

KARMACHARI SANGHATANA

**File No. B.8(19)/2012-B.I
Date: 24.02.2016
Time: 1500 Hrs**

**MINUTES OF THE CONCILIATION PROCEEDINGS HELD BEFORE SHRI B.B.
BHATNAGAR, CONCILIATION OFFICER & THE DEPUTY CHIEF LABOUR COMMISSIONER
(CENTRAL), MUMBAI IN THE MATTER OF INDUSTRIAL DISPUTE IN RESPECT OF
THE CONTRACT WORKERS DEPLOYED IN WOU, MUMBAI, PANVEL, NHAVA AND URAN
PLANT OVER CHARTER OF 28 POINTS DEMANDS INCLUDING REVISION OF
WAGES AND OTHER SERVICE CONDITIONS:-**

PARTIES PRESENT

As per attendance sheet

ONGC (BOP) Karmachari Sanghatana, Petroleum Employees Union, Transport & Dock Workers Union, ONGC General Kamgar Sanghatana, General Employees Association & Nhava Sheva Port & General Workers Union operating in the establishment of ONGC, Mumbai had raised an industrial dispute against the Management of ONGC as Principal Employer and 57 contractors over charter of 28 points demands including wage revision of contract labours deployed at WOU, Mumbai, Panvel, Nhava and Uran Plant of ONGC except offshore going contract workers.

On receipt of the industrial dispute the matter was seized in conciliation by the then RLC@, Mumbai and conciliation proceedings were held on various dates but no settlement or any tangible result / relief to the contract labourers was seen.

The Unions and contract workmen were agitating for early settlement of the dispute and had approached me several times for the same. Having no alternative, I have called for the file of RLC©, Mumbai and subsequently the matter was intervened by me. I have issued due notices to the parties concerned calling upon them to attend conciliation proceedings on various dates and finally conciliation proceedings were held on 8.10.2015, in which all the parties to the dispute attended.

During the course of conciliation proceedings held on various dates it is observed that the settlement in the dispute is being delayed on one or other pretext, I had advised the Management of ONGC to explore the possibilities of release of at least Interim Relief (IR), as a measure of immediate relief to the agitating contract workers and their unions for early settlement of dispute as the old settlement was already expired. The Management informed that provision for I.R. of Rs.60,000/- has already been extended to all eligible contract workers, deployed in WOU, Mumbai, Panvel, Nhava and Uran Plant, except offshore going contract workers, irrespective of whether they were covered or not under any court case. The benefit of I.R. was subsequently extended to eligible contract workers deployed in material handling contracts operating at Nhava Supply Base. Payment was released by the Contractors to all contract workers who were on the rolls of the contractors as on 1.4.2012 and continuing in service. It was also agreed that this amount is to be adjusted from the arrears of the Fair Wages upon implementation at Mumbai. After protracted discussions with Unions, Management and Contractors the Management was advised to see how best and as early as possible they can come forward for final settlement to avoid unrest amongst the contract labourers.

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The Management in response to above suggestions also constituted a Committee for the purpose of negotiating with the unions concerned at Mumbai and recommending the Fair Wage Policy (FWP) to be adopted in Offshore and Onshore Operations of ONGC in Mumbai including Panvel, Nhava and Uran Plant.

The committee held intensive deliberations with the unions concerned on 6-7 May, 2015 at Mumbai. Broad features of the proposed policy were explained threadbare to the unions. In view of the multiple wage patterns prevailing at Mumbai, the committee proposed to consider separate treatment for the Minimum Wage category and the MoU category. The need for adopting a uniform fair wage policy across all work-centers of ONGC was impressed upon the unions. The unions requested to consider pay revision for the period from 01.01.2008 to 31.03.2012, prior to implementation of FWP from 1.4.2012. After detailed discussions, the unions offered certain suggestions and also sought time for reverting on the committee's proposals.

Thereafter, the committee held three intensive rounds of deliberations with the unions concerned between 8th and 12th June, 2015, at Mumbai. As a result of these negotiations, all the issues were resolved and consensus reached.

The matter was finally discussed during conciliation proceedings held on 08.10.2015 at Mumbai and after long and protracted discussions and persuasion by the DY.CLC(C), Mumbai, parties requested for some time to discuss on certain anomalies as pointed out by the Unions and the Contractors' establishment with the Principal Employer. In the meantime the contract workers at Nhava due to long pending wage revision went on strike and destabilized the work. The normalcy was maintained after the advice of the Conciliation Officer and the conciliation was fixed for today for an amicable settlement. The Principal Employer (ONGC) informed that the discussion with contractor establishment are still in progress and will take some more time.

However, in view of the fact that ONGC is listed as Public Utility Service as provided under Section 2(n) of the Industrial Dispute Act, 1947 and any deterioration of IR situation on the long pending wage revision is a serious matter of concern if the settlement is delayed further. However, under the prevailing situation if any unrest amongst the workers continues, it will adversely affect the industry. The ONGC as a Principal Employer is advised to settle the dispute with the operating unions. After lot of persuasion and proactive discussion with the parties, the Principal Employer and the Unions agreed to settle the disputes as a temporary arrangement till such time settlement under Section 12(3) of the Industrial Dispute Act, 1947 is signed between the unions and the employers, i.e. contractors' establishment in due course.

