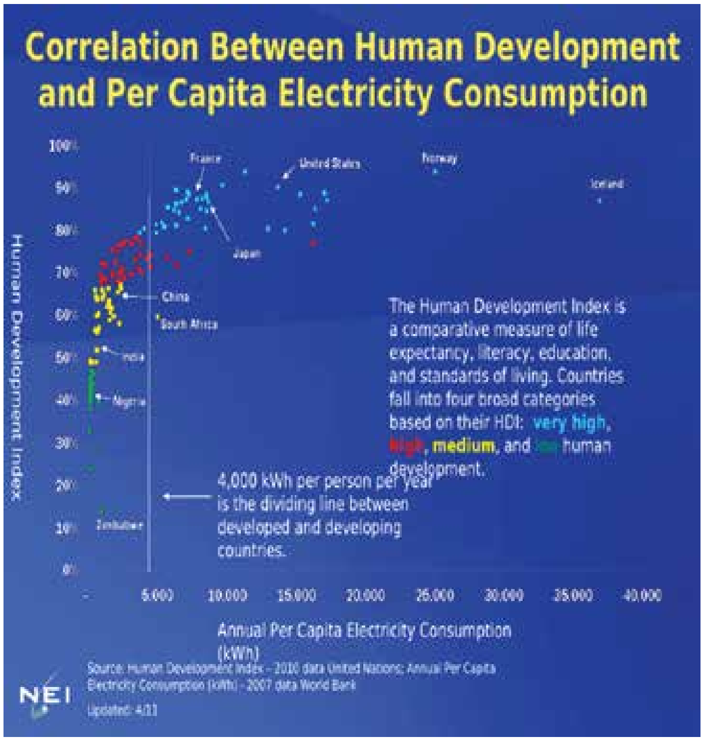


Chart 1

a strong correlation between use of electricity and human development as well. The following chart where the X axis plots per capita electricity consumption and the Y axis ploting Human Development Index is self explanatory.

It can be noted that the to have a reasonable HDI the Nation's per capita consumption shall be around 4,000 units. Beyond that level the increase in per capita consumption does not result in any significant improvements in HDI.

Where we stand

Today India is the World's third largest producer of electricity after the US and China. The power generation in the country during 2018-19 was 1,249 BUs (Billion Units). At the same time, the per capita consumption of the country is only 1,181 units (2019-20 mid year assessment) against a world average of 2,674 units. The total installed capacity stood at 3,67,280 MW as on December 2019. The highest peak demand recorded so far is 1,80,400 MW during October 2018, which indicates significant under utilisation of assets due to a variety of reasons; accessibility and affordability remaining as the core issues. Even as Coal based power generation remains the mainstay, huge addition in capacity is witnessed from renewable energy sources. The sourcewise generation capacity is depicted in Chart 2 and the mix of various renewable sources within the renewable sector is depicted in Chart 3.

The total installed power generation capacity of central public sector undertakings today is 92,797 MW. The contribution by state public sector undertakings aggregate to a total capacity of 1,03,815 MW. The growth of renewable energy sector which had a meagre presence of 0.03% (18 MW) in 1990 to about 23% in 2019 provides a clear picture of the changing energy landscape. The renewable capacity of 84,400 MW has mostly materialised through private sector investments.

The financial position of various sector players provide a mixed result. While the power generating companies in central public sector and the central transmission utility are showing healthy profits and substantial reserves, most of the power distribution companies in the states (carved out of the SEBs) are facing huge accumulated losses. During 2018-19, NTPC reported a gross revenue of Rs 89,316 Cr with Rs 12,673 Cr as profit before tax. NLC's gross revenue was Rs 9,870 Cr and profit before tax was Rs 2,561 Cr. THDCIL's revenue and PBT were Rs 2,850 Cr and Rs 1,511 Cr respectively. During the same period all central public sector power generating companies has reported similar profits commensurate with their operations. In power transmission sector, PGCIL

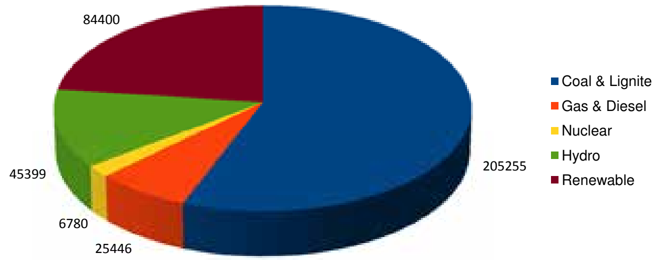


Chart 2

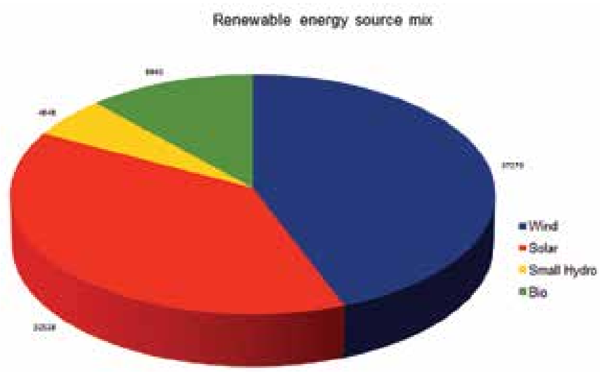
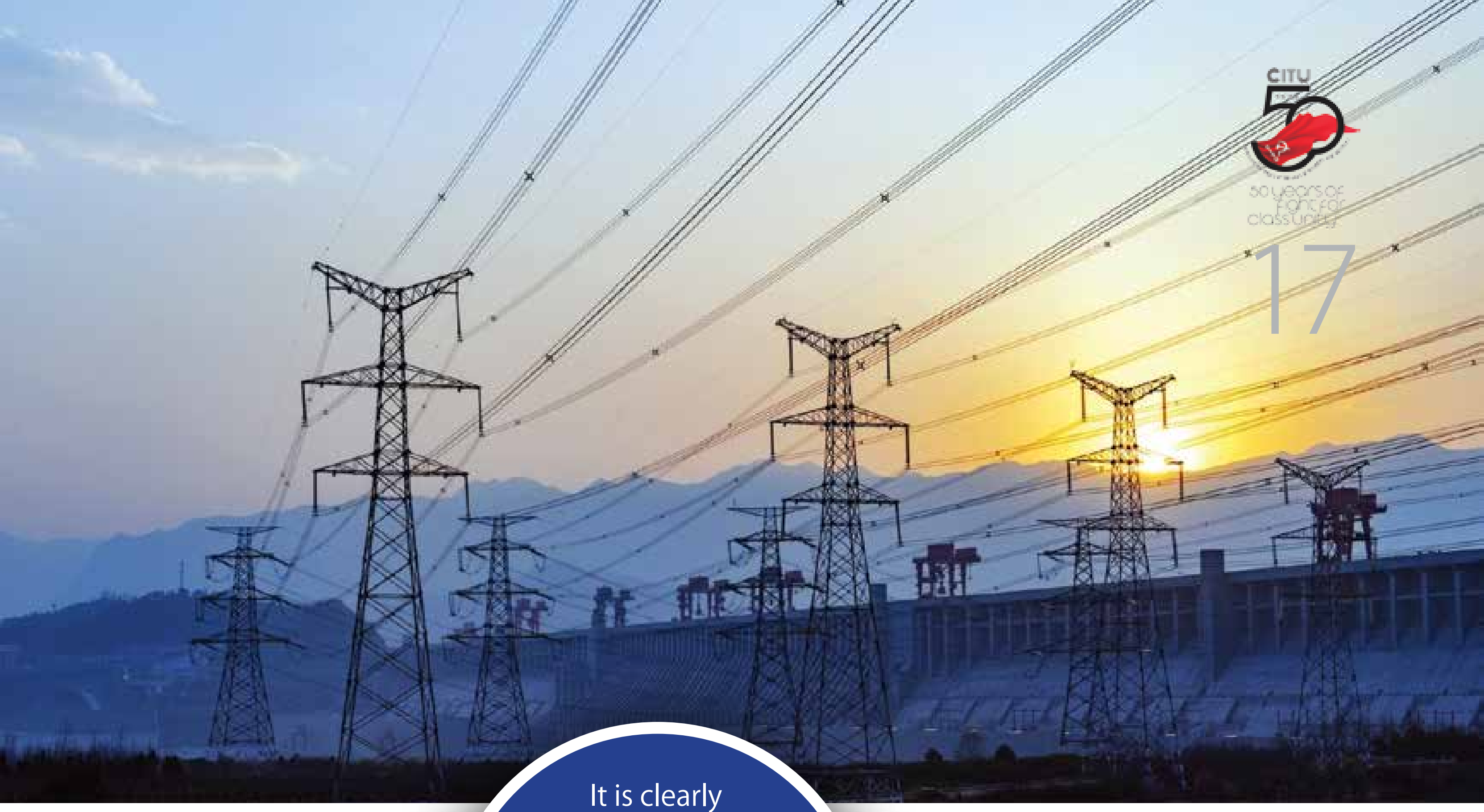


