

FORM H  
(See Rule 58)

MEMORANDUM OF SETTLEMENT SIGNED BEFORE THE REGIONAL LABOUR  
COMMISSIONER (CENTRAL), DEHRADUN BY THE MANAGEMENT OF OIL AND  
NATURAL GAS CORPORATION LTD AND THEIR REPRESENTING UNIONS

ON 17<sup>TH</sup> SEP 2010

ID Case No.D-8/5/2010-RLC

18

Names of the Parties:

Representing Management of ONGC :

S/Shri

1. Sundar Lal, Executive Director -Chief, Employee Relations
2. Tauqir Hussain, Executive Director - Chief, Human Resource Development
3. Baij Nath, GM(HR)
4. Arvind K.Shah, GM(HR)

Representing Workmen:

S/Shri

1. ONGC Employees Mazdoor Sabha, Baroda

a. K.P.Ravindranathan  
b. Sunil Hedao  
c. A.R. Tadvi

2. ONGC (BOP) Karmachari Sanghatana, Mumbai

a. Pradeep A.Mayekar  
b. M.K.Mitra

3. ONGC Workmens' Association, Kolkata

a. S.K.Biswas  
b. P.K.Moitra

5. ONG Mazdoor Sangh, Ankleshwar

a. E.V.Akolkar  
b. R.H.Pathan

6. National Union of ONGC Employees, Dehradun

a. J.S. Gunsola  
b. A.P.Joshi

7. Petroleum Employees Union, Chennai

a. D.V.Krishnam Raju  
b. V.Gopinathan

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S.K. Anis  
18/9.

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|---|---------------------------------------|
| 8. ONGC Purbanchal Employees Association, Sivasagar | a. S.Baruah<br>b. P.Changkakoty       |
| 9. ONGC Workers Union, Agartala                     | a. T. D.Majumdar<br>b. C.Majumdar     |
| 9. Petroleum Mazdoor Sangh, Ahmedabad               | a. Rasik S. Patel<br>b. D.J.Chaudhary |
| 10. Trade Union of ONGC Workers, Silchar            | a. Ashok Baidya                       |

**Short Recital:**

The recognised unions of ONGC under the banner of the 'All India ONGC Trade Unions' Coordination Committee' vide their letter dated 6<sup>th</sup> July 2010 addressed to the Director (HR), ONGC served a notice of agitation in support of their pending demands related to wage revision, seeking early settlement of their demands through meaningful collective bargaining and settlement of issues across the table. The above said notice of agitation was seized in conciliation by Reg.Labour Commissioner (Central), Dehradun vide his office letter dated 16<sup>th</sup> July 2010 addressed to ONGC and the Co-ordinator, All India ONGC Trade Unions' Coordination Committee. Conciliation proceedings were also held on 19<sup>th</sup> July 2010 in the office of RLC(C), Dehradun, which was attended by the management representative and also representatives of the National Union of ONGC Employees, Dehradun. It was decided during the conciliation meeting to inform all the constituents of the Coordination Committee that the dispute had been seized in conciliation and therefore they are not to resort to strike/agitation at the moment. RLC(C), Dehradun allowed time to the ONGC management and the unions in order to enable them to have fruitful bilateral discussions and sort out the issues.

The management submitted that the last Long Term Settlement on wages which was effective from 1.1.1997, having a periodicity of 10 years expired on 31.12.2006. The recognised unions submitted their Charter of demands on 25<sup>th</sup> April 2007. The joint Committee on Wage Revision was constituted vide O.O No.14(1)/2007-IR dated 25<sup>th</sup> Feb 2008 and negotiations started with the first meeting at Agartala on 23<sup>rd</sup> July 2008. The unions later on submitted a fresh Charter of Demands on 12<sup>th</sup> Oct 2009. Thereafter, a number of meetings of the Committee of Wage Revision were held on various dates at different locations and the issues were discussed threadbare in detailed and frank deliberations. After protracted discussions, an agreement was reached between the management and the recognised unions of ONGC in the seventh meeting of the Committee on Wage Revision held on 25<sup>th</sup> and 26<sup>th</sup> August 2010 at New Delhi. A Memorandum of Understanding was signed on the issues concerning wage revision of unionised category of employees and it was decided to place the recommendations of the Wage Revision Committee to the JCM for acceptance and signing of tripartite settlement at an early date.