The broad terms of understanding reached between the parties are as under:

- 1.1 EC in its 415th Meeting held on 28th May 2012 approved roll out of the Fair Wage Policy (FWP) w.e.f 1.4.2012. First phase roll out to be effected in Gujarat and subsequently, in other states, except Mumbai and Uran. ONGC implemented the Fair Wage policy w.e.f. 01.04.2012 at onshore work centres.
- 1.2 Fair Wage Policy finalisation for WOU, Mumbai was deferred because of the prevailing MoU, which provided for higher wages in Mumbai, multiplicity of wage patterns in the MoU and requirement to initially roll out FWP at Onshore areas.
- 1.3 Historically, since 1991, ONGC Mumbai has seen Memorandum of Understanding (MoU) regarding wages and service conditions of contract workers deployed in WOU, Mumbai. The first such MoU was effective from Dec 1991, second was effective from April 1994 and the last MoU,

A series of handwritten signatures and initials are written across the bottom of the page. From left to right, there are several signatures, some with crossed-out lines through them. One signature appears to read 'Rajesh Patel', another 'R. Patel'. There are also initials like 'B', 'F', 'D', 'S', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'T', and 'V'. Some signatures are very faint or heavily crossed out. A large, stylized '2' is positioned near the center-left. To the right of the '2', there is a signature that includes the word 'Murphy' and a date '10/10/15'. Other signatures include 'Rajesh', 'Patel', 'R. Patel', 'B', 'F', 'D', 'S', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'T', and 'V'.

* which was signed in December 2000, was effective for the period 1.1.1998 to 31.12.2007. The contract workers deployed in WOU Mumbai are drawing wages, which can be broadly classified into MoU wages and Minimum wages. MoU wages are further sub-divided into two wage patterns i.e., MoU Consolidated and MoU Pay Scales. As a result, twelve separate wage levels exist as brought out below:-

- a. Minimum Wage Pattern (3): (i) Unskilled (ii) Semi - skilled (iii) Skilled
- b. MoU Consolidated Pattern (3): (i) Unskilled (ii) Semi - skilled (iii) Skilled
- c. MoU Pay Scale Pattern (6): Scales 1 to 6

1.4 The wage difference between minimum wage and MoU wage is very substantial i.e., MoU wages are almost double the minimum wages. Hence, this was a key issue to be addressed as a separate exercise in formulating Fair Wage Policy for Mumbai and Uran. Hazira Plant has already adopted the existing Fair Wage Policy for onshore locations in toto. In March 2013, a taskforce was constituted for examining and suggesting a Fair Wage Policy for Mumbai, Panvel, Nhava and Uran. The complex situation prevailing in Mumbai related to wage patterns and the number of contract labour covered under the erstwhile MoU was required to be collated and analysed. The taskforce submitted its report to ED-Chief ER. Following detailed analysis, the taskforce was advised to review its recommendations and submit an implementable report.

1.5 Meanwhile, EC in its 444th meeting held on 18th& 19th March 2014, approved release of interim relief of Rs.60000/- to be extended by the Contractors to all eligible contract workers deployed in WOU, Mumbai, Panvel, Nhava and Uran Plant, except offshore going contract workers, irrespective of whether they were covered or not under any court case. The benefit of interim relief was subsequently extended to eligible contract workers deployed in material handling contracts operating at Nhava Supply Base. Payment was released by the Contractors to all contract workers who were on the rolls of the Contractors as on 1.4.2012 and continuing in service. This amount is to be adjusted from the arrears of the Fair Wages upon implementation at Mumbai.

1.6 A committee consisting of the following officers was constituted vide Office Order No. 25(5)/2007-IR dated 15th March, 2015 for the purpose of negotiating with the unions concerned at Mumbai and recommending the Fair Wage Policy (FWP) to be adopted in Offshore and Onshore Operations of ONGC in Mumbai, including Uran Plant. The committee functioned under the overall guidance of ED-Chief ER:-

S/Shri

i. R P Dubey	GM(HR) – Incharge HR-ER, RO, Mumbai
ii. M V Babu	GM(F&A)- Incharge Finance, Engg. Services, Mumbai
iii. Amarendra Sahu	GM(HR) - Head ER, Dehradun
iv. Vijay Raj	DGM (HR) – Incharge Corp IR, Dehradun
v. Prerak J Desai	DGM (HR) – Incharge IR, WOU, Mumbai – Convenor

1.7 The committee held intensive deliberations with the unions concerned on 6-7 May, 2015 at Mumbai. Broad features of the proposed policy were explained threadbare to the unions. In view of the multiple wage patterns prevailing at Mumbai, the committee proposed to consider separate treatment for the Minimum Wage category and the MoU category. The need for adopting a uniform fair wage policy across all work-centres of ONGC was impressed upon the unions. The unions requested to consider pay revision for the period from 01.01.2008 to 31.03.2012, prior to implementation of FWP from 1.4.2012. After detailed discussions, the unions offered certain suggestions and also sought time for reverting on the committee proposals.

1.8 Thereafter, the committee held intensive deliberations with the ONGC (BOP) Karmachari Sanghatana, Petroleum Employees Union, Transport & Dock Workers Union, ONGC General Kamgar Sanghatana, General Employees Association & Nhava Sheva Port & General Workers Union between 8th and 12th June, 2015, at Mumbai. As a result of these negotiations, all the issues were resolved and consensus reached. Following is the gist of discussions and points agreed upon by the Committee and all the unions:-

a. Implementation of Fair Wage Policy in Mumbai w.e.f. 1.4.2012 at par with onshore work centres:-

The Unions were demanding introduction of a fresh MoU from 1.1.2008, as the last was valid up to 31.12.2007. After discussions, it was agreed to adopt a uniform policy at all the work-centres of ONGC. Accordingly, Fair Wage policy shall be implemented with effect from 1.4.2012 and will remain valid up to 31.3.2017, in line with the Onshore Assets and Basins.

b. Bunching of 12 wage patterns into 4 wage patterns on the basis of skill sets:-

There existed 12 patterns of wages for the contract workers in WOU, Mumbai, in pursuance of the MoU that was signed in 1992, 1995 and 2000. With a view to adopt a uniform policy vis-à-vis onshore work-centres, it was agreed to bunch the wage patterns from existing 12 categories to 4 categories, based on skill sets viz. Unskilled, Semi-skilled, Skilled and Highly Skilled as per **Annexure-I**.

c. Fair wage formula for the contract workers in Minimum Wage category at par with onshore work centres:-

The unions agreed to accept the standard FWP formula implemented in Onshore areas offering 35% increase over the notified Minimum Wages, plus Rs.50/- per working day.

