



OIL SECTOR OFFICERS' ASSOCIATION

(ONGC, OIL, IOCL, HPCL, CPCL, KRL, IBP, BL, GAIL, BRPL, BPCL, EIL, NRL, MRPL)

Date: 25.11.2008

PRESS RELEASE

SUBJECT: OSOA on Indefinite strike

All the members of Oil Sector Officers' Association (OSOA) are deeply anguished over the apathy of the Government towards their genuine demands. The Government has shown total disregard to the principles of collective bargaining and have actually brought down the credibility of the assurances given by its own senior Ministers. The Government, instead of addressing the demands of OSOA, which have been accepted to be genuine by different Senior Government functionaries at various points of time, choose to go ahead with their misinformation campaign by claiming that they have accorded a hike of 300% to PSU executives. We feel it essential to bring out the facts and expose the wrong information in this regard being fanned out. These facts will disperse the confusion about the claims of the Government about the hefty hike as well as explain a saga of betrayal, being faced by OSOA since long. Below are the chronology of events and the actual figures, coming out of the Cabinet decision on 20.11.2008.

1. 1998: Justice Mohan Committee proposes a periodicity of 10 years as against existing 5 years and the Government accepts the report rejecting the one recommendation of DA merger from 01.01.1996 instead of 01.01.1997. OSOA agitates and goes on direct action after exhausting all avenues of dialogue and on January 11, 2000 then minister of Petroleum gives written assurance of reverting back to 5 year periodicity and OSOA calls off the agitation after 8 hours. None of these assurances of the cabinet minister see the light of the day and OSOA also accepts in the larger interest of the country. **A betrayal of trust.**
2. 2005: In February, after not getting the issues addressed, OSOA again called for direct action demanding 100% DA neutralization w.e.f. 01.01.1996 instead of 01.01.1997, 50% DA merger with basic pay w.e.f. 01.01.2005 as recommended by Justice Mohan committee and the original demand of 5 (five) years periodicity. In March 2005 Hon'ble Minister of petroleum on the day assures to take up the matter with DPE and OSOA calls off the agitation. Nothing emerges and the assurance proves to be another case of a **betrayal of trust.**
3. 2006: As nothing emerges in one year time OSOA again takes up the issue in January 2006 but drops the demand of 5 years periodicity feeling that already 9 years have passed since pay

revision. In February 2006 Secretary MOPNG wrote a D.O. to the Secretary DPE Quote “ A strike notice given by OSOA earlier in March’ 2005 was withdrawn on the assurance that their issues would be recommended to DPE for sympathetic consideration. Now, again a strike notice has been served and officers have been agitating for acceptance of their demands”. Secretary MOPNG also requests the Secretary DPE to consider the issue of pay revision after 5 (five) years i.e. w.e.f. 01.01.2002, DA neutralization w.e.f. 01.01.1996 instead of 01.01.1997 and 50% DA merger W.E.F. 01.01.2005. On the assurance of the ministry OSOA agitation program is withdrawn. Again **betrayal of trust**.

