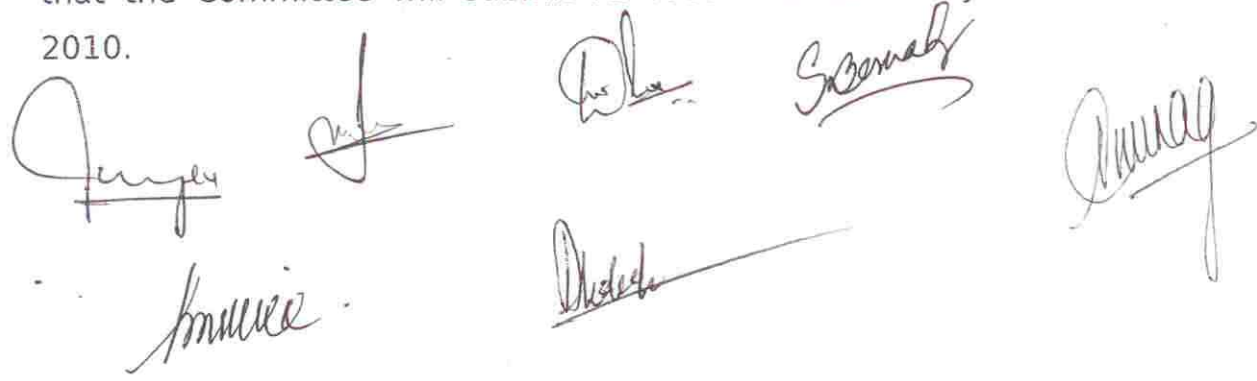


PROCEEDINGS OF THE COMMITTEE CONSTITUTED FOR EXAMINING THE ANOMALY IF ANY ARISEN OUT OF THE WAGE REVISION OF 01-01-1997.

The recognised unions of ONGC have been raising the issue of anomaly which is stated to have arisen during the wage revision of 01-01-1997. During the various meetings of the committee constituted for assisting in wage revision w.e.f. 01-01-2007, it was also pointed out that there is difference in the pay scale vis-a-vis other companies in the oil industry. The management had assured to look in to the matter during the wage revision.

2. It was informed to the recognised unions that the resolution of the '97 wage revision anomaly may be dealt separately and accordingly a Committee was constituted to examine the issue.

3. While the wage revision of the unionised categories of employees was being concluded in a meeting held on 17th September, 2010. On the insistence of the unions, a part minutes was drawn wherein it was decided that the Committee will submit its recommendation by 30th November 2010.



A collection of seven handwritten signatures in black ink, arranged in two rows. The top row contains four signatures, and the bottom row contains three. The signatures are stylized and cursive, with some appearing to be names like 'Jungar', 'Suman', and 'Anurag'.

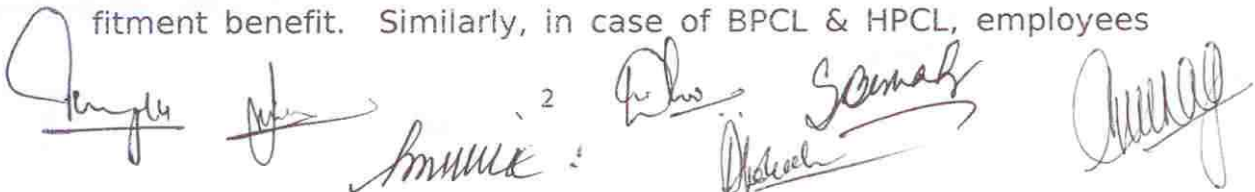
4. A Committee of the following members was constituted to examine the issue vide office order No. 14(1)/2007 – IR dated 31-08-2010.

S/Shri

1. A. K. Shah, GM(HR), Dehradun,
2. S. Mallik, DGM(F&A), Dehradun,
3. A. Sahu, DGM(HR), Dehradun,
4. Pradeep Mayekar, GS, ONGC (BOP) Karmachari Sanghatana, Mumbai,
5. Sunil Hedao, GS, ONGC Employees Mazdoor Sabha, Vadodara,
6. D. V. K. Raju, GS, Petroleum Employees Union, Chennai,
7. Sanjeeb Baruah, GS, ONGC Purbanchal Employees Union, Nazira
8. Anurag Prakash, Auditor, National Union of ONGC Employees, Dehradun.