Wage rates for the Scheduled employment of "Construction & Maintenance of Roads & Buildings etc" applicable for Zone "A" would be the reference minimum wage. Half-yearly revision in D.A/Minimum wages as notified by GoI/State Govt, whichever is higher, from time to time, would be similarly revised by 35% and paid to the entitled workmen. Detailed formula is placed at **Annexure-II**

d. Formula for Fair Wage to be extended to contract workers drawing MoU wages:-

The committee proposed the Fair Wages formula linked with minimum wages for the contract workers drawing MoU wages. The committee proposed three components including Base Wages, Fixed Component and fixed HRA. Base wage shall be arrived at as per the formula of Fair Wage for Minimum Wage category as brought out at para c above. Fixed component shall be the sum total of the following:

(i) Pre-revised (Base Wages + VDA) less reference minimum wages as on 01.04.2012.

(ii) Consolidated Allowance of Rs.1000.00 or Rs.700.00 as applicable

A fixed HRA based on skill levels would be applicable to those workmen drawing MoU wages. While the Base Wages may get revised every six months, due to DA increase/decrease, the Consolidated Allowance and HRA shall remain fixed during the period of settlement

The unions accepted the above formula linked with MW for deriving Fair Wages for the contract labour drawing MoU wages. Detailed formula is placed at **Annexure III**. The calculations shall be done on actual wages drawn as on 01.04.2012.



e. Consolidated allowance:-

The contract workers drawing MoU Consolidated wages were drawing a consolidated allowance of Rs.675/- p.m. The unions were demanding to raise the Consolidated Allowance from Rs.675/- to Rs.2000/- per month. Similarly, the contract workers drawing MoU Pay Scale wages were drawing Port Allowance and Transport Subsidy amounting to Rs.480/- per month. The union operating in Nhava demanded an increase in the said allowances. After deliberations, the unions agreed for revision of the said allowances as follows:-

SI No	Erstwhile Category	Existing Amount	Revised Amount
1	MOU – Consolidated	Rs.675/-	Rs.1000/-
2	MOU – Pay Scale	Rs.480/-	Rs.700/-

Consolidated Allowance shall remain fixed during the entire period of settlement.

f. HRA:-

The unions had demanded for HRA @ 30% of base wages. The committee proposed to merge HRA in fixed Component. The unions requested to retain HRA separately, so as to enable the contract workers to claim tax benefit. After discussions, it was agreed to provide for varied fixed HRA in each of the four erstwhile MOU categories of wages as follows:

SI No.	Category	Fixed HRA
1	Fair Wage - Unskilled	Rs.2500/-
2	Fair Wage – Semi Skilled	Rs.3000/-
3	Fair Wage - Skilled	Rs.3500/-
4	Fair Wage – Highly Skilled	Rs.4000/-

House Rent Allowance shall remain fixed during the entire period of settlement. Amount of HRA shall not be taken into account for calculating EPF contributions, leave encashment and overtime.

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g. Revision of Wages for the period from 1.1.2008 to 31.03.2012:-

During discussions, all the unions demanded revision of wages for the contract workers covered under the last MoU, which was effective from 1.1.1998 to 31.12.2007, prior to implementing Fair Wage Policy w.e.f. 1.4.2012. After prolonged deliberations, the Unions agreed for a lump sum amount equivalent to 20% of the actual gross wages drawn between 1.1.2008 and 31.3.2012. Only those contract workers who were covered under the erstwhile MoU from 01.01.1998 to 31.12.2007 shall be eligible for this benefit. Contract labour covered under the erstwhile MoU, deployed as on 31.12.2007 and separated thereafter, will be eligible for payment of arrears till the date of separation. The said lump-sum amount ranges from Rs.1.10 lakh to Rs.1.20 lakh for those drawing MoU consolidated pattern. This amount for MoU Pay scale pattern workers ranges from Rs.1.10 lakh to Rs.2.20 lakh. The lump-sum arrears benefit shall also be released to the contract workers by and through the existing contractors. ONGC will also defray the cost of statutory employer contribution of PF on these lumpsum arrears of wages in lieu of wage revision. Recovery and deposit of matching employee contribution of PF will be effected by the existing Contractors. Such PF contribution shall be as per the EPF & MP Act, as amended from time to time.

h. Leave with wages:-

The unions had demanded to continue the benefit of 21 days leave with wages, as it was a part of the erstwhile MoU. The committee agreed to maintain the status quo for the contract workers who were drawing wages as per the last MOU. However, the contract workers in the Minimum wage category shall be allowed 18 days of leave with wages only, as per statute.

i. Withdrawal of Court Cases:-

The Unions have been advised and agreed to withdraw all court cases filed against ONGC before CGIT, Labour Court, High Court and Supreme Court as a necessary pre-condition for implementation of Fair Wage policy in Mumbai w.e.f. 1.4.2012. Such withdrawal shall be done with the consent of the individual contract workers. All payments, including lump-sum for the period from 01.01.2008 to 31.03.2012 and arrears from 01.04.2012 onwards, shall be released only after submission of orders issued by the Tribunal/Court as proof of having deleted the name from the ongoing litigation or closure/withdrawal of case.