Chart 3



reported a gross revenue of Rs 35,661 Cr with Rs 11,674 Cr as profit before tax in 2018-19. At the same time the state power distribution companies reported a cumulative loss of over Rs 1,50,000 Crore. The severe financial distress of distribution companies is creating havoc in the entire value chain with about Rs 59,700 crore dues to generating companies against power purchase, default in debt servicing by private generating companies and the distributing companies, huge Non Performing Assets (NPAs) to the tune of 3 lakh crores in the balance sheet of Banks and financial institutions etc. Most of the companies against which financial institutions has approached the National Company Law Tribunal (NCLT) for resolution of debts are from electricity sector. The latest arm twisting tactics of the central government to ensure cash flow to these private generating companies is to insist through executive orders that power will be made available to only those distribution companies who establish Letters of Credit as payment security mechanism. These orders, which does not have the backing of law, has started curtailment of power flow to states like Karnataka, Rajasthan, Meghalaya, Jammu & Kashmir, Uttar Pradesh, Goa etc. This serious malady afflicting the sector is a direct result of the neo liberal onslaught unleashed in the sector in the last three decades.

> It is clearly evident that the neo liberal reforms is resulting in handing over precious natural resources to the private sector and looting of the public through ever increasing tariff.

The neo liberal onslaught

From 1991 onwards the sector witnessed continous waves of neo liberal reforms and there is no respite even now. The synchronsined attack unleashed in subsequent years through plundering of natural resources in the energy value chain excasperated the crisis.

The neoliberal reforms in the power sector was kick started in India inviting foreign and domestic private capital into the power generation sector. The drive was primarily focused on seven fast track projects of which Enron was the most notorious. While the loss created by Enron was thrust upon the public sector as a revival package for the rechristened Ratnagiri power project, the only other project (GVK Spectrum project) that came up from among the fast track projects has also failed. The working class movement in the country was in the forefront of the agitation against the corrupt practices and policy aberrations that lead to the fiasco.

Even though the first phase of neoliberal reforms in Indian power sector was an utter failure, the pace of reforms was again fast tracked through multilateral lending agencies like IMF and WB through the so called 'soft loans'. This phase of neoliberal reforms focused on structural reorganisation of Indian power sector through unbundling of SEBs and privatisation of the unbundled utilities. Since the orchestra-tors of the reforms were aware of the impact of structural changes in the price of electricity, they were keen in creating the new entity of Electricity Regulatory Commissions in the Indian power sector at the National and State levels. The SEB unbundling was first tried out in Orissa in second half of 1990's and was later extended to the States of Andhra Pradesh, Karnataka, Haryana, Madhya Pradesh, Rajasthan, Uttar Pradesh and Delhi. Orissa and Delhi further went ahead with the privatisation of the unbundled utilities. The failure of this phase of reforms was also evident with steep increases in tariff of electricity that lead to a spate of agitations in all the states which even lead to the heroic martyrdom of agitators in Andhra Pradesh. The celebrated privatisation model in Orissa came to a halt with the ouster of mulinational corporation AES from the distribution utility owing to the failure to deliver even basic responsibilities. Subsequently, Reliance which took over the other areas in Orissa was also ousted for poor performance. Our organisation was in the forefront of the agitations at the respective state and national levels against these structural changes.

The failure of Orissa model of reforms created reluctance among different states in furthering the structural changes, which lead the central government in piloting legislative changes to thrust neoliberal reforms on all the unwilling state governments. The Electricity Bill 2000, which was the prelude to the Electricty Act, 2003 was opposed tooth and nail by the working class in the country. Various state governments, especially that lead by progressive forces in the states of Kerala, West Bengal and Tripura stood against the central legislation. The ruling class overcome the valiant opposition to the neoliberal legislation with their numerical strength in parliament. The deleterious impact of this piece of legislation and that of the neoliberal reforms followed by the ruling class over the last two decades is now being witnessed all over the country.

The reforms always targeted expanding oppurtunities for private capital in power generation, transmission and distribution sectors. With the failure of fast track projects in power generation, government came out with mega power policy with a plethora of fiscal incentives for private sector for setting up projects above 1,000 MW capacity. However, only very few projects came through. The government then came out with Ultra Mega Power Projects (UMPP) package wherein land, clearences etc along with coal blocks for domestic coal based projects were provided by the government for project capacity of 4,000 MW each. Even though 14 UMPPs were initiated only two has materialised. Even these two projects are

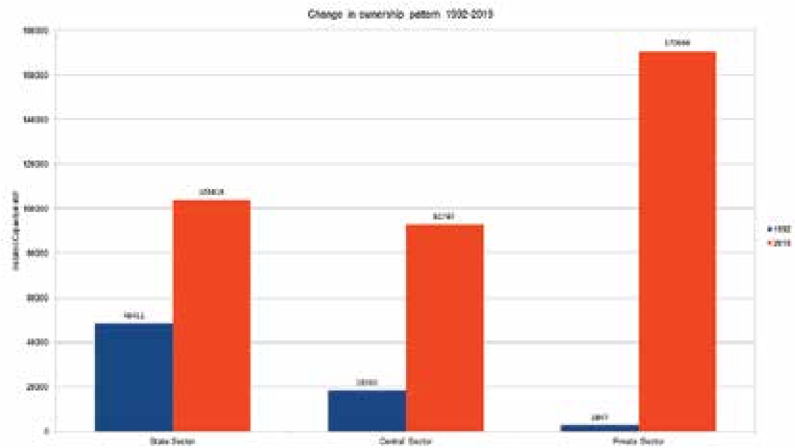


Chart 4

mired in controversies related to tariff fixation. The private sector after offering cheap tariffs entered into litigation for hike in tariffs citing innumerous contentions. CAG has pointed out huge loss to exchequer through grant of post tender concessions to Reliance in case of Sasan UMPP. Then came the infamous coal scam. The Coal Mines (Nationalisation) Act 1973 act was ammended to accomodate private power generators also for captive mining. A screening committee was constituted for allocating the blocks even though no qualification procedures were kept in place. During 2004 The coal ministry proposed competetive bidding as a procedure for coal block allocation. Despite this recommendation the government continued with the non-competetive arbitary procedure of allocating coal blocks solely based on the recommendation of the screening committee. Twenty four blocks were allocated to private parties in 2005, 53 coal blocks in 2006, 52 in 2007, 24 blocks in 2008 and 16 coal blocks in 2009 through non-competitive process. In its Report on the process of this allocations Controller and Auditer General of India assessed an undue benefit of about Rs.1.86Lakh Crore to private companies by allotting coal blocks without any competetive bidding process. CAG found no proper records or procedures for these allocations than mere favorism by the screening committee. Some of the allocations are made even with out proper application. Even though the Supreme Court subsequently cancelled these allocations, already many private generators had by that time set up huge power generation projects on the basis of these allocations. The changing ownership pattern in power generation sector after this phase of primitive acquistion of natural resources is evident from chart 4 given below. The lure of high prices in short term power market including that in power exchanges also resulted in this huge but unviable private investment during the period.

The hollowness of claims of reformists that price of electricity will come down through competition and market driven polices has become evident on the face of records. The average cost of supply in India increased about four times from 1992-93 level to 2010-11 that is from 128.19 paise per unit to 487.92 paise per unit as came out in the report of erstwhile Planning Commission in October 2011. The average tariff also increased like wise from 105.40 paise per unit during 1992-93 to 380.83 paise per unit 2010-11. The table shows the trend in average cost of supply and average tariff from 92-93 to 2010-11 on all India basis.