5. During the various meetings of the Committee, the following came up for consideration:-

- (i) Union representatives pointed out that employees who had joined ONGC on or after 1.1.1997 have not been extended the fitment benefit under LTS-1997 and they have been fitted at the bottom of revised scales. The minimum of each revised scales does not provide coverage for full fitment benefit i.e. minimum of each scale has been fixed quite lower in comparison to the minimum that comes after application of the fitment formula.
- (ii) Union representatives pointed out that other downstream Oil PSUs like IOC, BPCL, HPCL have extended full fitment benefit to employees who joined after the effective date of settlement till the date of signing of settlement. In case of IOC, Memorandum of Settlement (MOS) for wage revision w.e.f. 1.1.1997 was signed on 4.1.2001 and employees who have joined on or after 1.1.1997 and up to the date of signing of MOS have been allowed full fitment benefit. Similarly, in case of BPCL & HPCL, employees

A series of handwritten signatures in black ink, including names like 'Anurag', 'S. Mallik', 'Pradeep', 'Sanjeeb', and 'Sunil', written over the bottom of the text.

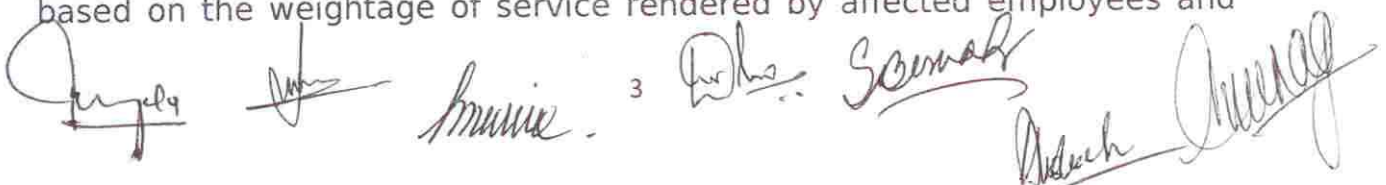
who had joined on or after effective date of MOS and till the date of signing of MOS, have also been granted fitment benefit.

- (iii) A copy each of MOS of IOC, BPCL & HPCL was provided by union representative to other Committee members.
- (iv) During discussions it was explained to the union representatives that comparison of pay scales with other PSUs cannot be made in isolation.
- (v) Union representatives suggested that in order to remove this anomaly, employees who joined on or after 1.1.1997 till 31.12.2006 may be granted notional fitment benefit. The revised basic pay as on 1.1.2007 may be fixed taking into consideration notional fitment benefit. However, no arrears for the past period based on notional fitment benefit shall be demanded.
- (vi) It was explained that in other PSUs quoted by the union representatives, fitment benefit has been restricted to employees joining till the date of MOS, whereas union is demanding fitment benefit to all employees irrespective of date of joining on or after 1.1.1997.

6. It was decided to have a comparative study of the pay revision of the other oil PSUs with ONGC.

7. After deliberations, the Committee came to the conclusion that there has been some aberrations in formation of 1997 pay scales, wherein full fitment benefit as per fitment formula could not be given in the pay scale and the minimum of pay scale has been fixed quite lower i.e. more than Rs.1000/- than what would have come by following the fitment formula.

8. After establishing the aberrations, the Committee deliberated on the issue of compensating/removing the peculiar problem. Union representatives urged to grant some fixed numbers of increment (s) based on the weightage of service rendered by affected employees and

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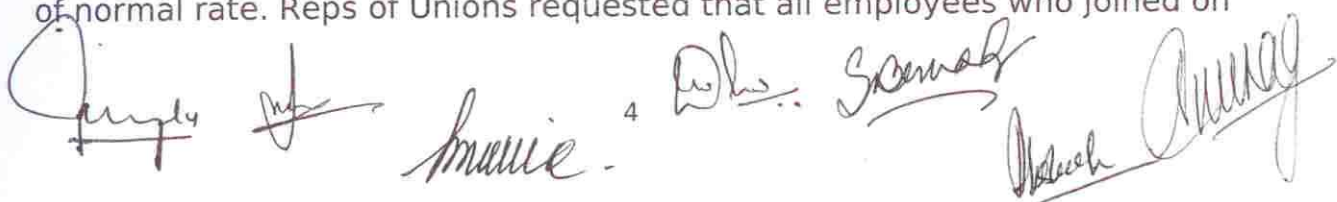
same may be taken into account for fixation of revised pay in 2007 pay scales. They stated that this will not involve opening of 1997 pay scale and no arrears for the past period will be demanded. However, Management representatives stated that such benefit cannot be granted as it will involve huge cascading effect till the service span of each affected employee. The Union representatives sharply reacted and stated that lump sum payment idea is not acceptable to them as they vindicated during various wage negotiation meetings earlier at New Delhi.