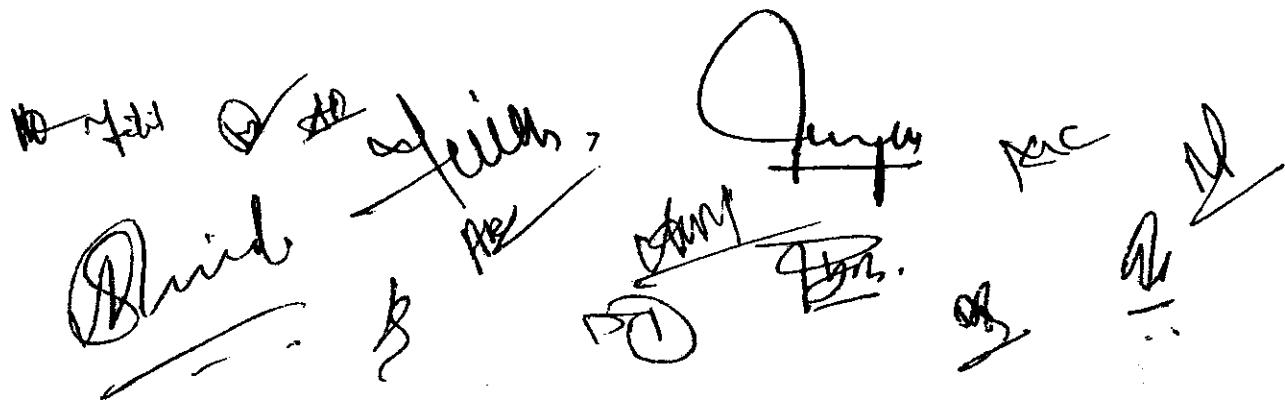
j. Job Security:-

In the spirit of the interim orders of the CGIT, Mumbai/ High Court of Bombay to maintain status quo and not disturb the conditions of engagement of the existing contract labour, the Contractors performing jobs or providing services to ONGC will continue to engage the existing contract labour, till such time as the requirement for the job/service exists in ONGC. As per the existing practice, the list of contract labour will be provided to protect them from discontinuity in employment by their contractor. However, the contractor can terminate the services of the contract workers on the following grounds:-

- a. after attaining the age of superannuation i.e. sixty years,
- b. He is unfit to work and can be removed on health ground after proper medical check-up and after payment of statutory dues
- c. on disciplinary ground after conducting proper enquiry as per procedure/law following the principle of natural justice
- d. he has abandoned the job on his own or remains absent for a long time, disciplinary grounds by following the proper procedure,
- e. There is reduction in the activities of the company/closure of establishment

k. Social Security and Social Welfare Measures:-

- a. EPF contribution @12% - (Employer contribution) on the arrears from 01.04.2012 to 31.08.2014 on a ceiling of Rs.6500/- p.m. and from 01.09.2014 onwards on a ceiling of Rs.15000/- per month, as per statute.
- b. ESI contribution @ 4.75 % for wage limit up to Rs.15000/- p.m in all contracts from the date of roll out of Fair Wage Policy. No contribution on arrears shall be payable as per the Act.
- c. Contractors shall obtain insurance cover for liability under the Employee's Compensation Act, 1923in respect of all contract workers drawing wages beyond Rs.15000/- or are otherwise outside the ESI cover.
- d. Minimum Bonus of 8.33%, as per the wage ceiling for calculation provided under the Payment of Bonus Act, to be extended to the contract workers, even if their wages drawn exceed the ceiling limit of Rs.10,000/- p.m. for coverage under the Act.



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- e. Group Insurance Policy for Rs.5.00 Lakh cover and an additional accidental insurance cover for Rs.5.00 Lakh for accidental death through the GICs, as it is decided and implemented in Onshore areas.
- f. Mediclaim Policy (family floater) for the contract workers who are outside the ESI cover, as may be decided and implemented in Onshore areas.
- g. Group Gratuity insurance cover through LIC to be obtained by the Contractor and transferred to the succeeding Contractor on completion of the contract period. It was also explained that the minimum group size of 10 is prescribed by LIC, as also other insurance companies for coverage under the Group Gratuity Scheme. Subject to the availability of the group size, the Contractor will be required to obtain the policy cover. After discussion, it was also agreed that where the group size is less than 10, the contractor may pay an amount equivalent to the gratuity liability directly to the contract workers on completion of the contract. Proof of payment will be deposited with the Principal Employer.
- h. All the insurance covers will be obtained by the respective Contractors and premium cost shall be defrayed in the contract by ONGC. Administration of the insurance policies shall be diligently ensured by the Contractors through the insurance companies.
- i. The policy cover will be subject to fulfilment of eligibility conditions of the insurance companies, including group size.

I. Other Features

- a. The contractor shall provide requisite items of kits & liveries, including safety items, to the contract workers for execution of the job
- b. The identity card issued by the contractor to the contract workers shall include date of birth. Universal Account Number of the contract worker, wherever available, should also be displayed in identity card.

m. Issue Related to Model Service Agreement:-

ONGC, Mumbai introduced Model Service Agreement (MSA) from 2010-11 onwards for Facility Management Contracts. As a result of misinterpretation and partial

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implementation of the explanation on wage parity, some contract workers who were drawing minimum wages started drawing MoU wages, simply because they were deployed along with contract workers who were covered by status quo orders. This is a complex issue, which has led to intra and inter-contract problems. The Unions have demanded correction of such aberrations before the implementation of the Fair Wage Policy, as otherwise the aberrations are bound to get compounded. Compilation of precise data of all such aberrations has been completed. It is agreed that Fair Wage Policy shall not be implemented in respect of MSA covered contract workers at present and shall be dealt separately

n. Eligible Contract Workers:-

All the existing contract labour deployed as on 31.12.2007, covered under the erstwhile MoU valid up to that date, and still deployed as on 1.4.2012, shall be covered under the new dispensation, including for payment of arrears for the period w.e.f 1.1.2008 till date of implementation.

