

**Memorandum of Understanding (MoU) on
Finalization of various aspect of Wage Revision of Unionized Category Employees w.e.f.
01.01.2017**

Long Term Settlement on wages concerning unionised category employees was signed on 17th – 18th September 2010 before the Conciliation Officer under the provisions of the Industrial Disputes Act, 1947 for a period of 10 years, effective from 01.01.2007.

Department of Public Enterprises, Government of India vide Office Memorandum No. W-02/0015/2016-DPE(WC)-GL-XXIV/17 dated 24.11.2017, conveyed the decision of the Government of India that the Management of CPSE's may undertake wage negotiations with the Trade Unions / Associations, in respect of unionised category employees, for wage revision w.e.f 01.01.2017, keeping in view the affordability and financial sustainability of such wage revision.

Wage revision for unionised category employees became due from 01.01.2017. Accordingly, a Committee for finalization of various aspects of Wage Revision for unionised category employees of ONGC, effective from 01.01.2017 was constituted vide Office Order No.14 (1)/2017-IR dated 08.09.2017. All twelve Recognised Unions under the banner All India ONGC Trade Unions' Co-ordination Committee (AIOTUCC) submitted Charter of Demands on 06.02.2018, and negotiations started with the first meeting on 04.05.2018 at Dehradun. The AIOTUCC, further submitted modified Charter of Demands on 04.11.2018. Thereafter, number of meetings of the Committee on Wage Revision were held on various dates at different locations, and the issues/views were discussed threadbare.

The 9th meeting of the Wage Revision Committee was held on 21.02.2020 at New Delhi. Detailed deliberations took place on 21.02.2020 at DUB, New Delhi which continued on 22.02.2020, and the meeting adjourned with the objective to contemplate on narrowing down the relevant difference in views concerning various aspects of wage revision.

Thereafter, due to COVID-19 pandemic situation and nationwide lockdown imposed by the Government of India from 24.03.2020, consultation on the subject was deferred. In view of the travel restrictions laid down by respective State Governments, the 10th and final meeting of the Wage Revision Committee was convened on 30.07.2020 and continued on 31.07.2020 through Virtual Conferencing.

After detailed deliberations, a Memorandum of Understanding (MoU) with the following terms was agreed on the issues concerning wage revision of unionised category employees:

1. COVERAGE:

- 1.1 All regular unionised category employees who were on the rolls of the Corporation as on 31.12.2016 (Referred to as existing employees) and continued thereafter in the scales of pay from W-I to W-VII, A-I to A-IV, TC and S-I to S-IV.
- 1.2 Those who joined as regular employees in the below mentioned scales of pay on 01.01.2017 or after will be governed by Para 5 of this MoU.

2. SCALES OF PAY:

2.1 The existing pay scales of employees shall be revised as under with effect from 01.01.2017.

Level	Existing Pay Scales (Closed ended)	Revised Pay Scales (Closed ended)
Scale Code-I	₹10,000/- to ₹18,000/-	₹ 24,000/- to ₹ 57,500/-
Scale Code-II	₹10,500/- to ₹21,000/-	₹ 25,000/- to ₹ 67,500/-
Scale Code-III	₹11,000/- to ₹24,000/-	₹ 26,600/- to ₹ 87,000/-
Scale Code-IV	₹12,000/- to ₹27,000/-	₹ 29,000/- to ₹ 98,000/-
Scale Code-V	₹13,500/- to ₹31,000/-	₹ 32,000/- to ₹ 1,02,500/-
Scale Code-VI	₹15,000/- to ₹35,000/-	₹ 35,500/- to ₹ 1,15,500/-
Scale Code-VII	₹16,000/- to ₹36,000/-	₹ 36,500/- to ₹ 1,18,800/-
S-I/W-VII	₹20,000/- to ₹45,000/-	₹ 48,125/- to ₹ 1,54,000/-
S-II	₹24,000/- to ₹48,500/-	₹ 57,750/- to ₹ 1,73,250/-
S-III	₹28,000/- to ₹52,500/-	₹ 67,375/- to ₹ 1,92,500/-
S-IV	₹32,000/- to ₹56,000/-	₹ 77,000/- to ₹ 2,11,750/-

2.2 The above mentioned pay scales are in line with the levels currently defined in R&P policy of ONGC. In case of any future changes as a result of R&P policy review, which necessitates creation of additional level(s), the creation of corresponding pay scale(s) will be decided and incorporated, after discussion with the recognised unions.