9. In support of their point of view Union representatives brought out that GAIL has resolved similar anomaly by granting some additional increments to affected employees w.e.f. Dec.2006 and their pay has been fixed in revised scales in 2007 accordingly. (Annexure - I)

10. The issue regarding coverage of employees was then deliberated. Union representatives contended that all employees who joined between 1.1.1997 to 31.12.2006 are affected due to fixing of lower minimum basic pay in 1997 pay scale. Management representatives stated that there is no logic for inclusion of post LTS-1997 employees as they joined ONGC fully knowing the revised pay structure, whereas there is some justification for employees joining before coming into effect of LTS-2007 as at the time of joining they had in mind of better pay scale which were under revision at that point of time. It was also brought out that in IOC, benefit has been given to only such set of employees who joined up to the date of signing of LTS and not to those joining thereafter.

11. Two options were discussed. One is lump - sum and another is extending some percentage on the previous basic pay as on 31-12-2006. Members from the unions were vehemently against the lump - sum payment and requested for giving some increments on the basic pay.

12. After a prolonged deliberation, management representatives suggested that all the employees of unionised categories who joined on or after 01-01-1997 up to signing of MoU in 2000, the increment will be 1.5 of normal rate. Reps of Unions requested that all employees who joined on

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... after 01-01-1997 up to 31-12-2006 should be covered and increment to be given at the following rates-

- A. 6 increments on basic pay of 31-12-2006 to those who joined up to signing of the MoU i.e. in 2000.
- B. 5 increments on basic pay of 31-12-2006 to those who joined after signing of the MoU i.e. in 2000 and up to 31-12-2006.

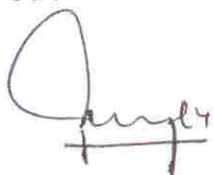
13. During the wage revision – 1997, the scales at the induction level were fixed at lower side. The employees were not given full fitment as per fitment formula in order to arrive at the minimum of pay scale in 1997 which was fixed quite low i.e. more than Rs.1000/- than what would have been fixed by following the fitment formula (Annexure – II).

14. However, the pay scale at top of class – III were fully covered under fitment formula, hence there is no aberration in this scale.

15. The aberration due to the lower fixation of minimum of the scale has its spread through out the entire period of wage revision and therefore all the employees who joined up to 31-12-2006 are affected.

16. Fixation of Pay at Induction levels of unionised categories in different wage revisions in ONGC since 1987 is placed at Annexure – II(A,B,C,D).

17. The Comparative analysis of wage revision 1997 at Induction level in ONGC and IOC is placed at Annexure – III, wherein it is seen that in IOC full fitment benefit was accorded vis-a – vis minimum of pay scale whereas the same was not considered in ONGC. The other downstream companies such as BPCL, HPCL followed the same principle as IOC.



b. After prolonged deliberation, the following was proposed in the committee meeting held at Dehradun on 18-04-2011:-

Coverage –

- a. All unionised category of employees other than Top of Class – III who joined on or after 01-01-1997 up to 31-12-2006 shall be granted the benefit of additional increment to redress the issue of aberration.
- b. Those who have joined on or after 01-01-1997 up to 11th July 2000 (date of signing of LTS) shall be granted additional 03 increments on the basic as on 31-12-2006. The increment rate shall be the percentage entitled to at the time of induction.
- c. Those who have joined on or after 12th July 2000 up to 31-12-2006 shall be granted additional 02 increments on the basic as on 31-12-2006. The increment rate shall be the percentage entitled to at the time of induction.
- d. Employees who joined / inducted at A4 level, will be eligible for only 01 increment on the basic as on 31-12-2006. The increment rate shall be the percentage entitled to at the time of induction.
- e. Unionized category of employees who have been promoted to executive cadre on or before 01-01-2007 shall not be entitled for grant of any additional increments.
- f. Unionized category of employees who have separated from the Company due to resignation, disciplinary action shall not be granted the benefit of any additional increments.
- g. In case of unauthorized absence, decision for grant of additional increment shall be considered only if the period of unauthorized absence is regularized.





