

THE ASSOCIATION OF SCIENTIFIC & TECHNICAL OFFICERS



Oil & Natural Gas Corporation Ltd.

MEHSANA ASSET, MEHSANA

Registered with the Registrar of Societies UP Govt. Lucknow

Registration No. 172 (1967-68)



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No.ASTO/ MHN/PRP/2013-14

Date: 28.12.2013

To,
Dr. Subhash C. Khuntia
Additional Secretary & Financial Advisor
Ministry of Petroleum & Natural Gas,
Government of India,
New Delhi.

SUB: PERFORMANCE RELATED PAY TO ONGC EMPLOYEES.

Sir,

The Performance Related Pay (PRP) is an important component of our salary, under the revised guidelines effective from the year 2007. As per the guidelines PRP comprises of two components, the first 60% portion is based on the Profit before Tax (PBT) earned by ONGC during the year and the second 40% component is based on the incremental profits earned over the previous year.

During the year 2012-13, the PAT of ONGC reduced to Rs. 20925.70 crores from Rs. 25122.92 crores in the previous year 2011-12. Sir, the major causes for the decline in the PAT were increased under-recoveries of Oil Marketing Companies shared by ONGC and the increase in the Cess paid on sale of crude oil from Rs. 2500/MT to Rs. 4500/MT. These two elements had a combined impact of Rs. 8474.21 crores on the PAT of ONGC. Both these element of expenses are not under the control of ONGC and are determined by the decisions of the Government of India.

Sir, it is earnestly believed that the PRP of an employee, which is an important motivating factor, should not be influenced by factors which are beyond the control of the individual & organization. Thus it is requested that the guidelines on Performance Related Pay be suitably modified and the instruction for payment of PRP for the year 2012-13 be issued accordingly.

With warm regards.

Yours truly,

(Suresh Chandra)
28/12/13

(Suresh Chandra)

Vice President, ASTO-CWC