



OIL AND NATURAL GAS CORPORATION LIMITED
EMPLOYEE RELATIONS DEPARTMENT
CORPORATE POLICY SECTION
TEL BHAVAN : DEHRADUN

No. 17(12)/11-GLES/CP

Dated February 24, 2011

NOTICE

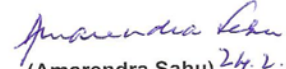
Sub:- Participation by ONGC in the Group Leave Encashment Scheme of Life Insurance Corporation of India (LIC) for payment of amount of leave encashment by LIC – Extension in the last date for conveying dissent.

Reference is invited to Notice of even number dated 11.2.2011, on the subject cited above. wherein it was inter-alia mentioned that employees not willing to join the aforesaid scheme, may convey their dissent through Webice by 28.2.2011 and employees who will not convey their dissent by 28.2.2011, shall be presumed to have given consent to join the aforesaid scheme.

2. It has now been decided that the last date for conveying dissent by employees through webice for not joining the said scheme is hereby extended to **21st March, 2011**. Employees who will not convey their dissent by 21st March, 2011 shall be presumed to have given consent to join the aforesaid scheme.

3. It is hereby reiterated that **dissent is to be conveyed through webice only** and dissent given manually in dissent letter shall not be accepted. **Employees who have already conveyed their dissent will have the option to review their decision in webice.**

4. Salient features of the proposed Group Leave Encashment Scheme are enclosed as Annexure.


(Amarendra Sahu) 24.2.2011

Deputy General Manager (HR)-Corp. Policy

**FEATURES OF ONGC PROPOSAL TO JOIN GROUP LEAVE ENCASHMENT
SCHEME OF LIFE INSURANCE CORPORATION OF INDIA**

In furtherance to the Notice of even number dated 11-02-2011 regarding ONGC's proposal to join the Group Leave Encashment Scheme of Life Insurance Corporation of India (LIC) by having a Group Leave Encashment Policy issued by LIC, the following features of the proposed arrangement are brought out for information of employees:-

1. **The proposed arrangement is intended to enrich the existing Leave Encashment Scheme of ONGC and not to replace it or to dilute the benefits** admissible to employees under it.
2. At present, employees' right to receive payment of leave encashment is not secured by identified funds parked separately to meet the liability. The liability is met from funds which become available in the business of ONGC from time to time and ONGC's ability to make such payment is, thus, wholly dependant on future business conditions.

Under the proposed arrangement, however, **earmarked funds required to meet the employees' right to receive payment of leave encashment, the quantum whereof will itself be determined by an independent actuarial valuer, shall be available with LIC, a Corporation established by the Life Insurance Corporation Act, 1956 (the Act). As per section 37 of the Act, the payment of sums assured by all Policies issued by LIC is guaranteed by the Government of India.** Hence, under the proposed arrangement, **employees' right to receive payment of leave encashment shall be protected by Sovereign Guarantee, the highest security that can be available in respect of any claim.**

3. **The Life Insurance Cover of Rupees Five Lakh which would be available to employees agreeing to become part of the proposed arrangement would be in addition to all benefits available under existing schemes such as CSSS & PRBS and the premium payable by ONGC for the Group Life Insurance Cover shall not be treated as a perquisite in the employee's hands.**
4. **Under the proposed arrangement, claims for leave encashment would be made by employees in the same manner as at present in WEBICE.** The claims so made by employees shall be forwarded by ONGC to LIC electronically along with the bank account details of the concerned employees so that LIC can expeditiously transfer the amount of leave encashment to the bank accounts of the concerned employees in similar fashion as the present arrangement in ONGC.
5. In order to ensure that the same amount of TDS gets deducted from employees under the proposed arrangement as would have been deducted if such arrangement were not in place, ONGC shall, while forwarding the employees' leave encashment claims to LIC, advise the rate at which tax ought to be deducted by LIC. **TDS Certificates issued**



by LIC would be made available to employees in the same manner as is presently being done for TDS Certificates issued by ONGC and employees would not be required to make any effort for the same.

6. To protect the rights of employees under the proposed arrangement, a Trust comprising of Trustees nominated by ONGC and all recognized employees' unions/association shall be set up. The Trust would oversee to ensure that the arrangement functions smoothly and that payments by LIC to ONGC's employees are made within a reasonable and defined time frame. The Trust would interact with LIC on all related matters.
7. Participation of an employee in the proposed arrangement is totally voluntary and those employees who convey their dissent to the same shall continue to be eligible to receive leave encashment payment from ONGC, as at present. Benefit of life insurance cover will not be extended to these employees.

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