Based on compilation of annual tariff orders of various state electricity regulatory commissions, it is reported that the average cost of supply has increased to almost Rs 7.00 per unit and the average tariff has crossed Rs 6.00 per unit by 2018 in most of the States.

It is clearly evident that the neo liberal reforms is resulting in handing over precious natural resources to the private sector and looting of the public through ever increasing tariff. In the midst of this, the Modi government is claiming 100% house hold electrification which is yet another hollow claim. The 2011 census data shows that there were 24,66,92,667 households in the country during the time of data collection. Even if one does not count the millions of houses that came up in the subsequent decade, every one would expect the electricity for all campaign will cover at the very least all these incumbent households. However, interestingly, the Soubhagya dash board which monitors the status of 100% electrification, provides the number of households

All India Average cost of supply and average tariff

	92-93	2000-01	2007-8	2010-11
Average Cost of supply paise/unit	128.19	303.83	404.01	487.92
Average tariff paise/unit	105.40	212.02	305.12	380.83

in the country as only 21,30,36,453. Where does the balance households disappear ? The government introduced a wilily turn into the electricity for all campaign by prefixing the word 'willing' before household, meaning that those households that still doesn't have electricity are those unwilling to avail electricity. What on earth can cause this unwillingness in this 21st centuary than the unavailability of last mile electric network and the cost associated with that. Thus, despite tall claims, millions of households in the country are still staring at darkness with no access to electricity, let alone affordability.

Despite the failure of neo liberal policies across the globe and in the Indian power sector, the govenrment is bent towards fast pacing further reforms through enhancing the looting oppurtunities of the private sector. It is worried at the plight of its cronies who are not in a position to sell its high cost electricity to cash strapped state distribution companies. It wants to remove all forms of subsidies in electricity tariff so that the private sector can make profit out of its investments. It seeks to rejuvenate the failed reforms in power sector, with the next wave of legislation for seperating distribution and supply (seperation of wires and content) as initially contained in the Electricity Amendment Bill, 2014. The government now wants to completely replace the Electricity Act, 2003 with a new Act, the basic intention of which is to give easy entry for private capital into the lucrative business of selling electricity to wealthy sections of the society. It does not want the private sector to carry out the ardous task of puting up all the electric distribution network. It will be done by the public sector. The private players will be allowed to use these networks laid with public money to carry the electricity they generate for selling directly to profitable sections of consumers. To make the task easier for the private sector, the government wants to replace the entire electricity meters with pre paid smart meters at a huge cost of Rs 1.5 Lakh Crores, funds for which has to be sourced by the public sector. The private sector will not have any universal supply obligation, which will be the task of the public sector only. It is astonishing to note that the government is not at all ashamed at this naked act of privatising profits and nationalisation of losses.

Developing struggles of working class

The working class in power sector has been valiantly fighting the neoliberal assault through every means. It is the fight of the working class that exposed the Enron scandal and ultimate shelving of the first phase of reforms. Even though the electricity sector in Odisha and Delhi were privatised in the next phase, the struggles thereon exposed the looting of the people by private capital thereby halting the privatisation drive in various states. The working class under the leadership of EEFI has forged a united platform of all employees and engineers in the sector through the National Coordination Committee of Electricity Employees and Engineers (NCCOEEE). The fight against the Electricity Act, 2003 culminated in its review by the UPA I government. The working class was successful in forcing amendments in the legislation to retain cross subsidy support in tariff for the weaker sections of the society and ensuring both central and state government's involvment in rural electrification. The massive rural electrification program that was implemented by successive regimes in different names like RGGVY, DDUGVY, Soubhagya were all in continuation to the amendment forced by the struggles of working class and progressive movements during the UPA I regime. The

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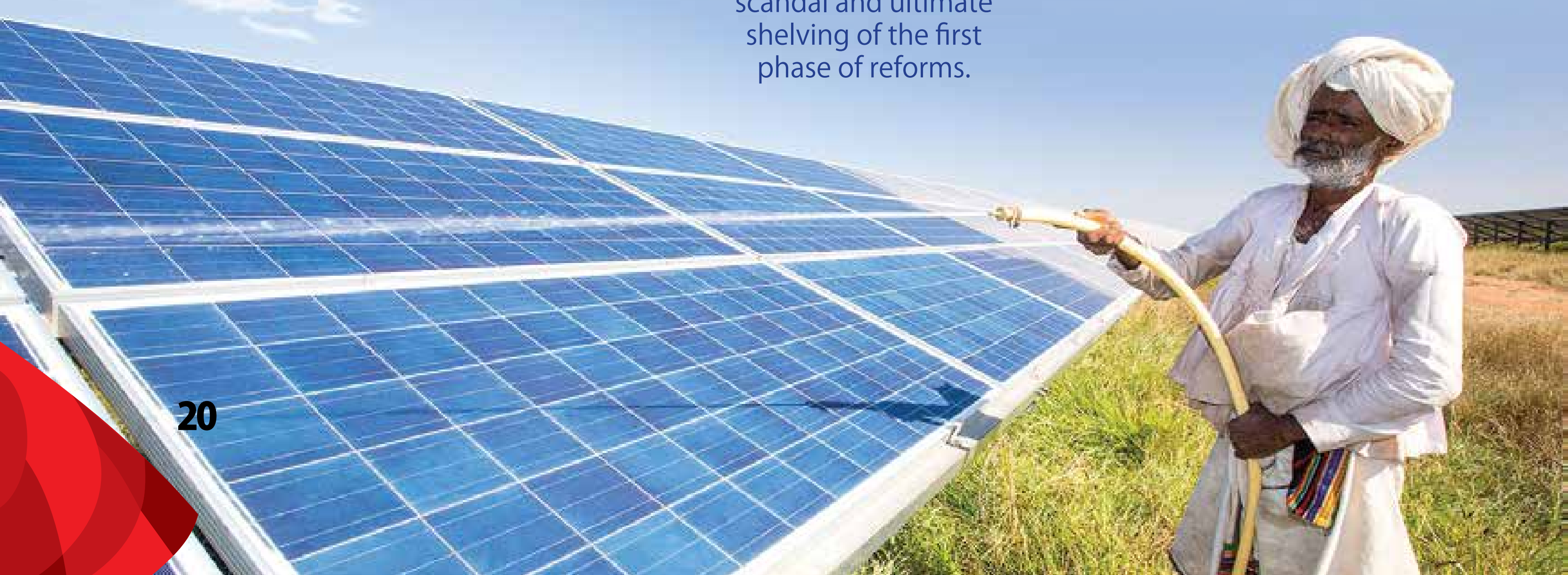

fight against the proposal to subsequently amend the Electricity Act, 2003 by UPA 2 and ferociously pursued by NDA 1 regime to further fast track reforms by way of Electricity Amendment Bill has been more vociferous. The huge march taken out by NCCOEEE towards power ministers conference venue at Kochi forced the central government to initiate discussions with TUs. The government was forced to conceed on some of the demands which resulted in modification of the bill. However, since the modifications were not satisactory, the constituents of NCCOEEE jointly issued strike notice stating that the entire power sector employees will start strike in case the bill is taken up in parliament for passing. Meanwhile, the struggle in various states has prompted different state governments including those run by NDA to oppose the proposed amendments. The same was reflected in the deliberations of parliamentary committee which examined the bill. Subsequently the bill was lapsed and the 2nd NDA government is now proposing to carry out the reforms even without amendment by forcing state governments to implement multiple franchisee model, which is in essence the structural reform proposed through the Amendment bill. The central government has also made it clear that a new enactment will be introduced soon in the Parliament. Thus, it is evident that the struggle has to be continued and further strengthened.

The deleterious impact of neo liberal reforms in these three decades adversely impacted the quality of employment in the sector. Regular employment was prevelent in the sector until 1990's with very little contract labour. This has changed drastically and the private generating companies and transmission companies are mostly using contract and casual employment with very little regular employment. The central public sector has also increased contractualisation of labour and significantly brought down regular employment. In many state sector power utilities also contractualisation of labour has become prevalent. As a result the number of regular employess in power sector has come down despite huge increase in infrastructure. Our movement is in the forefront in various states for regularisation of contract and casual labour and for enhancing the service conditions of contract labour.