All contract labour who were deployed as on 31.12.2007, covered under the erstwhile MoU and who separated thereafter, will be covered for payment of benefit by the Contractors as arrears, till the date of separation under the new dispensation.

In case of death of contract labour, the benefits arising out of Fair Wage Policy shall be paid to the nominee/legal heir/dependant, subject to fulfilment of requisite formalities.

All the contract labour deployed as on 1.4.2012 and drawing minimum wages, who are continuing in deployment as on date shall be covered under the FWP.

Payment for the past period for which contracts have since expired shall be released through existing contractor.

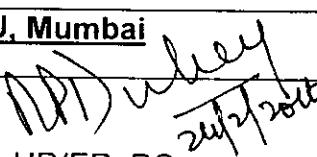
o. Coverage under Fair Wage Policy:-

Fair Wage Policy shall be applicable in following types of contracts:-

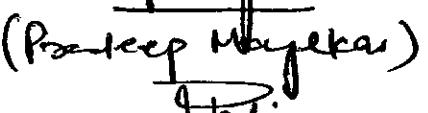
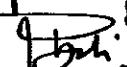
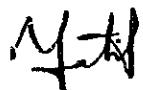
- ✓ Job contracts for housekeeping/environment management/cleaning of office and colony /maintenance of gardens and lawns etc.
- ✓ Contract for providing security /patrolling and surveillance services.



Representing ONGC:

<u>Head Quarters, Dehradun</u>	<u>WOU, Mumbai</u>
Shri Pradeep Sahariya, ED-Chief ER  24/2/16	Shri R P Dubey,  24/2/2016 GM(HR)-Incharge HR/ER, RO
Shri Amarendra Sahu, GM(HR)-Head ER 	Shri Prerak J Desai, DGM(HR) - Incharge, IR  24/2/16
Shri M Ganeshan, DGM(HR)-Corporate IR 	

Representing Unions:

ONGC (BEP) Karmachari Sanghatana  WOU  (Pradeep Majekar)  (Prakash N. Dalvi)	Petroleum Employees Union  (N. A. Khanikar)  (Santosh J. Patil)
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<p>Transport & Dock Workers Union</p> <p>Kishor (Kishor Patel) Venkatesh (Venkatesh Suresh) 24/02/2016 N.K. Churna (N.K. Churna)</p>	<p>General Employees Association</p> <p>Dinesh (D.N. Vidhate) A.S. Dinesh H. Ghosalkar Secretary Ugran A. H. Pawarkar (A.H. PAWARKAR) Secretary</p>
<p>ONGC General Kamgar Sanghatana</p> <p>Parag Kadane (Vice President) Surajit Shinde (Surajit Shinde Vice President General V.G.)</p>	<p>Nhava Sheva Port & General Workers's Union</p> <p>V. Thangamani (V. Thangamani A.O.S. NSP&G.W Union M. H. T. S.)</p>

