ओ.एन.जी.सी. प्रशा. उरण
ONGC ADMN. URAN
आवक क्र./Inward No. 1472
दिनांक/Date 19/8/2026

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/076/2026 DATE : 11/08/2026

To,
The Plant Manager
ONGC, WOU,
Dranagiri Bhavan
LPG Plant, Uran,
Dist. Raigad

O/c

Subject: Complaint Regarding Deduction of Rs.19,000/- from Contract Employees Towards Rs 5.00 Lakh Mediclaim Policy Under the "Fair Wage" Policy

Respected Sir,
This is to bring to your kind attention a serious matter concerning the contract employees deployed at **Trombay Terminal** under the contract awarded to **"M/s Techno Water Management"**, which has been operational since **January 2025.** At present, a total of **21 employees** are deployed by the said contractor.

As per the **Fair Wage Agreement**, medical insurance coverage of **Rs 5,00,000/- (Rupees Five Lakh only)** has been extended to employees covered under the Fair Wage Policy.

In this connection, we draw your attention to **Circular No. 01(08)/04-ER/IR/2024 dated 28/07/2025**. Page No. 2, Para (X) of the said circular specifically provides as follows:

> **"Premium 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."**

The above provision clearly indicates that the premium paid by the contractor towards the prescribed insurance policy is to be **reimbursed by ONGC to the contractor**, subject to the stipulated conditions and submission of the required documents.

Despite the above, it has been brought to our notice that **M/s Techno Water Management** has demanded **Rs 19,000/- (Rupees Nineteen Thousand only)** from each employee towards the **Mediclaim Policy**. It has further been communicated to the employees that in case the said amount is not paid, their **salary may be withheld**.

The contractor has also issued a written communication to the employees in this regard. A copy of the said letter is enclosed herewith for your ready reference and necessary action.

Contd...2

The contract employees concerned are drawing comparatively modest wages, and recovery of an amount as substantial as **Rs 19,000/- from each employee** would impose a severe and unjustified financial burden upon them. More importantly, when the applicable ONGC circular specifically provides for reimbursement of the insurance premium to the contractor, recovery of the same amount from employees requires immediate examination and intervention by ONGC Management.

The Union has taken serious note of this matter. If the contractor is entitled to reimbursement of the insurance premium from ONGC in accordance with the above-mentioned circular, simultaneously recovering the premium amount from the employees would be contrary to the intent and provisions of the Fair Wage agreement and the applicable ONGC circular.

We, therefore, request your esteemed authority to kindly:

1. **Immediately investigate** the demand of **Rs 19,000/-** from each contract employee towards the Mediclaim Policy.
2. Direct **M/s Techno Water Management** not to deduct the said amount from the salary of the employees**,** pending examination of the matter.
3. Ensure that **no employee's salary are withheld** merely for refusing to pay the demanded amount.
4. Take **appropriate administrative action** against the contractor if any violation or misconduct is established after due examination, including such action as may be permissible under the terms and conditions of the contract.

There is considerable concern and unrest among the affected contract employees due to this issue. We, therefore, request ONGC Management to take immediate cognizance of the matter and issue necessary directions to the contractor so that the matter is resolved without further hardship to the employees or avoidable industrial relations complications.

We hope your esteemed authority will take serious note of the matter and communicate the action taken at the earliest.

Thanking you,
Yours faithfully,

O/C

(Pradeep Mayekar)
General Secretary

Enclosures:

1. Copy of the contractor's letter issued to the employees.
2. Copy of relevant portion of ONGC Circular No. **01(08)/04-ER/IR/2024** dated **28/07/2025.**

Copy to:

1. GM – I/c IR, ONGC–WOU, NBP Green Heights, BKC, Bandra (East), Mum-51.
2. GM – HR/ER, ONGC–WOU, LPG Plant, Uran, Dist. Raigad.
3. GM (Prod.) – I/c, Trombay Terminal, Chembur, Mumbai – 400074.
4. Manager – IR, ONGC–WOU, LPG Plant, Uran, Dist. Raigad.

14/8/26

कार्यकारी निदेशक, प्रमुख कार्मिक संबंध
ED-Chief Employee Relations
ओएनजीसी, दीनदयाल ऊर्जा भवन, वसंत कुंज, नई दिल्ली
ONGC, Deendayal Urja Bhavan, Vasant Kunj, New Delhi

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 <u>superannuation / death/disablement due to accident or disease / separation</u> 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 <u>superannuation / death/disablement due to accident or disease / separation</u> 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

Distribution:

All Key Executives

Techno Water Management

Internal Circular

To: **<u>Site Supervisors- Uran and Trombay</u>**

Subject: Confirmation from Employees Regarding Renewal of Group Mediclaim Insurance Policy

Dear Sir,

This is to inform you that the existing **Group Mediclaim Insurance Policy (Family Floater)** for eligible contractual employees is due for renewal.

During the **first policy year**, the total premium paid for the Group Mediclaim Policy was **₹3,24,498.82**. At the time of renewal, the insurance company has issued a renewal quotation of **₹7,09,754.00**, which is significantly higher than the previous year's premium.

As informed by the insurer, the increase in premium is due to the medical claims availed by the insured employees during the policy period. The total claims settled under the policy amounted to **₹4,58,496.00**. Accordingly, the renewal premium has been revised based on the claim experience and the insurer's underwriting policy.

As per our contract, the reimbursable insurance premium is limited to **₹12,000 per eligible contractual employee (exclusive of applicable taxes)**. The revised premium quoted by the insurer exceeds this permissible limit.

In view of the above, every eligible employee is requested to provide their confirmation on the following options:

Option 1 – Continue with the Existing Insurance Company

- If an employee wishes to continue with the existing Group Mediclaim Policy, the employee shall be required to contribute the additional premium amount over and above the reimbursable limit, as applicable.
- The employee's contribution will be collected only after obtaining written consent.

Option 2 – Shift to Another Insurance Company

- Employees may also opt for a new insurance company.
- However, as per the standard rules and legal requirements of the insurance industry, details of the previous insurance policy and claim history must be disclosed to the new insurer. The acceptance of coverage and premium shall be subject to the underwriting policy and terms of the new insurance company.

You are requested to discuss the above options with all eligible employees working under your supervision and obtain their written confirmation at the earliest.

Please submit the duly signed confirmations to the HR/Admin Department at earliest so that further action regarding the renewal of the Group Mediclaim Policy can be initiated.

Your prompt cooperation in this matter is highly appreciated.

Illustrative Premium Calculation

Based on the renewal quotation received from the insurance company, the premium liability has been worked out as under:

Particulars	Amount (₹)
Total Renewal Premium (Including GST & Stamp Duty)	7,09,754.00
Total Renewal Premium (Excluding GST)	6,01,485.00
Number of Eligible Contractual Employees	21
Maximum Reimbursable Premium as per Contract (₹12,000 × 21 Employees)	2,52,000.00
GST @18% on Reimbursable Premium	45,360.00
Total Reimbursable Amount	**2,97,360.00**
Balance Premium Payable	**4,12,394.00**
Approximate Contribution per Employee (₹4,12,394 ÷ 21 Employees)	**₹19,638.00**