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01.01.2008	5.8
01.04.2008	6.3
01.07.2008	9.2
01.10.2008	12.9
01.01.2009	16.6
01.04.2009	16.9
01.07.2009	18.5
01.10.2009	25.3
01.01.2010	30.9
01.04.2010	34.8
01.07.2010	35.1

**7. House Rent Allowance**

7.1 Payment of HRA on revised basic pay shall be at the following rates w.e.f 26.11.2008:-

Cities with Population	Rates of HRA
50 lakh and above (Classified as X)	30% of basic pay
5 to 50 lakh (Classified as Y)	20% of basic pay
Less than 5 lakh (Classified as Z)	10% of basic pay

7.2 Classification of cities for payment of HRA shall be followed as notified by the Govt. of India vide O.M. No.2(13)/2008-E.I(B) dated 29.8.2008, and as may be amended/notified from time to time.

In case actual amount of HRA as per prescribed rates is less than the amount of HRA drawn as on 25.11.2008, for a particular workman, the difference would be allowed to be drawn by the workman as 'Personal Allowance' until the difference is eliminated in the course of time, subject to the condition that the difference will be subsumed within the overall limit prescribed for perquisites and allowances admissible under the 'Cafeteria' approach.

7.4 Monetary ceilings for leased /self-leased accommodation shall continue to be the House Rent Allowance percentage as applicable to the work centre plus 10% with reference to the maximum of the revised pay scales as per existing policy.

7.5 The monetary ceilings with reference to revised pay scales shall be effective from 26.11.2008. However, enhanced rates of lease amount would be applicable with effect from 26.11.2008, only in those past cases of leased accommodation where overrun was being borne by the workman, under intimation to the respective office.

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**8. North East Allowance**

8.1 North East allowance shall be paid on revised basic pay @ 12.5% w.e.f 26.11.2008.

**9. Gratuity**

9.1 The ceiling for Gratuity for the workmen shall stand revised to Rs.10 lakh w.e.f 1.1.2007.

**10. Cafeteria Approach on Perks and Allowances**

10.1 DPE Guidelines dated 26<sup>th</sup> November, 2008 stipulate that instead of having a fixed set of allowances, the CPSEs may follow "Cafeteria Approach" allowing the employees to choose from a set of perks and allowances.

10.2 The workmen shall choose from the following set of perks/allowances in a manner that the total monthly payment under perks and allowances in Cafeteria Approach does not exceed 47% of Basic Pay w.e.f. 26.11.2008:

Sl. No	Perquisites and Allowances	Maximum %age of revised Basic Pay
1.	LFA/Holiday Home Allowance	30
2.	Children Education and Hostel Expenditure Allowance (for workmen having school/college going child/children. Other workmen cannot opt for this allowance)	20
3.	Transport Allowance (for workmen who own a car / two wheeler. Other workmen cannot opt for this allowance.)	Rs.800(for Car) Rs.500(for two wheeler)
4.	House maintenance Allowance	25
5.	Self-Development Allowance	15
6.	Fitness Allowance	10
7.	Special Personal Allowance	20
8.	Transport Subsidy	5

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10.3 In cases of workmen drawing Personal Allowance (HRA protection) the differential amount of HRA being protected on a monthly basis shall be included in the cafeteria payment.

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- 10.4 In cases of workmen drawing incentive for adoption of small family norms, the amount of incentive being drawn shall be included within the ceiling of cafeteria payment, subject to receipt of clarification from the Govt. of India.
- 10.5 Perquisite value and maintenance charges for furniture and house hold goods purchase scheme shall be within the ceiling of cafeteria payment.
- 10.6 Payment for perks and allowances in the Cafeteria Approach shall be made w.e.f. 26<sup>th</sup> November, 2008 based on the option exercised by the workman. However, no options would be asked for the period from 26.11.2008 till 31.10.2010. Workmen, including those separated on or after 26.11.2008 would be paid / recovered a lump sum amount equal to the difference between the amount admissible under the cafeteria approach and payments already received on account of items mentioned above. Income tax exemption, if any, may be sought directly from Income Tax authorities.
- 10.7 From 01.11.2010 onwards, workmen shall be required to compulsorily exercise their option under "Cafeteria approach" only once at the beginning of every financial year within a period of fifteen days, which may be reviewed once during the financial year. Payment of perquisites/allowances shall be made as per the option exercised, subject to the prescribed ceilings under Cafeteria Approach.
- 10.8 For claiming income tax benefits on availing perks and allowances which qualify for income tax rebate, vouchers pertaining to the journey undertaken/expenditure incurred for the applicable year shall be submitted within the relevant financial year.
- 10.9 Payments made on account of following items for the period starting from 26.11.2008 shall be adjusted/ recovered against the payment due to the workman under the cafeteria approach:

(a) **Availing/ encashment of LFA for home town/ other than home town in India/ Abroad.**

The actual amount paid to the individual under this head for the block year 2006-2009 would be divided by forty eight to calculate the monthly amount admissible which would be adjusted against payment due under cafeteria approach. The actual amount paid to the individual under this head for the block year 2010-2013 would be adjusted against payment due under cafeteria approach.