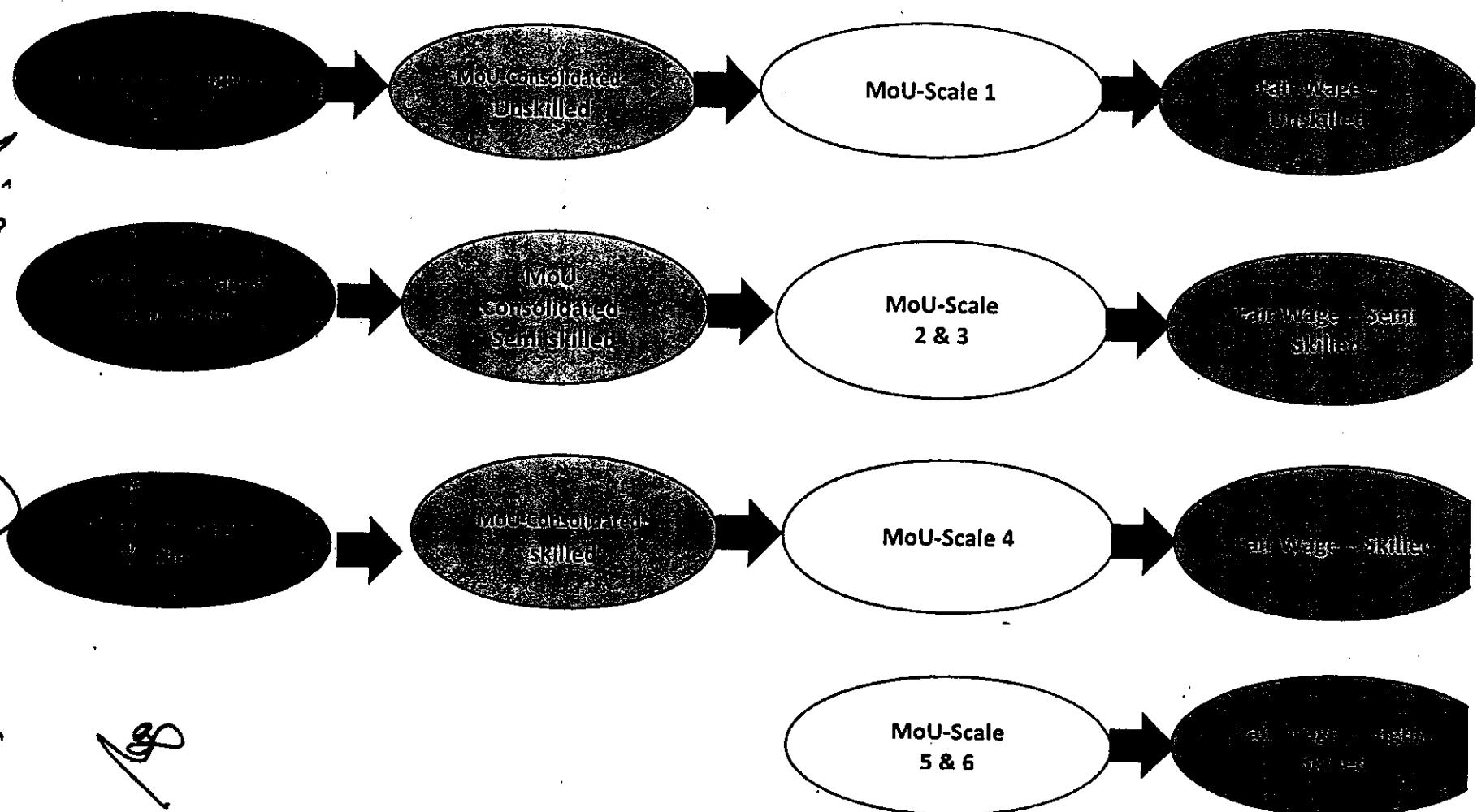
Signed before me on 24th February '16

(B.B. Bhattacharya) 24/2/16

Conciliation Officer
of the Dy. CLCC, Mumbai

Annexure I

Bunching of existing wage patterns



Annexure II

Fair Wage formula for contract workers in minimum wage category at par with onshore work centers

- MW for "Construction & Maintenance of Roads & Buildings" (CMRB)
- MW + 35% of MW + ₹ 50/- per working day (1300 per month).
- Revision in Minimum wages as notified by GoI/State Govt, whichever is higher

Annexure III

Fair Wage formula for MOU Wages

Formula = Base Wage + Fixed Component + HRA		
S No	Wage components	Fair Wage Components
1.	Base wage	Minimum Wages as on 01.04.2012 + 35% of MW + Rs.50 per day
2.	Fixed Component	(Pre-revised MoU Base Wage + VDA) - Minimum Wage + Consolidated Allowance @ Rs.1000 for MoU consolidated wages /@ Rs.700 for MoU Pay Scale wages
3.	HRA	Fixed HRA (@ Rs.2500/ Rs.3000/ Rs.3500/ Rs.4000) as per skill set

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Annexure - IV

1. The Executive Committee, in its 471st meeting held on 22nd and 28th July, 2015 approved the extension of Fair Wage Policy with certain modified terms in the following types of contracts:

- a) Seasonal contracts, and
 - b) Petty contracts/Mud Labour contracts/Intermittent contracts

2. Seasonal contracts: These contracts are generally related to the operations of Geophysical Field Parties, though there are other seasonal jobs also which are specific to the work-centre. The contracts are operated during the specific seasonal requirement. The work is seasonal and there is no continuity of the personnel deployed by the Contractors. In such a situation, since the work extends for a few months, the applicability of the PF, ESI and Bonus Acts are to be ensured.

Therefore, the formula of Applicable Minimum wage + 35 % of min. wage as additional wage + ₹.50/- per working day + statutory EPF (@ 12% of wages, on monthly wage limit currently at ₹.15000/- w.e.f 1.9.2014) + statutory ESI benefit + minimum pro-rata Annual Bonus (@ 8.33% as per the calculation under the Payment of Bonus Act, 1965) + statutory pro-rata Leave with wages @ 18 days per year may be extended in Seasonal Contracts. Insurance for liability under Employee's Compensation Act, 1923 will be mandatory where the ESI Act is not applicable.

3. Petty contracts/Mud Labour contracts/Intermittent contracts: In such types of contracts, the work is generally for a short and limited duration. Further, the contract workers also change from location to location or are disengaged when the awarded work is completed.

In such contracts, the formula of Applicable Minimum wage + 35 % of min wage as additional wage + ₹.50/- per working day + statutory EPF(@ 12% of wages, on monthly wage limit currently at ₹.15000/- w.e.f 1.9.2014) + statutory ESI benefit + minimum prorata Annual Bonus (@ 8.33% as per the calculation under the Payment of Bonus Act, 1965)+ statutory pro-rata Leave with wages @ 18 days per year may be extended for the period of deployment in ONGC operations. Insurance for liability under Employee's Compensation Act, 1923 shall be made mandatory, where the ESI Act is not applicable.

The benefits of job security through succeeding Contractor, Group Insurance and Group Gratuity will not be available in the above types of contracts.

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Implementation of Fair Wage Policy in Logistics Contracts

1. Background

The Executive Committee in its 415th Meeting held on 28th May 2012 approved roll out of the Fair Wage Policy w.e.f 01.04.2012. Logistics contracts were excluded from implementation in the Fair Wage Policy.

The process of implementation of Fair Wage Policy in Logistics contracts was referred for examination to a committee constituted to analyze all types of existing Logistics contracts including hiring of light vehicles, heavy vehicles, specialized equipment mounted on Heavy vehicles and heavy material handling equipment such as Cranes, Fork lifts etc. and to recommend the possibility of implementation of Fair Wage Policy. The Committee submitted its recommendations and an Agenda for consideration of the EC.