3. FITMENT BENEFIT:

3.1 The employees who were on the rolls of the Corporation as on 31.12.2016 and continued thereafter (refer to as existing employees), shall be provided uniform fitment of 15% on the sum of basic pay (including PP-07) as on 31.12.2016 and IDA @ 119.5% as applicable on 01.01.2017.

3.2 The following fitment methodology shall be provided to arrive at the revised basic pay as on 01.01.2017:

A		B		C	$D = \{(A+B) + [(A+B) * 15/100]\}$ (Revised Basic Pay) as on 01.01.2017 *
Basic Pay (BP) + PP-07 (As on 31.12.2016) (Personal Pay /Special Pay, if any, not to be included)	+	Industrial Dearness Allowance (IDA) @ 119.5% as applicable on 01.01.2017	+	Fitment Benefit of 15% on (A+B)	= Aggregate Amount rounded off to next ₹ 10/-

*In case revised basic pay as on 01.01.2017 arrived so is less than the minimum of the revised pay scale; the basic pay will be fixed at the minimum of the revised pay scale. Further, in case,

the revised basic pay as on 01.01.2017 exceeds maximum of the revised pay scale, basic pay shall be fixed at the maximum of the revised pay scale and the balance amount shall be carried forward as PP-17 as frozen amount. This frozen amount shall be counted as basic pay for all purposes except for grant of any increment(s).

4. ANNUAL INCREMENT:

- 4.1 A uniform rate of 3% of Basic Pay will be applicable for both annual increment as well as promotion increment.
- 4.2 The annual increment due as on 01.01.2017 shall be granted on revised basic pay.
- 4.3 If due to grant of annual/promotion increment, the basic pay exceeds the maximum of the scale, the amount of increment shall be so reduced that the basic pay plus increment does not exceed maximum of the relevant scale. At no stage the basic pay shall exceed the maximum of the applicable pay scale.
- 4.4 In case of reaching maximum of the scale, the employee will be allowed to draw stagnation increments, one after every two years (alternate year) up to a maximum of three such increments, provided the employee gets a performance rating of B+ or above.
- 4.5 Pay Fixation on promotion: One increment, equal to the rate of annual increment being drawn by the employee in the pay scale, (i.e. @ 3% of basic pay) before such promotion would be granted, and pay fixed in the promoted pay scale and rounded off to the next multiple of rupees ten.

5. PERSONS APPOINTED ON OR AFTER 01.01.2017:

- 5.1 Persons appointed on or after 01.01.2017 shall be deemed to have been appointed in the minimum of the revised scales of pay. No fitment benefit would be admissible to them.

6. DEARNESS ALLOWANCE:

- 6.1 100% D.A neutralisation will be adopted for all unionised category employees with effect from 01.01.2017. Therefore, D.A as on 01.01.2017 will become zero, linked to All India Consumer Price Index (AICPI) 2001=100, which was 277.33 as on 01.01.2017.
- 6.2 The periodicity of adjustment will be once in three months, as notified by the Govt. of India and as per the existing practice. The quarterly D.A payable w.e.f. 01.01.2017 is given below: -

Quarter beginning	Rate of Dearness Allowance (in % of Basic Pay)
01.01.2017	00.0%
01.04.2017	-01.1 %
01.07.2017	-00.2 %

01.10.2017	02.2 %
01.01.2018	03.4 %
01.04.2018	03.5 %
01.07.2018	03.8 %
01.10.2018	07.3 %
01.01.2019	08.8 %
01.04.2019	10.0 %
01.07.2019	12.4 %
01.10.2019	14.8 %
01.01.2020	17.2 %
01.04.2020	18.7%

7. HOUSE RENT ALLOWANCE (HRA):

7.1 Payment of HRA on revised basic pay shall be at the following rates w.e.f. 26.10.2017.

Cities with Population	Rates of HRA
X-Class (Population of 50 lakhs and above)	24% of basic pay
Y-Class (Population of 5 to 50 lakhs)	16% of basic pay
Z-Class (Population of Less than 5 lakhs)	8% of basic pay

7.2 Classification of cities for payment of HRA shall be followed as notified by the Govt. of India and as may be amended/notified from time to time.

