



OIL SECTOR OFFICERS' ASSOCIATION

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

AMIT KUMAR
PRESIDENT

No.OSOA/Pres/2008-10/MoHIPE/29

21.10.2008

To

SHRI SANTOSH MOHAN DEV

Hon'ble Minister of Heavy Industries and Public Enterprises
Govt. of India,
Ministry of Heavy Industries and Public Enterprises
Udhyog Bhavan,
New Delhi

Sub : Pay Revision of Oil Sector PSUs w.e.f. 01.01.2007.

Respected Sir,

The second Pay Revision Committee for Pay Revision of Executives and Board Level functionaries of CPSEs under the Chairmanship of Justice Rao submitted their recommendations to the Government of India on 30th May, 2008. Justice Rao Committee though highlighted the need to align the Pay Structure of CPSEs to that of Private Sector and recommended that the Board should be allowed to fix perks and allowances. But while making recommendations the Committee has chosen to ignore their own recommendations. The Oil Sector Officers Association has been striving hard for an effective Pay Revision of Oil Sector Executives which is long over due.

During this whole process we met Hon'ble Minister of State Shri Raghunath Jha on 3rd September, 2008 and also Shri R. Bandyopadhyay, Secretary, DPE on 19th September, 2008. In these meetings we submitted our views on the second Pay Revision Committee Report submitted by Justice Rao. On the genuine demands brought out by us OSOA was forced to go on Direct Action Program as there was no response from the Government. During the discussions with the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas it was very clearly brought out by OSOA as well as the Administrative ministry that the concerns raised by OSOA are genuine. Accordingly MOPNG issued a DO letter No.G-38011/3/2008-Fin.III(pt.II) dated 17.10.2008 recommending most of our genuine concerns to Secretary DPE. The letter is enclosed at **Annexure-I**. It is requested that in order to give impetus to improving the working of Oil PSUs the genuine demands of OSOA be addressed immediately as already recommended by the Administrative Ministry i.e. MoPNG.

Contd....2/-

We have come across number of articles in Newspaper that CPSEs in consultation with administrative ministries shall implement the Pay Revision keeping in mind the affordability and capacity of the CPSEs. The Oil Sector is fully capable of following this advice. Enclosed at **Annexure II** is the letter written to Hon'ble Minister of Petroleum & Natural Gas No.OSOA/Pres/MoP&NG/26 dated 20th October, 2008.

Sir, we may also bring out that the recommended pay scales have not given due cognizance to the harsh and hazardous working environment in the Oil Sector. In the last 10 years compensation in the Indian Private Sector has increased by 4 times on an average in comparison the Oil and Gas PSU salaries have increased on an average by 2.26 times only is extremely important that in order to retain our talent in the Oil Industry as well as to reduce the attrition we need to implement the suggestions given by OSOA. All the Oil PSUs have been hit by high rate of attrition mainly due to low compensation package as compared to private players. It may not be out of context to bring out that if genuine concerns of Oil Sector PSUs are not addressed, it may lead to a large scale unrest and mass agitation and Direct Agitation Programme w.e.f. 18.11.2008.

With regards,

Yours sincerely,

Encl. as above.


21/10/2008
(Amit Kumar)
President-OSOA

Copy to:

1. Shri Murli Deora, Minister of Petroleum & Natural Gas, Shastri Bhavan, New Delhi
2. Shri Ragnath Jha, Minister of State for Heavy Industries and Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Udyog Bhavan, New Delhi.
3. Secretary-MoP&NG, Govt. of India, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
4. Secretary-DPE, Govt. of India, Department of Public Enterprises, CGO Complex, Block No.14, Lodhi Road, New Delhi.
5. Addl. Secretary-MOPNG, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
6. Addl. Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
7. Chairman and Managing Director, ONGC, OIL, IOCL, HPCL, CPCL, KRL, IBP, BL, GAIL, BRPL, BPCL, EIL, NRL, MRPL.
8. All the OSOA constituents.



S. SUNDARESHAN
Additional Secretary

भारत सरकार
पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय
शास्त्री भवन, नई दिल्ली-११०००९

Government of India
Ministry of Petroleum & Natural Gas
Shastri Bhawan, New Delhi-110 001

D.O.No. G-38011/3/2008-Fin.III(pt.II)

October 17, 2008

Dear Shri Bandyopadhyay,

The issue of Pay revision of Oil sector executives has been engaging the attention of this Ministry for some time. The managements of Oil Sector PSUs and the Oil Sector Officers' Association (OSOA) had expressed their view point to the 2nd Pay Revision Committee (PRC) constituted under the Chairmanship of Justice Rao through various platforms. The recommendations of the 2nd PRC have not met the aspirations of the oil sector executives and managements of Oil Sector PSUs. OSOA has made a detailed analysis of 2nd PRC recommendations and submitted their view points to MoPNG highlighting the various anomalies and their demands to rectify these anomalies (which has already been forwarded to DPE). These, briefly, are as follows:-