4. In May 2006 OSOA again threatens for direct action for getting the resolution of the issues raised earlier. DPE files an affidavit in the court assuring that the issues are being looked into for resolution. OSOA agitation is restrained.
5. In September’ 2006 after direct action threat by OSOA two senior ministers of the Government Hon’ble Minister MOPNG and Hon’ble Minister, Heavy Industries & Public Enterprises agreed for 50% merger and OSOA withdraws the strike notice. DA merger is announced w.e.f. 01.01.2007 instead of 01.01.2005. Government goes back on the assurances another event of **betrayal of trust**.
6. **2007:** In August 2007 OSOA is forced to take up the issues of adhoc relief, reimbursement of perks tax on soft loan and housing. Despite agreement not implemented uniformly and parts remain unaddressed even today. Isn’t it a betrayal of trust.
7. **Justice Rao** committee formed in December 2006, submits report on 30th May’ 2008. OSOA, after analysis, submits its observation and demands on 19th September and not getting any hearing, issues notice for one day strike from 0600 hrs of 21st October, 2008. OSOA deferred the date of direct action to 18th November’ 2008. OSOA prepared itself for showdown and series of meetings held with Hon’ble Minister MOPNG without any concrete outcome. On 17.11.2008 Hon’ble Minister of MOPNG, Hon’ble Minister of HI & PE agree on OSOA proposal including 5 years periodicity and requests OSOA to defer the agitation.
8. On 20.11.2008 Cabinet approves the pay revision for CPSEs without addressing the demands raised by OSOA and agreed by two Hon’ble Ministers of the Government. **Thus the saga of betrayal continues**.
9. The drums being played by the Government claiming 300% hike is nothing but an attempt to cover up their policy of neglecting the Oil Sector. On the contrary the actual rise is a meager 30% after a time gap of 10 years. In Oil Sector around 60% officers are stagnated for a period

as long as 8 years and few hundred are stagnated since last pay revision. And whatever has been approved majority of the officers will get stagnated within one year. Further the increment rates have been reduced to 3% as compared to existing 4% annual and 6% on promotion. Enclosed chart indicates actual effective increase for Oil Sector officers:

Level	Prerevised Pay Scale	Basic	SP Pay Rev '97**	SPP Pay Rev '97**	Stagn Pay	Revised basic as per Cabinet approved formula (without bunching benefit)	Revised basic as per Cabinet approved formula (with bunching benefit)	Basic + DA already received	Wage Increase	Approved scale
E9	23,750 - 28,550	26966	1060	2503	3180	66152	72286	70069	2217	62000 - 80000
E8/E7	20,500 - 26,500	25440	1060	1911	3180	62804	68627	66295	2332	51300 - 73000
E6	19,500 - 25,600	24540	1060	1912	3072	60592	66210	63501	2710	
E5	18,500 - 23,900	22928	972	1912	2868	56607	61856	59608	2248	43200 - 66000
E4	17,500 - 22,300	21328	972	743	2676	52674	57559	54331	3227	36600 - 62000
E3	16,000 - 20,800	19849	951	0	1664	47208	51586	48031	3555	32900 - 58000
E3	16,000 - 20,800	19711	0	0	0	43254	47265	42625	4640	32900 - 58000
E2	13,750 - 18,700	18546	154	0	1496	43980	48058	42989	5069	29100 - 54500
E2	13,750 - 18,700	13750	0	0	0	30173	No bunching benefit	31503	-1330	29100 - 54500
E1	12,000 - 17,500	16219	0	0	0	35591	38891	34902	3989	24900 - 50500
E0	10,750 - 16,750	16548	0	0	0	36313	38524	34489	4036	20600 - 46500
E0	10,750 - 16,750	10750	0	0	0	23590	No bunching benefit	24157	-567	20600 - 46500

** SP and SPP 97 paid as part of salary in prerevised scale neither included in Fitment Formula of Revised basic nor will be continued in the revised pay as a separate component.

You can understand that the series of betrayals and going back on promises by the Government has left us with no options but to execute our direct action program of indefinite strike w.e.f. 0600 hrs of 02.12.2008.

The proposed indefinite strike by OSOA, in addition to crippling the entire nation, will also have a huge impact on the economy of the country. In the upstream the loss of revenue on account of loss of crude production, sale of Gas and value added products will be to the tune of 183 crores per day for ONGC and more than 225 crores in all.

In the down stream, the revenue loss is likely to be to the tune of Rs. 600 Crores per day for IOC alone and more than Rs. 900 Cr for all the OMCs. The loss on excise duty is expected to be more than Rs. 100 Crores per day.

Although OSOA deeply regrets the severe inconvenience to the general public, it absolves itself of all the consequences of such an eventuality which has been forced on us by the indifferent attitude of the Government towards this critical issue.



(Amit Kumar)
President



(M S Sharma)
General Secretary