7.3 The rates of HRA will be revised to 27%, 18% and 9% for X, Y and Z class cities respectively, when IDA crosses 25% and further revised to 30%, 20% and 10%, when IDA crosses 50%.

7.4 If an employee is staying in his/her own house, then normally he or she shall be entitled to the HRA. If the said house is taken as lease accommodation for self-occupation purpose, the lease rental ceilings (after adjusting the HRR amount) shall not exceed the net applicable HRA amount. The monetary ceilings with reference to revised pay scales shall be effective from 26.10.2017.

8. CAFETERIA APPROACH ON PERQUISITES AND ALLOWANCES:

8.1 Cafeteria approach shall be adopted for payment of perquisites and allowances admissible to unionized category employees, subject to a ceiling of 35% of Basic Pay. The options are as follows:

Perquisites/ Allowances	Maximum % age of revised Basic Pay (Sum total of all allowances shall not exceed 35%)
LFA Allowance	35
CEA: Tuition fee	35
Hostel Fee	35
Other Allowances such as Club Membership/House upkeep and maintenance allowance/Self-development allowance/Fitness Allowance/Special Personal Allowance etc.	35

- 8.2 All other allowances, unless specified in this MoU shall be discontinued.
- 8.3 As per the existing tax provision(s), 50% of the tax liability on “non-monetary perquisite” on account of Company owned accommodation provided to the unionized category employees shall be within the ceiling of 35% of Basic Pay on perquisites and allowances. For employees staying in self-lease/bachelor accommodation hired by the Company, entire 100% of the tax liability shall be borne by the employee.
- 8.4 Payment for perquisites and allowances in the Cafeteria Approach shall be made w.e.f. 01.01.2017, based on the option exercised by the unionised category employees. However, no options would be asked for the period from 01.01.2017 till date of implementation.
- 8.5 Employees shall be required to compulsorily exercise their option under “Cafeteria approach” only at the beginning of every financial year, 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.
- 8.6 In case of an employee drawing incentive for adoption of small family norms, the amount of incentive being drawn shall be included within the 35% ceiling of cafeteria payment.
- 8.7 Perquisite value for furniture and house hold goods purchase scheme shall be within the 35% ceiling of cafeteria payment.
- 8.8 There shall be no option for availing LFA by grant of Advance. The employees shall claim LFA Allowance on monthly basis only, up to the specified percentage. However, such employees may claim tax exemption for availing LFA at any time during a particular financial year following the prescribed procedure.
- 8.9 In case of any modification in the component elements under ‘Cafeteria Approach’ due to Govt. directives etc., the same shall be implemented.
9. **OTHER PERQUISITES AND ALLOWANCES OUTSIDE THE CAFETERIA ALLOWANCE:**

9.1 The other allowances which are out of the purview of 35% ceiling are as under:

(A) Work based Hardship Duty Allowance:

- (i) Work based Hardship Duty Allowance shall be paid @ 12% of Basic Pay to all the employees posted at offshore locations w.e.f. 26.10.2017.
- (ii) The period of performance of Offshore Duty of employees shall be ascertained as mapped in the system under offshore duty pattern, excluding the leaves availed; and
- (iii) The employees deployed at offshore duty for shorter duration shall also be paid the Work based Hardship Duty Allowance on pro-rata basis for night(s) stay at offshore location.
- (iv) In case the amount drawn under "Work based hardship duty allowance" is less than the existing "Offshore Hard Duty Allowance", the same shall be protected till the amount of "Work based hardship duty allowance" reaches at par with "Offshore Hard Duty Allowance".