It is now the more evident that, to improve the access, availability and affordability of Electric Power in the country, the reversal of current set of neo liberal policies and evolution of an Integrated energy policy having strong belief in our public sector institutions built over more than half a century is required. The institutions built in the post independence era with a strong National pride on self reliance has created the required foundation for the growth of this sector. The creation of the National Electricity Grid, the existence of profitable public sector giants in exploration of gas and oil, mining of coal, power generation etc, the successful development of fast breeder nuclear technology, the large scale extension of power distribution network across the country etc provides the bedrock for an integrated energy policy that leverages the strengths of these institutions. These robust institutions has even withstood the onslaught of destructive and disintegrating forces unleashed by the neo liberal reforms. An integrated energy policy that focus on effective taping of the domestic natural

resources including coal, oil, gas, hydro, thorium, solar, wind and all forms of renewables shall guard the country against the destabilising speculative market forces dominating the global energy market. Only such an integrated policy implemented through the strong public sector institutions created by Independent India could ensure universal access and availability of affordable electric power to all.

It is futile to expect that the ruling class and its cronies will allow such a development course for the country. On the contrary, the ruling class is looking at more and more opportunities for exploiting these natural resources for satisfying their greed. But every citizen in the country has a right on these natural resources to meet their basic necessities in an affordable manner. Thus, the time is ripe to develop historic struggles to establish the right to energy for every citizen in the country. The struggle needs to be strengthened and broad based so that the current policy regime of neo-liberal reforms are reversed for the betterment of common man.

Petroleum Sector
The Key Energy Sector Save The Petroleum Sector From Privatisation

Nogen Chutia
General Secretary, PGWFI

> Today, about 90% of vehicular fuel needs are met by oil. Petroleum also makes up 40% of total energy consumption in the United States, but is responsible for only 2% of electricity generation.

Oil industry is a very important industry in the world and a lot depends on availability and the price of the oil. Though the importance of oil in the world evolved at a slow pace once it was identified, it became one of the most important requirements in the lives of human beings. Oil is a vital source of energy for the world and would likely to remain 50 for many decades to come, even under the most optimistic assumptions about the growth in alternative energy sources. The American Petroleum Institute divides the petroleum industry into five sectors:

*Upstream (exploration, development, and production of crude oil or natural gas), *downstream (oil tankers, refiners, retailers, and consumers), *pipeline, *marine, *Service and supply. (In India it is classified into three sectors-upstream, downstream and marketing)

The History

The modern history of petroleum began in the 19th century with the refining of paraffin from crude oil. The Scottish chemist James Young in 1847 noticed a natural petroleum seepage in the Riddings colliery at Alfreton, Derbyshire from which he distilled a light thin oil suitable for use as lamp oil, at the same time obtaining a thicker oil suitable for lubricating machinery. The new oils were successful, but the supply of oil from the coal mine soon began to fail (eventually being exhausted in 1851). Young, noticing that the oil was dripping from the sandstone roof of the coal.

World petroleum energy

Today, about 90% of vehicular fuel needs are met by oil. Petroleum also makes up 40% of total energy consumption in the United States, but is responsible for only 2% of electricity generation. Petroleum's worth as a portable, dense energy source powering the vast majority of vehicles and as the base of many industrial chemicals makes it one of the world's most important commodities.

The top three oil producing countries are Saudi Arabia, Russia, and the United States. About 80% of the world's readily accessible reserves are located in the Middle East, with 62.5% coming from the Saudi Arabia (12.5%), UAE, Iraq, Qatar and Kuwait. However, Venezuela has larger reserves than Saudi Arabia due to its crude reserves derived from bitumen.

Petroleum history of India

The story of oil exploration in India began in the dense jungles and swamps and river-valleys of the North-Eastern corner of the country. The origin of Indian Oil & Gas Industry can be traced back to 1867 when oil was struck at Makum near Margherita in Assam. The first commercial oil discovery was made in Digboi, Assam in 1889. During the pre-independence period, the Assam Oil Company in the North-Eastern and Attock Oil Company in North-Western part of the undivided India were the only companies producing oil in the country, with minimal exploration input. The foundation of the Indian Oil & Gas Industry was laid by the 1954 Industrial Policy Resolution when the government announced that petroleum henceforth would be the core sector industry. In pursuance of the 1954 Industrial Policy Resolution, Government owned national oil companies ONGC (Oil & Natural Gas Commission), IOC (Indian Oil Corporation), and OIL (Oil India Ltd.) were formed. Discovery of oil in February 1974 of significant quantities in Bombay High opened up new avenues of oil exploration in offshore areas. During 1970's and till mid 1980's exploratory efforts made by ONGC and OIL India to resulted in discoveries of oil and gas

OPEC is an inter-governmental organization that was formed in Baghdad in 1960. OPEC still has the capability and clout to create a major impact in world oil markets as its members hold more than 40% of the total world- oil supply.

in a number of structures in Bassein, Tapti, Krishna-Godavari-Cauvery basins, Cachar (Assam), Nagaland, and Tripura. Oil & Gas sector has a long, rich and glorious history in India. The Indian oil industry is one of the largest of its kinds in the country. This industry ranks sixth globally. India is the fourth-largest energy consumer in the world. Oil and gas account for 37 per cent of total energy consumption.

Oil Industry Development Board (OIDB)

It came into being in 1975 after the enactment of Oil Industry (Development) Act 1974 by Government of India. In pursuance of its mandate, OIDB has been providing assistance through grants to the five regular grantee institutes namely Directorate General of Hydrocarbons (DGH), Oil Industry Safety Directorate (OISD), Centre for High Technology (CHT), Petroleum Conservation Research Association (PCRA) and Petroleum Planning and Analysis Cell (PPAC).

The Oil that is produced by the Oil Industry in India provides more than 35% of the energy that is primarily consumed by the people of India. The country accounted 4.81% of total world oil consumption in 2016-17. High speed diesel oil accounted for 39.3% of total consumption of all types of petroleum products in 2017-18, followed by petrol (12.7%), petroleum coke (12.4%), liquefied petroleum gas (11.3%), and naphtha (6.1%). The country accounted for 1.41% of total world natural gas consumption in 2016-17. The largest consumers of natural gas are the fertilizer industry (27.78%), power generation (22.77%), and the use of natural gas as a domestic fuel and for transportation (16.25%).

The demand for oil is predicted to go higher and higher with every passing decade and is expected to reach an amount of nearly 250 million metric ton by the year 2024. As on 31 March 2018, India had estimated crude oil reserves of 594.49 million tonnes (MT) and natural gas reserves of 1339.57 billion cubic meters (BCM). The largest reserves are found in the Western Offshore (40%), and Assam (27%). The largest reserves of natural gas are located in the Eastern Offshore (38.13%) and the Western Offshore (23.33%). India imports 82% of its oil needs and aims to bring that down to 67% by 2022 by replacing it with local exploration, renewable energy and indigenous ethanol fuel. India will overtake Japan to become the world's third-largest oil consumer behind the US and China by 2025.India is the fifth largest Liquefied Natural Gas (LNG) importer after Japan, South Korea, the United Kingdom and Spain and accounts for 5.5 percent of the total global trade. The net foreign exchange outgo is 63.305 billion US$ in the financial year 2017-18 on account of crude oil imports.

OPEC is an inter-governmental organization that was formed in Baghdad in 1960. OPEC still has the capability and clout to create a major impact in world oil markets as its members hold more than 40% of the total world- oil supply. In India, the pricing of fuel varies by state, though central taxes still are part of the pump price of fuel. The Central and state government's taxes make up nearly half of petrol's pump price. Central Govt is not allowing the Indian people to avail the benefit of low crude price when crude prices fell below 5$/barrel by increasing central duties. The cost of petrol and diesel ex refinery gate is below Rs.40.00 per litre.

Unconventional Hydrocarbon

Coal bed Methane (CBM), an unconventional source of natural gas is now considered as an alternative source for augmenting India's energy resource. India has the fifth largest proven coal reserves in the world and thus holds significant prospects for exploration and exploitation of CBM. The prognosticated CBM resources in the country are about 92 TCF (2600 BCM) in 12 states of India

Indian oil sector

Indian oil and gas or the petroleum industry pays an important role in the national income and economy of our country. The petroleum sector embraces the global processes of investigation, removal refining, transporting and marketing of petroleum commodities. Following is the present scenario of oil and gas industry in India: I) the oil and gas industry rank amongst India's six core industries. 2) India is the third biggest purchaser of oil in the world. 3) Oil and gas sector supplies to 34.4% to major energy utilization in India. 4) State possesses Oil and Natural Gas Corporation (ONGC) controls the upstream divisions generating around 22.37MT of crude oil which is roughly 60.5% of the country's output.