September
Executive Committee in its 474th meeting held on 23rd November, 2015 accorded approval to the broad terms and conditions as recommended by the Committee for implementation of Fair Wage Policy in all future /new logistics contracts across all Onshore work-centers, including base operations at WOU, Mumbai.

2. Type of Contracts:

As per approval, Fair Wage Policy will be implemented in the following logistics contracts:

- 2.1 All the regular Logistics contracts for hiring of light vehicles, Heavy vehicles, specialized Equipment mounted on heavy vehicles and heavy material handling equipment, where the vehicle/equipment is/are deployed for exclusive use of ONGC whether on 8 hours/10 hours/12 hours/ 24 hours (both light vehicle and heavy vehicle contracts).
- 2.2 As the contract workers at Nhava Supply Base are covered by the Fair Wage Policy hence the same be implemented in Mumbai, In the Logistics contracts such as, hiring of shift buses, Ambulances and hiring of light vehicles services on N2N basis.
- 2.3 Light Vehicle contracts, wherein a contractor, who is owner-cum-driver, has to fulfil statutory provisions of EPF, ESI, Bonus, etc. to be eligible for drawing the same under the Fair Wage Policy. Otherwise they will be eligible only for the wage component under FWP.
- 2.4 N2N contracts.

A cluster of handwritten signatures and initials in black ink, appearing to be approvals or signatures on a document. The signatures include: "H. S. Patel", "S. P. Jadhav", "R. D. Patil", "S. M. Chaudhary", "D. R. Patil", "J. V. Joshi", "R. C. Patel", "B. R. Patil", and "R. H. Patel". There are also several small, illegible initials and signatures scattered around the main group.

However, Fair Wage is not recommended for implementation in need-and-call basis contracts, Seasonal/intermittent nature of hiring contracts and occasion/Event Basis contracts.

3. Applicable Benefits under Fair Wage Policy:

- 3.1 The Fair Wage benefits include, wage components such as, Minimum Wages + 35% of Minimum Wages as additional wage + ₹ 50/- per working day per worker. Minimum wage rates of "Construction or maintenance of roads or building operations etc." should be taken as base wage for calculating the incremental increase on account of Fair Wage benefits.
- 3.2 Statutory EPF compliance @ 12% on Fair wages, up to monthly wage ceiling limit of ₹.15000/- (w.e.f 01.09.2014) as per EPF & MP Act, 1952 to be ensured by the concerned contractor.
- 3.3 Statutory ESI compliance, on Fair Wages up to monthly wage ceiling limit of ₹.15000/- as per the ESI Act, 1948 at the applicable rates, to be ensured by the concerned Principal Employer.
- 3.4 Group Insurance Policy cover for ₹ 5.00 lakh from LIC. In the absence of Group Insurance policy with double accident benefit, the contractors may be required to obtain separate Group Accident Insurance Cover from any of the General Insurance Companies for benefit of ₹5.00 lakh. This will be in addition to the comprehensive Insurance policy for the vehicle. However, a separate EC Agenda has been submitted for Group Accident Insurance Policy coverage. The approval of EC so accorded in that agenda will be implemented in Logistics contracts to maintain uniformity.
- 3.5 Group Gratuity cover through LIC to be obtained by the Contractor and transferred to the succeeding Contractor, in case of award of contract to a new contractor.
- 3.6 Annual Bonus @ 8.33% in line with the provisions of the Payment of Bonus Act, 1965, irrespective of the monthly wages of the worker.
- 3.7 Annual Leave with Wages @ 18 days per year as per the Mines Act, 1952 / the Factories Act, 1948.
- 3.8 Contractors will be required to make payment of wages to the workers through ECS only.
- 3.9 The component of labour cost as included in the Daily Standard fixed charges/Standby charges (as the case may be) and Extra-time/Overtime charges (wherever applicable) would be considered for working out the additional financial implication arising out of the decision to implement Fair Wage Policy. However, per

KARMAKARI SANGHATANA

Kilometre charges and Night halt charges will not be considered for additional fair wage implications or for revision in contract price.

4. Pre-condition

In all the contracts where the 'Fair Wage Policy' is to be implemented, the existing contract labour who have raised industrial disputes or filed Court cases seeking regularisation in service or revision in wages either individually or as a Group or through unions, shall voluntarily and in their own volition, submit affidavits/applications to the concerned Industrial Tribunal/Labour Court/High Court withdrawing all claims/demands/cases against ONGC. The benefits under the 'Fair Wage Policy' shall be extended only to such contract labour who accept the 'Fair Wage Policy' and voluntarily withdraw all claims against ONGC. Such benefits will also be released by ONGC, through the Contractors, only on receipt of certified orders issued by the concerned CGIT/Labour Court/High Court permitting such withdrawal/closure of pending cases.

In case the concerned contract labour has not raised any dispute/claim against ONGC, then the benefits under the 'Fair Wage Policy' will be released in such cases without the above mentioned pre-condition.

