



OIL SECTOR OFFICERS' ASSOCIATION

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

September 22, 2008

OSOA NEWSLETTER - 01(2008-10)

Dear Members of OSOA,

All of you are aware that Oil Sector Officers' Association (OSOA) has always been taking up various issues concerning the executives of Oil Sector PSUs from time to time and strives hard to resolve them favourably. The Institution has been headed by luminaries who have given direction and leadership to OSOA at various points of time. Also the institution of OSOA has seen many ups and downs but always came out with success and gains for its members.

Since last two years, precisely after the constitution of 2nd Pay Revision Committee headed by Justice M J Rao, OSOA has been continuously pursuing the issue of pay revision with full dedication and resolve to ensure an adequate, rational compensation package for all our colleagues in Oil & Gas PSUs in line with the private Oil & Gas competitors and other market forces. We know that we are all in Public Sector and share the responsibility and concern of the Government to provide energy security to the country. We have never been provided parity with the Private sector but certainly considering the nature of job, industry positioning, and the responsibilities we are discharging, it is natural and reasonable for us to expect a package which is respectable in industry, robust enough to retain and attract critical and specialized talent, provides increments during the currency of the pay scales and takes care of the inflation.

To further the cause and achieve the goal, with their collective wisdom the OSOA constituents in their meeting at Mumbai on 27.08.2008, have restructured the OSOA and accordingly Amit Kumar, President, ASTO, ONGC and M S Sharma, Vice President, IOOA, IOC have been entrusted with the responsibility of President and General Secretary of OSOA respectively. Other office bearers are Shri I. Sasi, BPCL, Shri S B Paul Roy, OIL as Vice Presidents, Shri R P Srivastava, HPCL as Treasurer and executive members from each constituent company. Keeping in view the vast experience of Shri Ashok Singh as OSOA Convenor, all the constituents persuaded him to provide support as advisor, to which he has agreed.

Immediately after the reconstitution of OSOA executive body on 27.08.2008; a letter was written to the Honourable Minister of Petroleum and Natural Gas with request to expedite the process of pay revision w.e.f 01.01.2007 and give us a hearing on the issue on or before 10.09.2008. OSOA President also met with Shri Raghunath Jha, Honourable Minister of State for Heavy Industry and Public Enterprises, who was very positive in the meeting. Simultaneously, an OSOA committee was constituted to prepare a final report on pay revision in the light of the recommendations of Justice Rao committee. The committee has finalised its report on 06.09.2008.

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Since, we have not heard any thing from the MOPNG, OSOA executive body met again on 19.09.2008 and discussed the future course of action. The same day the report of the OSOA pay revision committee has been submitted to the Minister of Petroleum, the Secretary, MOPNG, Additional Secretary, MOPNG, and also to CEO of all the Oil PSUs with a request to start dialogue by 26.09.2008. The OSOA executive members also met and submitted a copy of the report to the Secretary, DPE on the same day.

Though Secretary, DPE sounded positive and appreciated the genuine discrepancies pointed out by us but expressed his helplessness in doing any thing as he has to look after all the PSUs and as such cannot recommend anything especially for Oil Sector.

For the information of all the members the glaring deficiencies of Justice M J Rao committee report and the recommendations of OSOA pay revision committee are enclosed as annexure to this new letter.

Friends, we are aware of the anxiety and concern among all of us on the issue of the pay revision. We also feel that the anxiety and unrest is getting higher with every passing day but we need to conserve our energies for the right time and restrain ourselves till all our peaceful avenues are exhausted with all concerned authorities. We are not very hopeful in terms of the response of the authorities given the present status of things. We as a OSOA team leaders count a lot on your strength which shall be the sole and prime mover to achieve the goal of respectable pay revision.

Dear members, today the combined strength of Oil Sector is being tested. On one hand, we are suffering due to pricing policy of the Government; on the other hand Government is trying to strengthen the hands of private sector by limiting our pay and perks leading to poaching of our technical and experienced manpower affecting the performance of our companies. We need to fight back and show our strength to the Government.

We need to prepare ourselves in a well co-ordinated and united manner for the struggle ahead and all of us have to contribute to the cause with your full strength as and when required in the form of agitation including strike.

Long Live OSOA unity

(Amit Kumar)

President

(M S Sharma)

General Secretary

(I. Sasi)

Vice President

(S B Paul Roy)

Vice President

(R P Srivastava)

Treasurer

ANAMALIES OF JUSTICE RAO COMMITTEE AND ABSTRACT OF OSOA COMMITTEE RECOMMENDATIONS

Item	Observations	Recommendation
Pay scale	<p>⊙ Proposed Pay Scales are too narrow to fit the recommended fitment formula as suggested by the committee.</p> <p>⊙ Executives drawing Max of Basic + 3 stagnation increments in the pre revised scale will cross the max of the respective revised scales on fixation and stagnate from day one.</p> <p>⊙ Nearly 50% of the executives have already drawn 3 stagnation increments and 3 additional stagnation relief up to 31.12.2006. All such officers are already on negative salary growth. The recommended scales will not be able to compensate these executives due to the low level of ceilings.</p>	<p>CMD's & Director's scale should be Rs. 3,00,000/= & Rs. 2,50,000/= at least at par with 6th Pay Commission recommendation for Chairpersons and full time Members SEBI, IRDA, TRAI etc.</p> <p>Other Pay scales must be made open ended with the same Minimum of scale as proposed by Rao Committee.</p> <p>All the companies operating in upstream, mid stream and down stream and allied services should be categorised as A+ and same Pay scales should be given.</p>
Fitment Benefit	Fitment Benefit at E0 to E3 & E4-E6 level executives at 30 & 37% and above that 42%.	Fitment benefit must be uniform for all levels and must be improved upon as it is not sufficient to compensate.
Fixation Formula	Basic + stagnation increment + DA (68.8%)+ graded fitment (excluding PP & SP).	Benefit of DA merger w.e.f. 1.1.2007 must be given as has been given to Central Government employees. PP and SP increment should be included in the formula. In addition, commensurate compensation should be included to cover the 3 additional stagnation relief already provided till 31-12-2006.
Periodicity	No recommendation given	5 years - at par with the unionized cadre. (DPE guidelines already issued).
Increment	Variable annual increment: 2 to 4% Flexible Promotion increment 2% stagnation increment	NOT ACCEPTABLE. Rao committee has recommended that before implementing the variable increment model, a fair and transparent PMS should be implemented. Annual increment should be retained at minimum 4%. Similarly Promotion increment to be maintained at 6%. Stagnation increment can be done away with implementation of open ended scale
Risk Pay	Variable proportion with reference to Fixed pay at different levels (max 25% at higher level)	The proposed risk pay is meagre and has to be increased and should be uniform at all levels.
Perks	50% of Fixed Basic as ceiling	Ceiling should be removed.

PRP	Level-wise Variable %age of PRP recommended. Parameters based on PAR, MOU rating etc.	PRP methodology as proposed is not implementable due to lot of subjective parameters. May become a de-motivating factor if implemented. The recommendations are not acceptable.
HRA	3 slabs defined as per the population	Existing slabs to be continued.
Conveyance	Conveyance facility to below board level executives withdrawn	Present policy of Oil Companies should continue as they are operation intensive and needs maximum mobility.