Indian Oil Corporation Limited

Indian Oil Corporation Limited (IOCL) is an Indian state-owned oil and gas corporation with its headquarters in New Delhi, India. It is one of the largest public corporations in India. Indian Oil and its subsidiaries account for 49% share in the petroleum product market, 31% share in refining capacity and 67% downstream sector pipelines capacity in India. The Indian Oil Corporation (including its subsidiary) owns and operates 11 of India's 23 refineries with a combined refining capacity of 65.7 million metric tons per year.

Indian oil began operations in 1959 as Indian Oil Company Ltd. The Indian Oil Corporation was formed in 1964, with the merger of Indian refineries Ltd. Indian Oil is the biggest oil refiner and marketer with product range covering petrol, diesel, LPG, auto LPG, aviation turbine fuel, lubricants, naphtha, bitumen, paraffin, kerosene etc. Xtra Premium petrol, Xtra Mile diesel, Servo lubricants, Indane LPG cooking gas, Auto gas LPG, and Indian Oil Aviation are some of its prominent brands. . It is also the 18th largest petroleum company in the world and the no. 1 petroleum trading company among the national Oil Company in the Asia-Pacific region. Indian Oil is the highest ranked Indian company in the fortune global 500 list. 23 working oil refineries of India, IOCL owns 10 best refineries with an excellent work force of 33000 employees. IOCL contributes about 1.5 Lakh Cores per year to the national exchequer in the name of different taxes.

Bharat Petroleum Corporation Limited

Bharat Petroleum Corporation Limited (BPCL) is an Indian state controlled oil and gas company headquartered in Mumbai, India. BPCL ranked 280th in the Fortune Global 500 rankings of the world's biggest corporations for the year 2015. On 24 January 1976, the Burmah Shell was taken over by the government of India. On 1August 1977, it was renamed Bharat Petroleum Corporation Limited. It was also the first refinery to process newly found indigenous crude from Bombay High. It has four major refineries namely Mumbai refinery, Kochi refinery, Bina refinery and Numaligarh refinery. Some of its prominent product range is Bharat gas, Mak lubricant,

High speed, and In & Out- a convenience store. The refining capacity of BPCL refineries is 38.3MMTPA. It has 77 major installations and Depots, 55 LPG Bottling plant, 2241 KM multi product pipeline, 56 aviation fuelling stations in airport, 4 lubricant plant and facilities of loading and unloading of crude and finished product in major ports. It has 11 subsidiary companies within India and abroad, 22 joint venture companies and also share holding in different companies. In addition there are huge land holdings in prime locations of metropolitan and other cities all over the India. The BPCL is having more than 24% market share in the petroleum Products marketing in India.

Hindustan Petroleum Corporation Limited

Hindustan Petroleum Corporation Limited (HPCL) is

an Indian state-owned Oil and Natural Gas Company with its headquarters at Mumbai, India with Navaratna status. HPCL has about 25% marketing share in India among PSUs and a strong marketing infrastructure. The Government of India owns a majority stake of 51.11% shares in HPCL. HPCL was incorporated in 1974 after the takeover and merger of Erstwhile Esso Standard and Lube India Limited by the Esso (Acquisition of Undertakings in India) Act 1974. Caltex Oil Refining India Ltd. CORIL was taken over by Govt. of India. HPCL operates two major refineries producing a wide variety of petroleum fuels & specialties, one in Mumbai (West Coast) of 6.5 Million Metric Tonnes Per Annum (MMTPA) capacity and the other in Vishakhapatnam, (East Coast) with a capacity of 8.3 MMTPA. HPCL also owns and operates

The largest lube refinery in India producing Lube Base oils of international standards, with a capacity of 335 TMT. This lube refinery accounts for over 40% of India's total lube base Oil production. Presently HPCL produces over 300+ grades of lubes, specialties and greases. Some of its prominent products include HP gas, Turbojet, and HP Gasenol. In 2018, Govt of India sold all its equity (51.11%) to ONGC at a cost of Rs.36915.00 cores. Now HPCL belongs to ONGC.

GAIL

Gas Authority of India Ltd.was set up in the year 1984 to look after transportation, processing, and marketing of natural gas and natural gas liquids.

ONGC

Maharatna ONGC is the largest crude oil and natural gas Company in India, contributing around 75 per cent to Indian domestic production. Crude oil is the raw material used by downstream companies like IOC, BPCL, and HPCL to produce petroleum products like Petrol, Diesel, Kerosene, Naphtha, and Cooking Gas-LPG.

These largest natural gas company ranks 11th among global energy majors. It is the only public sector Indian company to feature in Fortune's 'Most Admired Energy Companies' list. ONGC ranks 18th in 'Oil and Gas operations' and 183rd overall in Forbes Global 2000. Acclaimed for its Corporate Governance practices, Transparency International has ranked ONGC 26th among the biggest publicly traded global giants. It is most valued and largest E&P Company in the world, and one of the highest profit-making and dividend-paying enterprises. ONGC has a unique distinction of being a company with in-house service capabilities in all areas of Exploration and Production of oil & gas and related oil-field services. Winner of the Best Employer award, this public sector enterprise has a dedicated team of over 30,000 professionals who toil round the clock in challenging locations.

ONGC Videsh is a wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC), the National Oil Company of India, and is India's largest international oil and gas Company. ONGC Videsh has participation in 41 projects in 20 countries namely Azerbaijan, Bangladesh, Brazil, Colombia, Iraq, Israel, Iran, Kazakhstan, Libya, Mozambique, Myanmar, Namibia, Russia, South Sudan, Sudan, Syria, United Arab Emirates, Venezuela, Vietnam and New Zealand. ONGC Videsh maintains a balanced portfolio of 15 producing, 4 discovered/under development, 18 exploratory and 4 pipeline projects. The Company

currently operates/ jointly operates 21 projects. ONGC Videsh has 2P reserves of 675.721 MMTOE as on 01 April 2019.

In 1959 in order to promote the progress of petroleum industry ONGC was rehabilitated into a legislative body by the act of Indian Parliament. State possesses Oil and Natural Gas Corporation (ONGC) controls the upstream divisions generating around 22.37MT of crude oil which is roughly 60.5% of the country's output.

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OIL

OIL INDIA LTD. completed 60 years of its establishment. During these illustrious 60 years, the Company's crude oil production increased from 0.215 MMT to 3.323 MMT while natural gas production increased from 43.60 MMSCM to 2865 MMSCM. On February 18, 1959, Oil India Private Ltd was incorporated to expand and develop the newly discovered oil fields of Naharkatia and Moran in the North East. In 1961, it became a joint venture company between the Indian Govt and Burma Oil Company Ltd, UK. In 1981, OIL became wholly-owned Govt enterprise. OIL holds 26% equity in Numaligarh Refinery. Additionally, OIL's exploration activities are spread over onshore areas of Ganga Valley and Mahanadi and have participated in NELP exploration block in Mahanadi Offshore, deepwater Krishana Godavari basin as well as various overseas projects in Libya, Gabon, USA, Nigeria and Sudan.

Globalisation REGIME

In 1991, Government of India (GoI) adopted liberalized economic policy that led to de-licensing of core group including petroleum sector and partial dis-investment of government share including other measures. In 1997 Government of India formulated a policy called as New Exploration Licensing Policy (NELP). Nine rounds of bids have so far been concluded under NELP, in which production sharing contracts for 254 exploration blocks have been signed. Government of India has adopted several policies; including allowing 100 per cent foreign direct investment (FDI) in many segments of the sector, such as natural gas, petroleum products, and refineries, among others. Today, it attracts both domestic and foreign investment, as attested by the presence of a private players like Reliance Industries Ltd (RIL), Essar Oil Limited (EOL) and Cairn India. Present BJP Govt modified the policy and converts the NELP (profit sharing business) to AOLP (Acreage Oil Licensing policy) which is revenue sharing business. Under this policy 67 discovered oil field of ONGC and OIL has been handed over to the privates. The condition under this policy is totally favourable to the private parties. The parties get the right to fix the price of the crude and where to supply, cess has been withdrawn and royalty will be moderate. As per the DHC (director of hydrocarbon), about 772 MMT of crude oil and 332 BCM of natural gases can be explored from the 67 oil fields. This indicates that private companies will produce more crude and gases than the public sector oil companies in India and they will be the controlling authority in oil industry. The oil fields which were discovered and developed by our ONGC and OIL by utilising their fund is now handing over to the private parties without any benefits to these PSUs. Major Fields are captured by Anil Agarwal who does not have any past experiences in upstream jobs. We know the biggest scam in petroleum sector at KG Basin by Reliance India who stealed natural gases valued Rs.40000 cores from ONGC's field. So, privatisation of oil field offers the scope to the capitalists to loot the natural resources of our country.