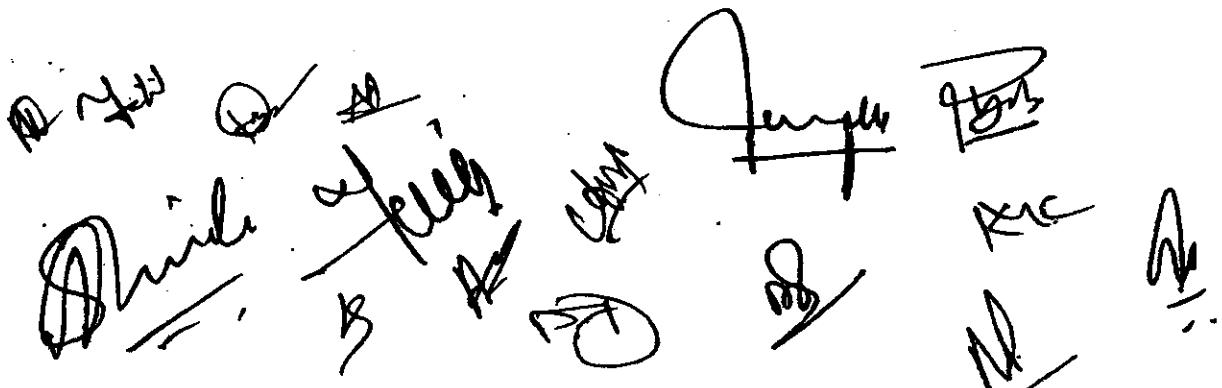
5. Modalities for implementation of Fair Wage:

The modalities for the implementation of the Fair Wage Policy are same as the modalities followed in the existing Fair Wage Policy implementation. However, the aspect of Job Security (as in the existing policy) is excluded from the implementation of Fair Wage Policy in the logistics contracts due to high labour turnover observed in such contracts.

5.1 Modalities for Future Contracts:

In the process of awarding any contract, there are four stages where the terms of 'Fair Wage' may be included in the logistic contract and each stage has been discussed as follows:

- (i) Before publishing of Tender Document: The concerned authority should hold till publishing (wherever possible) and publish it after inclusion of the clause for payment of 'Fair Wage' and related terms to be followed by the contractor.
- (ii) After publishing of Tender Document but before receiving of Bids: In such a scenario, the notice has to be published that the clause of payment of at least Minimum Wage stands modified with terms and rates of 'Fair Wages'. Necessary time limit to modify the bid document may also be provided to the bidders accordingly.
- (iii) After Bids have been received but before opening of price Bids: The opening of bids has to be postponed and bidders have to be informed about the clause of



File No. B.8(19)/2012-B.I

Dated:- 26/02/2016 1500 hrs.

Minutes of the Conciliation proceeding held before the Conciliation Officer of the Dy. Chief Labour Commissioner (Central), Mumbai in the matter of Industrial dispute in respect of the Contract workers deployed in WOU, Mumbai, Nanded, ^{Nhava} and Urban Plant over claims of de point demands including revision of wages and other service conditions:-

Parties Present

As per attendance sheet

MINUTES

No conciliation proceeding held today. Since it has been reported that there is industrial unrest in Nhava for long pending issues of Fair Wage Policy and due to the seriousness of matter and as Memorandum of Settlement under Section 12(3) of the Industrial Dispute, 1947 is not possible and to avoid any future unrest the Management of ONCE are advise to undergo a Memorandum of Understanding with the operative unions.

[Signature]
Mr.
(N. A. Bhambhani)
(Sandesh Bhat)

[Signature]
Mr.
(Anikash Devi)
(Pradeep Mayakar)

[Signature]
Mr.
(V. V. Patil)
(V. Patil)

[Signature]
Rajiv
KISHOR KOTWAL.

Contd - P/2
[Signature]
Date : 26/02/2016

-P12-

The Management of the ONGC has informed that they are in discussions with the contractors' establishments on certain issues and required sometime for resolving the same. The Management in the meantime has prepared terms of understanding and the same is being signed before the Conciliation Officer of the Dy.CEC(C), Mumbai.

The Transport of Dock Workers' Union, Mumbai representation dt. 22/02/2016 submitted during the course of conciliation has agreed to incorporate the points in the MOS. However, it was informed by the ONGC that it was already under discussion and the same has been recorded in the record note dt. 09/02/2016. The Union is advised that the matter will be looked into at the time when proper MOS under Section 12(3) of the I.D. Act, 1947 will be signed for suitable incorporation.

The Unions also raised the issue of incorporating the contractual workers engaged as photocopier operator and despatcher in the Fair Wage Policy. The same has been discussed and it was agreed by the

Mr. Patel

Temple

D. W. W.

John
V. Thangam

Copyd: P/3

Fatah Dalvi (Pradeep Mayetan)

dt 10/02/2016

-P:3-



Management that the same will be done.

The Union has also raised the issue of incorporating names of contract workers working for long time but whose names are not in wage register/ other documents. The Conciliation Officer advised the Union to submit all relevant documents to the concerned Principal Employer for suitable correction, if any, at their end.~~and to~~
~~to~~

Matter adjourned to later date, with the request of the parties and the date of next hearing will be intimated after hearing from the Management and the contractor establishments.

Rep. of the Management

P. J. Desai
24/02/2016
Managerial Staff
General Labour

(P. J. Desai)
24/02/2016

Rajiv
(Cishtor iconal)
O. N. Dhamel
Transport & Security
Crew
Contractor

Chintan
Vishwanath
A.O.S. NSPSB
24/02/2016
Venkateswari ONGC (WOP) Karmakarisa
Secretary ONGC General Karmakarisa

Rep. of the Union

(Pradeep Marjekar)
President

ONGC(WOP) Karmakarisa
ONGC General Karmakarisa Sangathan

Pradeep Marjekar
24/02/2016
Secretary ONGC General Karmakarisa

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Mh
(N A Khanikar)
C.S PEI
N Til
(Sanjay Patil)
Dy.CS PEI

Motiv
(B B Bhattacharya)
Conciliation Officer
of
Dy. CCLC, Mumbai

KARMACHARI SANGHATANA