



OIL SECTOR OFFICERS' ASSOCIATION

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

No.OSOA/Pres/MoP&NG/37
November 12, 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: Direct Action Programme w.e.f. 0600 hrs of 18th November, 2008.

Respected Sir,

In continuation of our previous letter No.OSOA/Pres/Mop&NG/33 dated 6th November, 2008, please find enclosed resolution (Annexure I) passed by the Constituents of OSOA today i.e. on 12th November, 2008.

Sir, we appreciate the concerns raised by Additional Secretary, P&NG and also his positive approach. However, you may kindly realize that the struggle for a respectable Pay Revision for Oil Sector has been going on for last 2½ years. The chronology of efforts is also enclosed for your reference (Annexure II ~~2008~~) and until and unless there is concrete development related to the two issues pointed out in the resolution, OSOA will be constrained to continue with their agitation w.e.f. 0600 hrs of 18.11.2008 and the onus will squarely with the Govt.

With regards ,

Yours sincerely,

Amit Kumar
12/11/2008
(Amit Kumar)

Copy to:

1. Secretary-DPE, CGO Complex, Block No.14, Lodhi Road, New Delhi
2. Secretary-MoP&NG, Govt. of India, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
3. Addl.Secretary, MoP&NG, Govt. of India, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
4. Addl. Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, Shastri Bhavan, New Delhi.
5. Chairman and Managing Director, ONGC, OIL, IOCL, HPCL, CPCL, KRL, IBP, BL, GAIL, BRPL, BPCL, EIL, NRL, MRPL.
6. All the OSOA constituents.

Recommendation of Justice Rao & OSOA's Demand.

| Sl.No. | Jus. Rao Committee Recommendations | OSOA Demands |
|--------|--|--|
| 1 | Categorization of PSUs on the basis of Manpower has resulted in relegating organisations like OIL, NRL, CPCL, EIL & B&L to lower categorization. | Basis of categorization is not acceptable as all Oil PSU Executives are performing similar nature of jobs and all along draw uniform scales. Hence, uniform scales to be maintained. |
| 2 | Neither considered the market reality nor do the scales recommended have enough spans to implement the Pay Fixation Formula. | To offer a market indexed Pay package to Oil PSU executives in order to rejuvenate the Oil PSUs so that they could withstand the onslaught of private players. |
| 3 | Close ended and narrow span scales which results in stagnation on the day one i.e. 1.1.2007, of Pay revision as well as unionized staff drawing more salaries than the executives which is happening in certain Oil PSUs | Open ended pay scales to avoid - anomaly of unionized staff drawing more salary than the executives which is happening in certain Oil PSUs. Stagnation on the day 1 of pay revision i.e. 1.1.07 due to narrow range of pay scales recommended by Justice Rao Committee. |
| 4 | CMD pay Rs.1 lakh fixed Director pay Rs.80000 fixed | Pay Scales of Chairman & Directors should be enhanced to Rs.300000 & Rs.250000 respectively in line with 6 th CPC. |
| 5 | BP + Stag on 1.1.2007 + 68.8% DA + Graded Fitment based on category and level | Fitment benefit must be uniform at all level and must be improved upon as it is not sufficient to compensate. Leave to individual companies to decide within the pay structure. |
| 6 | Risk Pay based on various Scales ranging from 10% to 25% of min. scales | Uniform Risk Pay @ 25% of minimum of scales for all levels. |
| 7 | Annual Increment ranging from 2 to 4 per cent based on individual performance appraisal and ability of the Company to pay | Uniform Annual Increment of 4% and Promotional Increment of 6% to continue |
| 8 | No periodicity | Periodicity to be 5 years. |
| 9 | Ceiling of 50% on Perks & Allowances | Removal of 50% ceiling on perks & allowances. |

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| 10 | 3 new parameters based on population introduced for HRA | Existing bands of HRA to continue |
| 11 | CTC (Cost to Company) limitations recommended | Limitation on CTC to be removed and the companies to be allowed to fix limits based on compensation package and ability to pay. |
| 12 | Cumbersome Performance Related Pay formula | To be reviewed and left to the individual companies to decide. |
| 13 | Conveyance facility below Board Level withdrawn | To be continued. |

Chronology : Pay Revision wef 1.1.2007

- OSOA's demand for 50% DA merger w.e.f. 1.1.2005 in line with merger for Govt. of India employees in January 2006.
- OSOA went on direct agitation on 29th May, 2006. Strike postponed with the intervention of ministry and verbal assurances. **No outcome.**
- OSOA again went on strike on 5th September, 2006. Assurance of the Hon'ble Prime Minister was there to have a special dispensation to Oil Sector as well as 50% DA merger w.e.f 1.1.2005. **Nothing done again.**
- Pay Revision Committee headed by Justice M J Rao formed(30.11.06)
- Feed back through Questionnaire by OSOA Constituents
- Studies Conducted by SCOPE through M/S Mercer Consultants
- Studies Conducted by OIL Companies through M/S Hewitt Associates
- Presentation by OSOA to Justice M J Rao Committee(16.4.2007)
- Meanwhile 50% DA merger orders issued for PSUs w.e.f. 01.01.2007 instead of 01.01.2005 in May 2008. **This would have happened automatically with the implementation of pay revision w.e.f. 01.10.2007. Hence nothing but just interim relief.**
- Submission of recommendation by Justice M J Rao Committee (30.5.2008)
- Since then the Committee's Recommendations, OSOA discussed in a few meetings & made appeals to MOP&NG through various communications to review the recommendations to suit the changing needs of the Oil Sector.
- OSOA got re-structured at its meeting on 28.8.08 in Mumbai with New Team of Office Bearers.
- OSOA Pay Revision Committee was formed on 28.8.08 which submitted its Report on 6.9.08
- Letter dated 28.8.08 from OSOA to Honourable Minister MOP&NG seeking to expedite the Pay Revision process & a hearing to put forth our grievances by 10.9.08. No response from the ministry.
- OSOA met Honourable Minister of State for Heavy Industries & Public Enterprises Shri Raghunath Jha on 03.09.08 & appraised about grievances of Oil sector officers.
- OSOA on 19.9.08 again requested Honourable Minister MOP&NG for a hearing by 26.9.08
- OSOA met Sh R.Bandhopadhyay, Secretary DPE on 19.9.08 submitted its Pay Committee Report.
- OSOA met Honourable Minister of State for Agriculture, Consumer Affairs, Food & Public Distribution on 24.09.08 who wrote a letter to Honourable Minister MOP&NG on that day itself.
- Despite above efforts no response from MOP&NG till 29.9.08 to start dialogue.
- OSOA constrained to issue Strike Notice dated 29.9.08 to start strike from 21.10.08.
- Dialogue with Addl. Secretary - MOPNG and Addl. Secretary F&A - MOPNG on 15th October,2008 - **meeting cordial - discussions done but no concrete proposal from MOPNG.**