After globalization, downstream sector like refining and marketing was put for disinvestment. Govt. Equity in refining companies was sold via different modes and presently the following is the picture of Govt equity- (Current)

IOCL	51.50%
ONGC	68.94%
BPCL	53.29%
HPCL	** whole 51.11% equity was sold to ONGC.
OIL	67.64%

Contribution of Oil PSUs

After Independence, India made significant efforts for establishing its refining capacity. In the first decade immediately after independence, three coastal refineries were established by multinational oil companies operating in India at that time. This included refineries by Burma Shell, and Esso Stanvac at Mumbai, and by Caltex at Visakhapatnam. As on 31 March 2018, there were 23 crude oil refineries in India, of which 18 were state-owned, 3 were privately owned and 2 were joint ventures. The total oil refining capacity in India stood at 248 MMT and the state-owned Indian Oil Corporation was the largest refiner in the country by capacity. India has 56190 petrol stations as of 31.03.2016. 25363 of these belong to Indian Oil (IOCL), 13439 to Bharat Petroleum (BPCL) and 13802 to Hindustan Petroleum. Private Oil Companies like Reliance Industries Ltd, Essar Oil and Shell India have also opened 3586 petrol stations in India. Gas pipeline infrastructure in the country stood at 16,226 km at the beginning of February 2019.

The oil PSUs is contributing huge money to the national exchequer.

See the following chart

(Figures in Cores.) Source: Govt portal

Subject	*2014-15*	*2015-16*	*2016-17*	*2017-18*	*2018-19*
To the central exchequer	172065	254297	335175	345249	365113
To the state govt exchequer	160554	160209	189770	209155	230325
Total	332619	414506	524945	554404	595438

Profit made by different oil PSUs. (After Tax) Figure in Core

IOCL	5273	11242	19106	21346	16894
HPCL	2733	3725	6357	6357	6029
BPCL	5085	7056	7919	7919	7132
OIL	2510	2301	1548	2667	2,590
ONGC	17732	16139	17899	19945	26,716

Total Asset/ Turnover/Manpower etc. (Fig in Rescores other than ONGC)

Company	*Assets*	*Turnover*	*Manpower*
ONGC	1,685,678 million (US$24 billion)...	109654	33,650 (2019)
IOCL	335155	506428	33,498 (2019)
BPCL	136930	297275	12,157 (2018
HPCL	103750	62832	10,352 (2018)
OIL	35011.97	13,734.96	7,097 (2018)

List of oil refineries in India

Refinery	*Oil company*	*Sector*	*State*	*Location*	*Capacity (MMTPA)*
Jamnagar Refinery	Reliance Industries Limited	Private	Gujarat	Jamnagar (SEZ)	33
Jamnagar Refinery	Reliance Industries Limited	Private	Gujarat	Jamnagar (DTA)	27
Nayara Energy Refinery (Esser)	Nayara Energy Limited	Private	Gujarat	Vadinar	20
Kochi Refinery	Bharat Petroleum Corporation Limited	Public	Kerala	Kochi	15.5
Mangalore Refinery and Petrochemicals Limited	Oil and Natural Gas Corporation	Public	Karnataka	Mangalore	15
Paradip Refinery	Indian Oil Corporation Limited	Public	Odisha	Paradip	15
Panipat Refinery	Indian Oil Corporation Limited	Public	Haryana	Panipat	15
Gujarat Refinery	Indian Oil Corporation Limited	Public	Gujarat	Koyali	13.7
Mumbai Refinery	Bharat Petroleum Corporation Limited	Public	Maharashtra	Mumbai	12
Mumbai Refinery	Hindustan Petroleum Corporation Limited	Public	Maharashtra	Mumbai	7.5
Guru Gobind Singh Refinery	HPCL/Mittal	Public	Punjab	Bathinda	11.3
Manali Refinery	Chennai Petroleum Corporation Limited	Public	Tamil Nadu	Chennai	10.5
Visakhapatnam Refinery	Hindustan Petroleum Corporation Limited	Public	Andhra Pradesh	Visakha patnam	8.3
Mathura Refinery	Indian Oil Corporation Limited	Public	Uttar Pradesh	Mathura	8
Haldia Refinery	Indian Oil Corporation Limited	Public	West Bengal	Haldia	7.5
Bina Refinery	BPCL/ Oman Refinery Limited	Public	Madhya Pradesh	Bina	7.8
Barauni Refinery	Indian Oil Corporation Limited	Public	Bihar	Barauni	6
Numaligarh Refinery	BPCL/GOI/Govt. Of Assam	Public	Assam	Numaligarh	9
Bongaigaon Refinery	Indian Oil Corporation Limited	Public	Assam	Bongaigaon	2.735
Guwahati Refinery	Indian Oil Corporation Limited	Public	Assam	Guwahati	1
Nagapattnam Refinery	Chennai Petroleum Corporation Limited	Public	Tamil Nadu	Nagapattinam	1
Digboi Refinery	Indian Oil Corporation Limited	Public	Assam	Digboi	0.65
Tatipaka Refinery	Oil and Natural Gas Corporation	Public	Andhra Pradesh	Tatipaka	0.07
Barmer Refinery	HPCL/Govt of Rajasthan	Public	Rajasthan	Barmer	9

Movement against privatisation of Oil and Petroleum PSUs

Trade union movement in oil industry: Indian oil sector trade union movement has recordable history when in 1939, the oil workers of Assam Oil Company at Digboi launched six months strike against the British management during British period in which four workers were killed by the British police. After independence, when one after another oil PSUs came, workers organized trade unions in every oil PSUs and achieved bargaining capacity, made lucrative LTSs and framed better working condition with many welfare measures. In different times, agitation programs were carried out for the benefit of the workers and against privatisation of oil PSUs. The historical officers' strike in 2008 may be mentioned here. In 2002-03, when Bajpaye Govt decided to sale the marketing network of BPCL and HPCL, the workers of BPCL and HPCL went on strike action on 25th, 26th and 27th March,2003 and defeated the move of the Govt. Subsequently, the Govt decided to privatise the marketing segment of IOCL after hiving off the same from the integrated IOCL. That move sent a shock wave amongst oil and petroleum workers all over the country cutting across oil PSUs specific identity and irrespective of Central TU affiliations. The 16th December 2003 historical strike against privatisation of IOCL marketing was participated by the workers of oil and petroleum PSUs. That was a most sparkling strike by the oil workers of our country. In 2013, when Govt decided to sell 10% share of IOCL, all recognised unions of IOCL served strike notice and finally Govt bound to withdraw the decision.

> Time has come to unite the workers of all energy sectors, like petroleum, coal, electricity, nuclear to fight against the privatisation policy of the Govt and to stop the looting of natural resources and to save the services of the workers.

28th Nevember'2019 BPCL strike

As decided in the convention of three petroleum federations of India in the Mumbai held on 26th October'19 all BPCL unions participated in the strike against the privatisation of BPCL. In the strike, about 30000 workers both permanent and contract workers joined. The strike was totalling successful in all locations of BPCL including the biggest LPG plant of Asia at Uran. The strike at BPCL refineries at Mumbai, Kochi and NRL was 100%. Most of the marketing locations of BPCL badly affected due to the strike. Before the strike, a convention of three petroleum workers' federation was held at Constitution club, New Delhi on 20th November'19 at the initiative of PGWFI where more than 300 workers of BPCL, HPCL, ONGC, OIL and IOCL participated and expressed their resentment against the decision of demolishing of PSUs by the Modi Govt and expressed determination to make the 28th November'19 strike successful.

Another national convention was held at Kolkata on 22nd December'19 at the initiative of PGWFI, Eastern Region Committee where the members and leaders of three national federations of petroleum workers attended along with about 285 representatives. In the meeting the petroleum workers again expressed their determination to go on strike on 8th January'2020 all India strike.