(b) **Holiday Home facility**

The actual amount paid to the individual under this head for the block year 2008-2009 would be divided by twenty four to calculate the monthly amount admissible which would be adjusted against payment due under cafeteria approach. The actual amount paid to the individual under this head for the block year 2010-2013 would adjusted against payment due under cafeteria approach.

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16.3 The lump sum Adjustable Advance granted vide Office Order No.(75/2007) dated 15<sup>th</sup> Oct 2007 and Office Order No.(43/2008) dated 24<sup>th</sup> June 2008 shall be adjusted while working out the arrears payable under the settlement. Payment of arrears on account of pay revision shall be subject to usual deduction of CPF, Income Tax etc.

16.4 No other arrears shall arise as a result of this Settlement, save what is mentioned above.

16.5 Employees who have ceased to be in the service of the Corporation on any day on or after 1<sup>st</sup> January 2007, shall be paid arrears, if any, admissible to them on account of this Settlement up to the date they ceased to be the employee of the Corporation, subject to adjustment of Adjustable Advance as mentioned in 16.3 above.

**17. Period of settlement:**

17.1 The settlement will be effective from 1.1.2007. The periodicity of the settlement shall be co-terminus with Executives, which can be less than 10 years but not less than 5 years.

17.2 This settlement effective from 1<sup>st</sup> January 2007 shall be in full, in respect of all demands relating to revision of pay, allowances and special pay to workmen, including introduction of new allowances etc., made by the Unions up to the date of signing of the settlement. The settlement, arrived at shall neither be reopened, nor shall any fresh demands on the issues being settled be raised by the Unions during the operation of this settlement.

17.3 However, it shall be open to the Unions to submit fresh charter of demands, if any but not before six months from the scheduled date of expiry of this settlement.

17.4 The Corporation agrees to consider and start negotiations on the demands, which may be received from the Unions within the time stipulated in Clause 17.3 above.

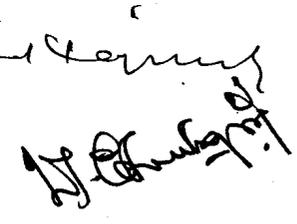
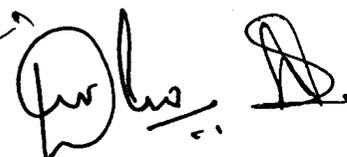
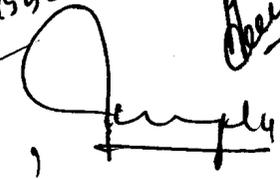
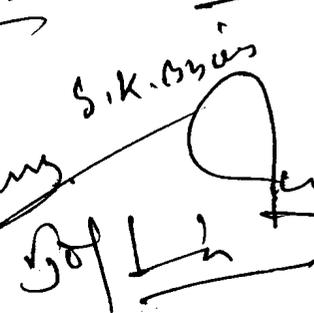
17.5 This settlement is subject to approval of the Board of Directors of the Corporation.

**18. Harmonious Industrial Relations and Productivity:**

18.1 The Unions agree to withdraw the Notice of agitation and maintain harmonious industrial relations in the Corporation. With this end in view, it is further agreed that:

18.1.1 this settlement will be full and final in respect of demands relating to wage revisions, allowances, special pay, including introduction of new allowances;

18.1.2 no dispute will be raised during the period in which the settlement is in operation on the issue of enhancement, alteration of benefits, ceilings, under any clause agreed to or termination of settlement on any ground whatsoever;



