OIL & NATURAL GAS CORPORATION (W.O.U.) KARMACHARI SANGHATANA

AFFILIATED TO - PETROLIUM & GAS WORKERS' FEDERATION OF INDIA

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Website : www.ksmumbai.com

REF. : ONGC/KS/67/2025 DATE : 01/08/2025

To,
The GGM – Plant Manager,
ONGC-WOU,
Dronagiri Bhavan,
LPG Plant, Uran,
Dist. Raigad – 400 702

a/c

ओ.एन.जी.सी. प्रशा. उरण
ONGC ADMN, URAN
आवक क्र./Inward No. 211
दिनांक/Date 4/8/2025

Subject: Request for Implementation of Revised Fair Wage Policy for Garden Employees.

Respected Sir,
This is in continuation of our earlier letter No. **ONGC/KS/62/2025** dated **11.07.2025**, wherein we requested a reconsideration of the tendering process for Garden Maintenance, with specific reference to the inclusion of the **Fair Wage Policy** for garden workers.

We wish to bring to your kind attention that in the **662nd meeting of the MCoD (EC)** held on **01.07.2025**, the revised Fair Wage Policy was duly reviewed. Pursuant to this, a circular has been issued by the **ED – Chief ER** vide **O.O. No. 01(08)/04-ER/IR/2024 dated 28.07.2025**.

As per the circular, the **benefits of the Fair Wage Policy shall be extended only to those contract labourers who were already receiving these benefits through contractors within ONGC premises up to 28.07.2025**. It is clearly stated that new contract labour deployed after this date will not be eligible for the same.

In light of this, we would like to emphasize that the existing garden employees fall within the category eligible for Fair Wage benefits, having been continuously engaged on ONGC premises prior to the cut-off date. It is therefore earnestly requested that the revised Fair Wage Policy be duly **implemented in the upcoming Garden Maintenance contract**, ensuring that these employees continue to receive their rightful entitlements.

We trust your esteemed office will consider this matter with due seriousness and take necessary steps at the earliest.

Thanking you,
Yours faithfully,

a/c

(Pradeep Mayekar)
General Secretary

Copy to:

1. CGM – Head Engineering Services, ONGC-WOU, Uran Plant,Uran 400 702.
2. CGM (P) – Support Manager, ONGC-WOU, Uran Plant, Uran 400 702.
3. GM (HR) – Head HR/ER, ONGC-WOU, Uran Plant, Uran 400 702.
4. DGM (C) – I/C Civil Section, ONGC-WOU, Uran Plant, Uran 400 702.
5. Manager (HR) – I/C IR, ONGC-WOU, Uran Plant, Uran 400 702.

01(08)/04-ER/IR/2024 Date: 28.07.2025

Subject: Revised Fair Wage Policy

Executive Committee (EC) in its 415th Meeting held on 28th May 2012 approved the roll-out of the Fair Wage Policy effective from 01.04.2012. This policy lays down certain non-negotiable payments and facilities to be provided by contractors to their contract labour in specified contracts.

MCoD (Erstwhile EC) in its 662nd Meeting held on 01.07.2025 reviewed the Fair Wage Policy, taking into consideration the enhancement of Minimum Wages over the years, the present business scenario, and the volatile price regime under which ONGC is operating and has decided that Fair Wage Policy benefits should not be extended in the following conditions:

- To any new contract labour engaged in an existing contract after the date of issue of the present instructions, i.e. from 28.07.2025.
- To new contract labours engaged in any new job being outsourced for the first time by way of a new contract being awarded after 28.07.2025. For already floated tenders with Fair wage component, the issue may be dealt with as a post contract issue.

Besides that, the provisions and benefits extended under the Fair Wage Policy have been modified. The revised policy is as follows:

(a) Benefits of the Fair Wage Policy will be extended only to those contract labourers who were receiving benefits under the Fair Wage Policy through contractors on ONGC premises up to 28.07.2025. Any new contract labour deployed by contractors after this date will not be eligible for Fair Wage Policy benefits.

(b) Benefits under the Fair Wage Policy to be extended by contractors to their contract labour deployed by them include:

(i) **Fair Wage:-** Applicable Minimum Wage + 35% of minimum wage as additional wage + Rs. 50/- per working day per worker. Minimum wage rates for “construction or maintenance of roads or building operations, etc.” shall be taken as the base wage for calculating incremental increases on account of Fair Wage Benefits.

(ii) Statutory EPF compliance on Fair Wage, up to the monthly wage ceiling as per the EPF & MP Act, 1952.

(iii) Statutory ESI compliance on Fair Wages up to the monthly wage ceiling limit as per the ESI Act, 1948, at applicable rates.

(iv) Statutory Annual Bonus @8.33% in line with the provisions of the Payment of Bonus Act, 1965, as per the applicable salary/wages and limit specified in the Act.

(v) Leave with wages as per statutory provisions only.