*8th January'2020 strike

8th January'2020 strike in petroleum sector was tremendous and all major locations/refineries/ LPG plants/marketing activities were stalled. All BPCL refineries including NRL and their marketing locations workers spontaneously participated in the strike. The biggest LPG plant at Uran was totally shut due to the strikes. In Kochi refinery, only BMS union opposed the strike and joined into their duties. It is less than 12% of the total strength. The Eastern Region office of IOCL Kolkata, BPCL, Kolkata, and OIL Kolkata, IOCL marketing locations in Bihar, Orissa and Jharkhand was under the strike. ONGC workers of Mumbai office fully participated in the strike. In the North East, all terminal Depots and all

LPG Bottling plants were under strike. It is to be noted that the participation of contract workers in all segments of oil sector was very encouraging and fully participated in the strike.

Selling of HPCL-pushed ONGC into a debt load company

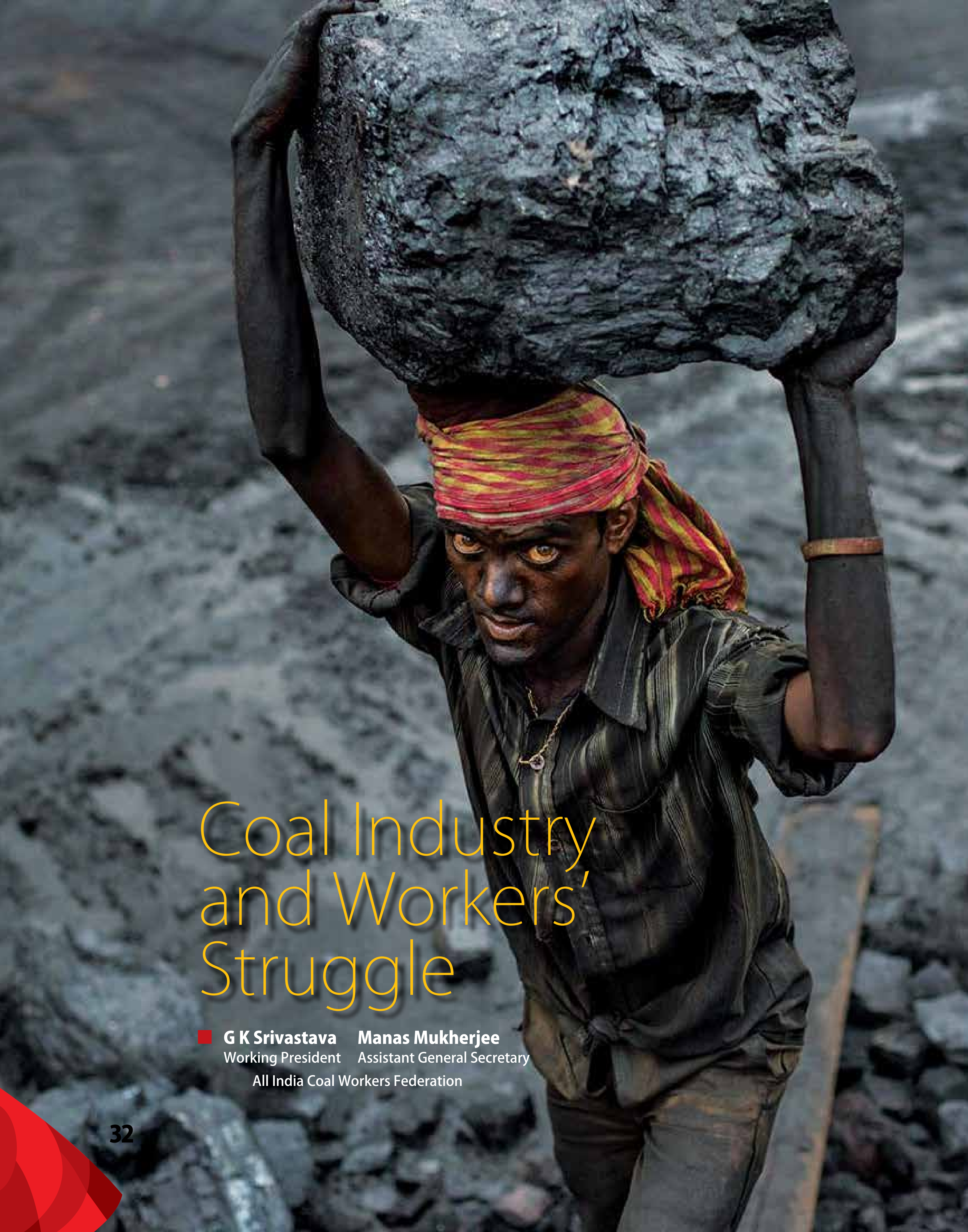
Under the disinvestment policy of the Govt of India, ONGC was compelled to buy the Govt equity 51.11% of HPCL during the financial year 2017-18 at an abnormally higher price amounting to Rs.36915 cores. The Govt resorted to such arm-twisting measure in order to meet its disinvestment target in 2017-18. The ill effect of the deal on ONGC was that ONGC from being a debt-free company became a loan laden PSU with no cash and loads of debt on its book. ONGC took loan of close to Rs. 25000 cores to buy the Govt equity in HPCL. Major loans were from private banks. Generally, a company utilise the cash reserve for the new project, payment on account of dividend etc. Now ONGC can't think big project from its cash reserve unless taking loan. ONGC's current total loan is about one lakh cores. Most serious matter is that after purchasing of HPCL, ONGC could not access fully into the business and operation of HPCL.

PGWFI-In the forefront of Petroleum workers' movement

Before the formation of Petroleum and Gas Workers' Federation of India, many activities were carried out among the petroleum workers under different forums (United forum against the privatisation of Oil PSUs) and it was guided by Com: S.Debroye, Com: Tarapada RoyChoudhary. When PGWFI was formed in 2005 at Haldia refinery, West Bengal, many unions joined into the federation who are non-CITU also. Presently, this federation is the biggest oil workers' federation in India having about 45 affiliated unions and more than 50000 members both permanent and contract workers. PGWFI is continuously fighting against the privatisation of oil and other PSUs and joint movement is on practice with two other oil federations. PGWFI is fully attached with TUI-chemicals/energy and maintain international relationship with other oil-chemical unions & federation of the world.

Unite the workers of the energy sector

Time has come to unite the workers of all energy sectors, like petroleum, coal, electricity, nuclear to fight against the privatisation policy of the Govt and to stop the looting of natural resources and to save the services of the workers.



Coal Industry and Workers' Struggle

G K Srivastava Working President
Manas Mukherjee Assistant General Secretary
All India Coal Workers Federation

> CITU played a key role to unite the Coal Workers and making a unity among trade unions.

Condition Of Coal Industry In 1947

At the time of independence the coal production in India was 30 million tons. Major coalfields were Jharia, Raniganj and Giridih and till 1947 coal mining had spread to singreni (AP) Namdang and Ledo (Assam), Raniganj (West Bengal), Jharia, Bokora, Rajmahal, Jainti (Bihar), Umeria, Johella, Pench Kanhan, Ghugus, Sohagpur in (Madhyapradesh) , Talcher and IB valley in (Orissa). The coal mining was in private sector and was mainly Primitive and manual. The working condition of underground was very bad, arduous and difficult due to excessive heat and poor ventilation. According to Labour Manual 1949 - 3, 08, 363 workers were employed in coal mines. Indian Coal mining saw the withdrawal of women miners from belowground mining between 1929 to 1946, as prohibitory legislations adversely redefined the suitability of women for mining. Though the women employment had continued on surface. The welfare amenities and safety of the workers were severely compromised. It invited considerable number of mine accidents between 1941 to 1950. There was unleashed exploitation of the workers under private ownership during British period and post independence period. Mine owner were eager to maximize their profits with the advantage of getting cheap labour. Mine owner employed the labourers for long and sometimes unlimited hours of work and put them under inhuman exploitations. The mine laborers were illiterate and ignorant and belong to socially backward castes and drawn to mines by labour procurers from distant places. . Mine owners had made the lives of workers unbearable. Some incidences had left a deep impact upon the mine workers and these inspired them to unite themselves under a trade union of their own industry and in June 1920 they framed an association named Indian Collieries Employees Association. In later years unions like AITUC, INTUC, HMS were formed till 1948.