- 18.1.3 any dispute pending before any authority or Court in respect of the above issues shall be withdrawn by filing no dispute application by the Union and Management, as the case may be, after obtaining legal advice in this connection;
- 18.1.4 if any unrecognised union has either raised dispute before any authority under the Industrial Disputes Act, 1947 or has filed any Court case on the above issues or will do so in future, the union and the management shall separately or jointly file petition before such authority or the Court intimating that since the issues are of general nature governing the terms and conditions of service of the workmen, the same have been resolved in course of negotiations by the Management with all the recognised unions, culminating into this settlement before the Conciliation Authority and as per the principle, enshrined in the Code of Discipline, such dispute or court case should accordingly be dealt with by the authority or the Court by closing the same;
- 18.1.5 if any issue, other than those mentioned above, requires resolution, the same shall be discussed and tried to be resolved in course of negotiations in various bipartite forums, which already exist in ONGC. If the issue is of general nature, affecting employees of more than one work-centre, the same shall be resolved in JCM suitably and no party shall resort to any direct action, disrupting normal activities and production of the organisation, without exhausting the laid down channels for resolution of disputes in ONGC and also the procedures, as laid down under the Industrial Disputes Act, 1947;
- 18.1.6 the Grievance Handling Machinery will be resorted to and availed of for strengthening the organisation, redressing individual grievances and achieving the organisational goals;
- 18.1.7 the Unions agree that discipline and team work at all levels are of utmost importance for smooth functioning of the organisation. Unions, therefore, shall ensure full co-operation to the management in maintaining discipline and efforts to improve productivity of the organisation.

18.2 The Management and Unions agree to co-operate in:

- i. Minimising overtime and non-productive expenditure;
- ii. Creating healthy climate for industrial relations and promoting efficiency;
- iii. Ensuring high level of performance consistent with safety, health, environment, sustained efforts to achieve not only the targets of production, but also improve upon them.

18.3 Having obtained the wage revision to their full satisfaction and settling other issues relating thereto amicably, the Unions doubly assured the Management that nothing shall

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be done which will dampen the image of the Company and all out efforts shall be made by them to enhance the productivity and profitability of the company, so that the wage revision can be smoothly sustained by ONGC.

**19. Simplification, Innovation and Diversification:**

19.1 Management and Unions thus recognise the imperative need to prepare the Company to successfully meet the challenges of the new era of liberalisation and global competition, and for this it is also agreed to avoid all kinds of wastages of materials, energy, electricity, fuel etc. Norms of energy consumption based on rated capacity and type of machine, etc shall be worked out for each site and all efforts shall be made to have energy consumption within the limits prescribed by the manufacturer, by keeping the machines properly maintained.

19.2 Unions and Management agree that improvement in energy efficiency is necessary, which can be achieved through re-organization, simplification of procedures, technology upgradation and desired innovation, diversification etc.

19.3 To be competitive in the liberalized business environment it is also realised by the Management and the Unions that the proposals and suggestions of the Unions and employees should be utilised to increase productivity, and for which their proposals and suggestions shall be scrutinised and utilised, if deemed useful.

**20. Implementation / Interpretation of the settlement:**

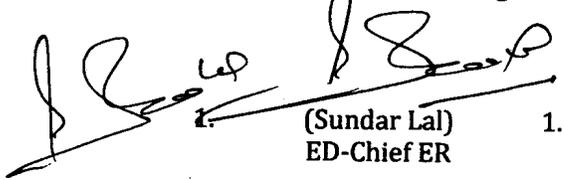
20.1 The Management and Unions agree to abide by this Settlement faithfully, in a spirit of goodwill, mutual faith and trust.

20.2 In case of any dispute regarding implementation of this Settlement or interpretation of any of its provisions, both parties agree to resolve their differences through mutual negotiations in terms of the provisions and spirit of the settlement.

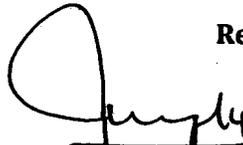
20.3 Both the parties will submit the implementation report within 30 days i.e., 16.10.2010, otherwise it will be presumed that the settlement has been implemented.

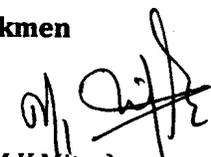
The parties hereto have signed this settlement on the 17<sup>th</sup> day of September 2010 at N.Delhi.

**Representing the Management**

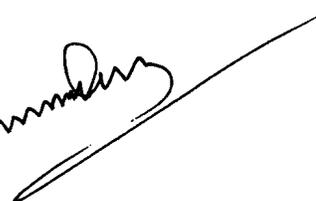
  
(Sundar Lal) 1.  
ED-Chief ER

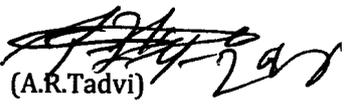
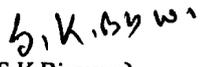
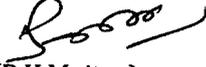
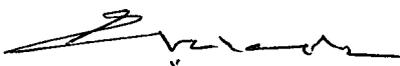
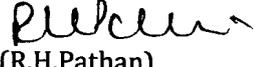
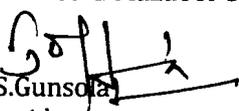
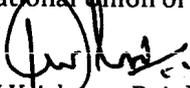
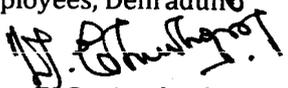
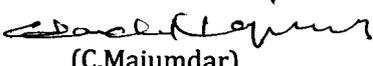
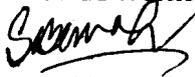
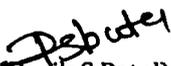
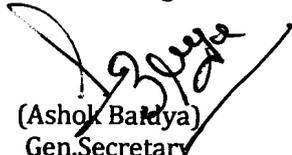
**Representing the Workmen**