- i) To consider all the Oil Sector companies in the same category of A+ since all of them have similar job content, work in the same market environment and in many cases are JV Partners with each other.
- ii) The proposed scales of 2nd PRC if implemented in toto will result in immediate stagnation and lead to wide spread resentment and demoralisation of the oil sector executives. Hence, an open ended pay scale with the same minimum of scale as proposed should be considered.
- iii) In the past, flexibility for introducing certain intermediary scales in consultation with the administrative Ministries was allowed. Similarly, percentage increments instead of fixed increments has been implemented in Oil sector PSUs. All such past relief/dispensations provided need to be honoured in the revised pay fixation. Annual and promotion increments need to be maintained at 4 and 6% respectively.
- iv) As the perks and allowances are a means of compensating the executives on variable pay basis; the ceiling of 50% on perks and allowances should be removed.

...2/-

- v) Review of Performance Related Pay (PRP) concept in a holistic manner, based on practical hurdles in implementing them as proposed in the 2nd PRC and the ability to pay of the individual companies. OSOA has demanded that respective OIL PSU boards should be empowered to finalize the compensation related perks and allowances, incentives and bonus.
- vi) As the constituent companies are operating in harsh and logistically difficult remote areas, the current HRA slabs presently in vogue should be continued.
- vii) Presently, the facility of company car is available not only to Directors and CMDs but has also been extended to executives depending on job requirement. It would not be desirable to withdraw this facility as it has already been extended to certain category of executives and is bound to impact on morale and motivation.
- viii) 30% of BP+DA should be allowed towards superannuation benefits instead of 30% of Basic Pay. Oil Sector companies should have the flexibility to design their own pension schemes.

2. The concerns of Oil PSUs have already been forwarded to your Department in response to comments called for on the Draft Cabinet Note on the subject circulated by DPE. It is requested that the concerns of the Oil PSUs and OSOA in regard to the recommendations of 2nd PRC may be viewed sympathetically and appropriate decision taken in the matter, at the earliest.

Yours sincerely,


(S. Sundareshan)

Shri R. Bandyopadhyay,
Secretary,
Department of Public Enterprises,
Block-14, CGO Complex,
Lodhi Road, New Delhi-110 003.

Copy to:-

CMDs/Chairman/MDs

✓ ONGC/OIL/GAIL/IOCL/BPCL/HPCL/CPCL/BRPL/NRL/EIL/Balmer Lawrie/MRPL
and OVL



OIL SECTOR OFFICERS' ASSOCIATION

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

Annex-II

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AMIT KUMAR
PRESIDENT

No.OSOA/Pres/MoP&NG/26
October 20, 2008

To,

SHRI MURLI DEORA

Hon'ble Minister of Petroleum & Natural Gas
Govt. of India
Ministry of Petroleum & Natural Gas
Shastri Bhavan
New Delhi

Subject: Pay Revision of Oil Sector PSUs with effect from 01.01.2007.

Respected Sir,

With reference to our notice wide letter No.OSOA/Pres/Mop&NG/18 dated 29th September, 2008, executive body of OSOA met for an emergency meeting on 20.10.2008 at Delhi on the above issue. OSOA is very much appreciative of the positive and rational stand taken by our administrative ministry on our demands related to special dispensation to OIL PSUs and with positive frame of mind, OSOA has decided to respond by deferring its programme of Direct Action from 0600 hrs of 21.10.2008.

However, if DPE and the Government do not address the issues raised in our communication dated 29.09.2008 by 10.11.2008, the OSOA shall be forced to resume its Direct action programme as per details in Annexure I. Also find enclosed the resolution passed by OSOA on 20.10.2008 as Annexure-II.

In addition to the points already recommended by the ministry, we request to kindly also include following points in the recommendation to DPE:

1. Periodicity of Pay Revision should be maximum 5 years.
2. Pay Scales of Chairman & Directors should be enhanced to Rs.300000 & Rs.250000 respectively in line with 6th CPC.
3. Fitment benefit must be uniform at all level and must be improved upon as it is not sufficient to compensate.
4. Uniform Risk Pay @ 25% of minimum of scales for all levels.

Your kind intervention in this regards shall avert the OIL PSU officers' community from going on the path of agitation.

With *regards*

Yours sincerely,

Amit Kumar
(Amit Kumar)

Copy to:

1. Secretary-MoP&NG, Govt. of India, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
2. Addl.Secretary, MoP&NG, Govt. of India, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
3. Addl. Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
4. Chairman and Managing Director, ONGC, OIL, IOCL, HPCL, CPCL, KRL, IBP, BL, GAIL, BRPL, BPCL, EIL, NRL, MRPL.
5. All the OSOA constituents.

Annexure I

DATE	PROGRAMME
10.11.2008 to 13.11.2008	GBM , Gate meetings at all locations
14.11.2008	Dharna and protest rally at DPE
18.11.2008	0600 hrs onwards indefinite strike by OSOA.

Heaven
20/11/2008

