



FEDERATION OF OIL PSU OFFICERS

1, Sri Aurobindo Marg, Yusuf Sarai, New Delhi-110016

Dated: 29.05.2013

The Hon'ble Minister of Petroleum & Natural Gas,
Govt. of India,
Shastri Bhawan,
New Delhi -110 011

Respected Sir,

We seek to draw your kind attention to the provisions of the last Pay revision for Officers of CPSEs effective Jan'07 vide OM dated 26th November, 2008 issued by Department of Public Enterprises (DPE). This pay revision was based on the recommendation of 2nd Pay Revision Committee (PRC) constituted by DPE vide Resolution dated 30th Nov, 2006.

The 2nd PRC, under the Chairmanship of Justice (Retd.), M. J. Rao, has opined in the Preface of it Report;

Quote

"A question that was repeatedly raised in our discussion with CPSEs was that 10 years are too long a period for pay revision in the public sector and that this time gap should be reduced to five years or so. Our general preference will be that once our recommendations have been given effect, the responsibility of future revision should be given to the Board of Directors of a company subject to the approval of the concerned Ministry in discharge of its role as shareholders. **We would like to see that we are the last such committee for deliberating on the remuneration structure in the public sector as a whole and that hereafter no such committee will be necessary. Revision can be considered by the Board of Directors and the concerned Ministry** as and when necessary on the basis of the economic situation and the nature of the concerned industry".

Unquote

In line with the directions of the M. J. Rao committee, we have raised the issue of pay revision with the Board of Directors of our respective companies. However, no action is forthcoming.

Historically, the Pay Structure of Officers was revised after every 5 Years during last three decades, except the last Pay revision & the periodicity of Pay Revision used to be recorded in all DPE OMs. It is also worth mentioning that the periodicity has not been mentioned in the DPE OM dated 26th November, 2008 for the Pay Revision effective

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from Jan'07, obviously on account of the spirit of the aforesaid quoted opinion of the Justice Rao Committee. This chronology leaves construal that the responsibility of Pay Revision is being left to the individual Board. This view of the M. J. Rao committee has also been upheld and further qualified by a Panel of Experts on Reform in CPSEs constituted by the Planning commission, in their report submitted to Government of India in Nov'11. The recommendations specific to compensation are contained in the para 2.5 of the report, is enclosed for ready reference.

Sir, the officers of Oil PSUs are facing a severe hardship in managing their family needs due to severe erosion in the real compensation in view of spiraling inflation during past six years. The following comparison of cost of living under the heads of food items, housing and education etc. in 2007 Vis-s-Vis 2013 is as under -

1. The house rentals have increased by more than 100% since 2007 on pan India basis. As CPSE employees are not insulated on this front, we have to arrange for our residential accommodation ourselves from our salary.
2. Cost of education is increasing steadily and has become becoming unaffordable. As an indicator, the fees of IIM Ahmedabad for PGP course have increased from 1.77 Lacs during 2007 to 7.4 Lacs in 2013. The primary & secondary schools fees have escalated, even in higher proportions. We are forced to compromise on the quality of education for our children.
3. Furthermore, the cost of food and grocery items has jumped substantially since 2007 making existing salaries grossly inadequate. The cost of food products has rising in India faster than the global rate and the food prices in India is rising @ 10-11 % on year on year during this period.

The provisions of increase in DA and annual increment of 3% have failed to counter the escalation in expenditure for basic needs, i.e. food, housing, education, etc. Since, House rent allowance and other allowances are linked to basic pay only and therefore remain stagnant at 2007 levels, making it inadequate to meet the basic expenditure. Minimum that can be done to ameliorate the ordeal of officers immediately is merging 50% of DA with basic pay immediately.

In view of the circumstances described in the foregoing and inaction of the Boards of the Oil PSUs, we earnestly appeal to you for advising the concerned CMDs and Boards to initiate the process of Pay revision for officers of CPSEs w.e.f. January 2012 considering the periodicity of 5 Years.

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In the meantime, to provide interim relief, it is requested that the DA equal to 50% of Basic Pay be merged with Basic Pay w.e.f. January, 2012 & ad-hoc relief be released immediately.

We, therefore, earnestly appeal to you for initiating an early action on our prayers to retain talent within our companies and keep our Officers motivated to face the challenging working environment and secure the future for one and all.

With profound regards & best wishes,

Yours sincerely,

for & on behalf of FOPO

(Mukul Kumar)
President,
Indian Oil Officers' Association (IOOA)

(R.P. Pandey)
President, Association of Scientific &
Technical Officers, ONGC (ASTO)

(Manoj Gogoi)
President, Oil India Executive
Employees Association (OIEEA)

(P.C. Gupta)
Gail Officers' Association

(D. Das)
Bharat Petroleum Management
Staff Association (BPMSA)

(Uday Shankar)
Hindustan Petroleum Management
Staff Association (HPMSA)

(D. Changmai)
NRL Officers' Association (NRLOA)

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