Rajan

(vi) Group Term Insurance or, if required, Individual Term Insurance Cover of Rs. 7.5 lakhs ensured by the contractor to each contract labour through an IRDAI approved Insurance company.

(vii) Additional Group Accident Insurance of Rs. 7.5 lakhs, or if required, Individual Insurance Cover of Rs. 7.5 lakhs for death due to accident, through an IRDAI approved Insurance company.

(viii) In cases where contract labours are deployed in areas where ESI is not notified/extended or the individual draws wages beyond the monthly wage ceiling under the ESI Act, the contractor shall obtain, at its cost, from any IRDAI approved insurance company, a Group Mediclaim Insurance Cover or, if required, Individual Insurance Cover (Family Floater) of Rs. 5 lakhs for each contract labour engaged for contract execution. The family for which insurance cover (Family Floater) to be obtained shall consist of self, spouse and two dependent children only. The policy will only cover inpatient hospital treatment (IPD) for more than 24 hours.

(ix) Insurance for accident compensation liability under the Employees Compensation Act, 1923, for workers deployed in areas where ESI is not notified/extended or where wages exceed the monthly ESI wage ceiling.

(x) Premiums paid by the contractor to the IRDAI approved Insurance company for the aforementioned policies shall be reimbursed by ONGC to the contractor in addition to contractual payments, based on actuals and upon submission of required documents. Therefore, the cost of these policies need not be factored in during bid submission. All policies shall remain valid for the contract duration. Contractors must submit copies of such policies to ONGC before commencing execution of contract. Any payment from ONGC under the contract will commence only after submission of the required insurance policies. Compliance with the requirement of aforementioned insurance policies is mandatory. Failure or delay by the contractor in obtaining required insurance will be considered a breach of contract, and any resulting liabilities will be the contractor's sole responsibility. ONGC bears no liability for non-performance or failure by the contractor to secure required policy coverage for contract labour exclusively deployed under the contract.

(xi) (a) The contractor shall pay gratuity at the rate admissible under applicable labour laws to eligible workmen upon their superannuation / death/disablement due to accident or disease / separation or on contract completion, whichever is earlier. This payment will be made by the contractor from the Group Gratuity policy obtained for the contract. If there is any deficit between the Group Gratuity policy amount and the legally payable gratuity, the contractor shall cover the deficit. ONGC shall reimburse the contractor for any deficit amount paid. Upon contract completion, the contractor must submit documentary proof of gratuity payment to all eligible workmen. The contractor's Performance Bank Guarantee/Security Deposit will be released only after submission of such proof.

(b) In future contracts, contract labour receiving Fair Wage Policy benefits will have gratuity paid at 15 days' wages per completed year of service in the contract, in line with the Code on Social Security, 2020 and Gratuity will be paid by the contractor on the workman's superannuation / death/disablement due to accident or disease / separation or contract completion, whichever is earlier. Completion of 5 years service is not mandatory for payment of Gratuity. No contract labour shall be deployed or continued beyond the age of superannuation, i.e., 60 years. The contractor shall be fully responsible and liable, at its cost, for gratuity payments to eligible workmen/employees engaged for ONGC contract execution.

Rajan

(xii) The contractor shall not engage, employ, or deploy any workman for ONGC contract execution who has raised any industrial or labour dispute - either personally or through a union - claiming regular employment or higher wages in ONGC. However, ONGC shall provide details of workmen exempted from this provision due to orders or directions from labour authorities, Industrial Tribunals, or courts. The contractor shall issue a letter of appointment to each contract labour before deployment, specifying all service conditions including Fair Wage Policy benefits.

(xiii) Uploading the details of contract labour in the SWMS (Secondary Workforce Management System) Portal is a prerequisite for the extension of benefits under the Fair Wage Policy.

The benefits of the Fair Wage Policy will be extended based on the contract labour details uploaded in the SWMS Portal. Therefore, the contractor must upload the details of the deployed contract labour in ONGC's Secondary Workforce Management System (SWMS) and adhere to other compliances as required by the system. The Principal Employers are responsible for ensuring that these requirements are fulfilled.

(xiv)The contractor shall continue engagement of contract labour covered under job security provisions extended earlier by MCoD (erstwhile EC) in its 415th meeting, subject to their willingness. Not all contract labour fall under job security. The list of contract labour covered under job security is available with the Indenter/Industrial Relations Section (HR Department) of ONGC.

Such engagement may be terminated on the following grounds:

(i) On attaining superannuation age, i.e., 60 years.
(ii) If the individual is unfit to work, removal may be undertaken after proper medical check-up and payment of statutory dues.
(iii) On disciplinary grounds, following proper enquiry in accordance with law and principles of natural justice.
(iv) If the individual has abandoned the job or been absent for a prolonged period.
(v) On reduction of company activities or closure of the establishment.

This instruction comes into immediate effect and shall remain applicable until further orders.

Rajan Asthana 28/07/2025

(Rajan Asthana)
ED-Chief Employee Relations

<u>Distribution</u>:

All Key Executives