Post Independence Period

Coal Mines were nationalized in 1971 and 1973, and till nationalization no much progress and regard to mechanization could be made due to presence of a large number of private companies operating small mines and pits. An effort of voluntary amalgamation of these mines by the Government in 1965 was unsuccessful. Technological changes were confined to large mines. The big private operators like Bengal Coal , Tata etc along with two Public Sector units SCCL and NCDC accounted for all technological developments in Coal Mining . Opencast mines were mainly operated by the NCDC, a public sector undertaking. All new mines opened by NCDC between 1956 to 1973 were opencast and were highly mechanized using Heavy Earth Moving Machinery (HEMM), rope Shovels and Dumpers of increasingly higher capacity.

After nationalization coal mining in the country was entrusted to coal India Ltd. and it is operating 80% of Coal Mines, rest mines are being operated by another Public Sector Company Singreni Coal Company Ltd. (Telengana) and other joint venture and private mines. There was rapid increase in production i.e. from 69.70 million tones in 1973 to 730 million tones in 2019.

Adoption of all the above technologies has reduced the number of accidents in coal mines. (Chart enclosed) on the other hand introduction of these machines has opened a new area of hazards i.e. accumulation of dust, noise and other occupational health hazards. Incessant outsourcing in coal mines is again increasing the accidents. Due to not imparting proper training or frequent change in contractor workers has alarmingly increased the rate of accidents in contractor workers.

After nationalization the living standard, welfare amenities of coal workers has improved a lot. (Chart enclosed). Nationalized coal industry has become a boon for workers and nation. Public Sector mines has a major contribution in Indian economy. (Please see the chart). In April 2011 Coal India got "Maharatna"

Status. It has revenue of Rs. 99547 cr. with a profitability of Rs. 17463 Cr.in 2018-19

Attack On Coal Industry

a) After nationalized Governments made a number of committees like Arjun Sengupta Committee, Chari Committee, T.L. Shanker Committee and these committees came with different recommendation to dilute the character of a PSU in the name of Restructuring of Coal India.

b) In 1993, 1996 and 2007 amendment was made in Coal Mines Nationalisation Act 1973 to allow captive mining by Private Operators for end use.

c) 1995-96 - Budgetary Support withdrawn

d) 1996- Decontrol of Price and distribution in the name of capital restructuring.

e) 2000-06, Coal Mines (Nationalisation) amendment bill (Colliery Control order 2000)- pricing and distribution fully deregulated.

f) On 04.11.2010 the Government of India sold 10% stake of coal India, on 30.01.2015 further 10% share was offloaded and on 01.11.2018 another 3.18% stake was sold and thus from 04.11.2010 Govt. of India has sold 29.65% of stake through disinvestment, oversubscription and buy back. It is going to sell another 5.35% in current fiscal.

g) In September 2013 Government of India selected DEOLITE Company to study on restructuring of coal India Ltd., Government is proceeding for

demerger of Coal India Limited or to hive off its subsidiaries in separate listed companies.

h) On both March 2015 Government of India enacted Coal Mines Special Provisions Act 2015 and allowed commercial mining. Enabling provisions have been made in this Act for allocation of Coal mines by way of auction and allotment for sale of coal. By enacting this Act Government has created a threat for Coal India or Public Sector Coal mining.

i) By hefty dividends and buy back etc. Government has salivated more than Rs. 1, 00,000 Cr. from Cash reserve of Coal India. It has created a hurdle before Coal India in financing its capex plans

In September 2013 Government of India selected DEOLITE Company to study on restructuring of coal India Ltd., Government is proceeding for demerger of Coal India Limited or to hive off its subsidiaries in separate listed companies.

including opening new mines, expansion projects etc.

j) Modi Government announced on August 28, 2019 through a notification allowing 100 % FDI for sale of Coal , Coal Mining activities including associated processing infrastructure under automatic route.

k) Incessant outsourcing is going on in Coal India and other Coal mining companies. The contractor workers engaged in mining activities are being exploited. In most of the mines these workers are getting nominal wage, working for 10 to 12 hours , and not covered under social security recommended by a HPC under Ministry of Coal, Mechanization of mines are invited through MDO routes , PPP model or revenue model - All are the routes of outsourcing.

l) Since 2014 more than 40 mines of Coal India has suspended its production in the name of economic non-viability or mines safety. These mines have mineable reserve of coal and have every possibility of increasing production. A large number of mines are listed for closure. In future a considerable number of Government workers will be retrenched.

Struggle Of Coal Workers

A prolong history of exploitation of Coal Workers and their struggle has created a sense of brotherhood in Coal workers. After nationalization trade unions were in better position and their bargaining power increased enormously as all the mines which were under different private owners came under the same banner of Coal India Limited. The trade union unity in post nationalization period and its pervasive striking power has brought better wage, better living conditions and better social security for the Coal Workers. But after few years of nationalization particularly after 1991 Government started to dilute the Coal Mines Nationalization Act 1973 and started massive attack on coal workers, this subject has already expatiated in previous paras.

CITU played a key role to unite the Coal Workers and making a unity among trade unions. United struggle against the policies and attack of the Government has emerged through mass campaign demonstration, Dharna in all the mines of Coal India and Singareni Coal Company Limited. Our Comrades were arrested and many of the comrades were victimized by the management. In West Bengal in recent years a large number of comrades were jailed and trapped in false cases in connivance with management and reactionary unions. Apart from taking part in General Strike Coal Workers made success more than 10 Coal Mine Strike since 1991 against the polices of Government and for their wage negotiation due to united struggle coal workers has fetched a minimum basic of Rs. 29394 + allowances, better Social Security as pension scheme where Coal India is contributing 7% of wage for each worker, Post Medical Retirement Scheme for which after contributing Rs. 40,000/- a retired worker and its spouse will get treatment up to Rs 8 Lac and unlimited reimbursement in case of 7 critical diseases with the agreement of permanent workers the wage and other welfare amenities of contractor worker was settled, by constituting a High Power Committee.

On 22.10.1998 management decided to close 64 mines and retrench 72 thousand workers of Eastern Coalfields Limited. The decision of management spread a strong resentment in workers. All over ECL a series of demonstration, Dharna was organized which followed by a padyatra (Long March) from Debipur to Barakar i.e. 150 KMs was organized in which more than thousands of workers participated. In all mines of coal India and SCCL "ECL SAVE DAY" was observed on 1.12.1998. This "Padyatra" has become a mile stone of Coal workers Movement. Government receded from its decision of closing 64 mines. But closure of mines was continued in scattered way. Existing Government is moving very fast in this direction. It has identified more than 73 mines of Coal India for closure. Workers are ploughing through their united struggle against such closure with a series of agitation programme. Another threat of retrenchment of permanent workers is from mechanization of mines. Government is hiring machines for mechanization where very limited number of permanent workers will be deployed. Even in underground mine the three part of production i.e. preparation of Coal, Loading of Coal or UG transport of Coal will be outsourced through (MDO) mine developer and operator route. This issue was raised through strike of 24th September, 2019 and included in five point demands.

This public Sector industry has changed the life of workers and their families as well as has strengthened the economy of coal belt area. It is unfortunate that the Government is reversing the entire scenario of this industry. In the name of growing demand of Coal it is creating an illusion, that Public Sector Coal Mines are not efficient to meet the demand of coal. This is not a fact. The reports of Niti Ayog, Electric

Authority of India and Ministry of Coal affirms that the demand of Coal will reach only 1300 to 1350 million tones in 2022, it has a consistency with the projected production of coal India, SCCL and allocated blocks for captive mining. These are efficient to fulfill this demand. Therefore the decision of commercial Mining and FDI is not going to serve the nation or has no need to invite such type of mining. Coal workers are on the way of protest and struggle to stop commercial mining, to stop FDI, and to stop further disinvestment.


Tamilnadu Electricit
Accounts and Executive
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NCCOEEE
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VOLUNTEERS
NOVEMBER
6TH
2015
NATIONAL CONFERANCE OF POWER MINISTERS
KOCHI BOLGATY PALACE
Electricity is a human rights, an infrastructure for social development we are against its commercialisation
PROTEST MARCH
Say NO to
Electricity (Amendment) Bill- 2015
NCCOEEE

CITU

1970-2020

Continuing the legacy of 100 years of struggles and sacrifices

50 years of fight for class unity