  
(Pradeep Mayekar)  
Gen.Secretary  
ONGC (BOP) Karmachari Sanghatana, Mumbai

  
(M.K.Mitra)  
Vice President

  
  
  
  
Regional Labour Commissioner (C)  
Govt. of India, Min. of Labour & Employment  
DEHRADUN (U.A.)

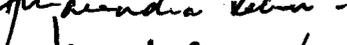
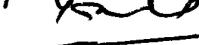
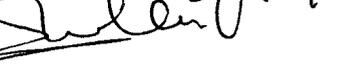
  
  


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|--|--|--|---|
| <p>2. <br/>(Tauqir Hussain)<br/>ED-Chief HRD</p> | <p>2. <br/>(K.P. Ravindranathan)<br/>Working President<br/>ONGC Employees Mazdoor Sabha, Baroda</p>  | <p><br/>(Sunil Hedao)<br/>Gen.Secretary</p>         | <p><br/>(A.R. Tadvi)<br/>Gen.Secretary</p> |
| <p>3. <br/>(Baij Nath)<br/>GM(HR)</p>           | <p>3. <br/>(S.K. Biswas)<br/>Gen.Secretary<br/>ONGC Workmens' Association, Kolkata</p>              | <p><br/>(P.K. Maitra)<br/>Vice President</p>      |   |
| <p>4. <br/>(A.K. Shah)<br/>GM(HR)</p>           | <p>4. <br/>(E.V. Akolkar)<br/>President<br/>ONG Mazdoor Sangh, Ankleshwar</p>                      | <p><br/>(R.H. Pathan)<br/>Gen.Secretary</p>       |   |
|  | <p>5. <br/>(J.S. Gonsola)<br/>President<br/>National Union of ONGC Employees, Dehradun</p>         | <p><br/>(A.P. Joshi)<br/>Gen.Secretary</p>        |   |
|  | <p>6. <br/>(D.V. Krishnam Raju)<br/>Gen.Secretary<br/>Petroleum Employees Union, Chennai</p>        | <p><br/>(V. Gopinathan)<br/>Dy.Gen.Secretary</p>  |   |
|  | <p>7. <br/>(T.D. Majumdar)<br/>Gen.Secretary<br/>ONGC Workers Union, Agartala</p>                  | <p><br/>(C. Majumdar)<br/>Jt. Secretary</p>      |   |
|  | <p>8. <br/>(S. Baruah)<br/>Gen.Secretary<br/>ONGC Purbanchal Employees Association, Sivasagar</p> | <p><br/>(P. Changkakoty)<br/>Vice President</p> |   |
|  | <p>9. <br/>(Rasik S. Patel)<br/>President<br/>Petroleum Mazdoor Sangh, Ahmedabad</p>              | <p><br/>(B.J. Chaudhary)<br/>Gen.Secretary</p>  |   |
|  | <p>10. <br/>(Ashok Baidya)<br/>Gen.Secretary<br/>Trade Union of ONGC Workers, Silchar</p>        |  |   |

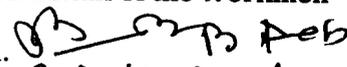
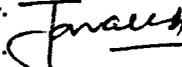
  
Regional Labour Commissioner (C)  
Govt. of India, Min. of Labour & Employment  
DEHRADUN (U.A.)

**Witnesses:**

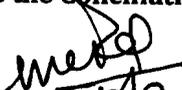
**On Behalf of the Management**

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7. 

**On behalf of the Workmen**

1. 
2. P. D. Keshkar 
3.  Sandeep Gawade, Hhave Base
4.  D.J. Javakar, Panvel
5. 
6. 
7. 

**Before the Conciliation Officer**

  
(Dr.N.K.Prasad), CLS  
Regional Labour Commissioner (Central)  
Dehradun  
Govt. of India, Min. of Labour & Employment  
DEHRADUN (U.A.)