(B) Location based Compensatory Allowances:

- (i) For serving in North-East States and Ladakh Region:

	Assam, Meghalaya, Manipur, Nagaland, Tripura, Arunachal Pradesh, Mizoram and Sikkim	10% of Basic Pay
(ii)	For Ladakh Region	10% of Basic Pay

For serving in Island Territories of Andaman and Nicobar (A&N) Islands and Lakshadweep:

Areas around capital towns (Port Blair in A&N islands, Kavaratti and Agatti in Lakshadweep)	10% of Basic pay
Difficult Areas (North and Middle Andaman, South Andaman excluding Port Blair, entire Lakshadweep except Kavaratti, Agatti and Minicoy)	16% of Basic pay
More Difficult Areas (Little Andaman, Nicobar group of islands, Narcondam islands, East islands and Minicoy)	20% of Basic pay

- (iii) Special Allowance: For serving in difficult and far flung areas:

Part A (Areas covered under Annexure –I of Department of expenditure O.M. No. 3/1/2017-E-II(B) dated 19.07.2017)	8% of Basic pay
Part B (Areas covered under Annexure –II of Department of expenditure O.M. No. 3/1/2017-E-II(B) dated 19.07.2017)	6% of Basic Pay
Part C (Areas covered under Annexure –III of Department of expenditure O.M. No. 3/1/2017-E-II(B) dated 19.07.2017)	4% of Basic Pay
Part D (Areas covered under Annexure –IV of Department of expenditure O.M. No. 3/1/2017-E-II(B) dated 19.07.2017)	3% of Basic Pay

In the event of a place falling in more than one category i.e. (i)/(ii) and (iii) mentioned above, in that case only the higher rate of allowance will be admissible.

9.2 **PERFORMANCE RELATED PAY (PRP):** Payment of PRP shall be regulated as per DPE guidelines from FY 2017-18 and onwards.

9.3 **SUPERANNUATION BENEFITS:**

a) Company shall continue to contribute up to 30% of Basic Pay plus DA towards Provident Fund, Gratuity, Post-Retirement Medical Benefits (PRMB) and Pension of employees.

b) The ceiling of gratuity of the unionized category employees stands raised from ₹ 10 lakh to ₹ 20 lakh w.e.f. 01.01.2017 and funding for the entire amount of gratuity would be met from within the ceiling of 30% of Basic Pay plus DA. Besides, the ceiling of gratuity shall increase by 25% whenever IDA rises by 50%.

10. **HOUSE RENT RECOVERY (HRR):**

10.1. The HRR in respect of self-leased accommodation shall be at the following rate, or the actual rent whichever is lower to be effected from 26.10.2017:

Classification of Cities	Rate of HRR
X-Class	7.5% of Basic Pay
Y-Class	5.0% of Basic Pay
Z-Class	2.5% of Basic Pay

10.2. For colony accommodation, the HRR shall be 7.5% of Basic Pay (for X- class cities) 5% of Basic Pay (for Y-class cities) 2.5% of Basic Pay (for Z-Class cities), or as fixed by ONGC, whichever is lower.

10.3. Other terms and conditions for House Rent Allowance and House Rent Recovery shall remain unchanged.

11. **MONETARY CEILING:**

- 11.1 All existing monetary rates/ceilings of pay for eligibility in respect of various welfare facilities/advances/entitlements shall be correspondingly linked to the revised basic pay as per Table below and there shall be no increase in such benefits merely due to revision of scales.

MONETARY CEILINGS

Sl. No.	Welfare Facilities/ Entitlements	Ceilings	
		Existing Basic Pay	Revised Basic Pay
1.	A) Travel by First Class /2 AC Rail	₹ 12,000/- & above	₹ 28,000/- & above
	Travel by 3 AC Rail	Below ₹ 12,000/-	Below ₹ 28,000/-
	B) Payment of Daily Allowance	₹ 17,000 /- & above	₹ 41,000/- & above
	C) Travel by Road as per TA Rules	₹ 16,000/- & above	₹ 40,000/- & above
	D) Travelling Allowance on Transfer/Retirement	₹ 20,000/- & above	₹ 50,000/- & above
2.	Allotment of Accommodation		
	A) 'A' Type Quarter	Up to ₹ 15,999/-	up to ₹ 39,999/-
	B) 'B' Type Quarter	₹ 16,000/- & above	₹ 40,000/- & above

12. PAYMENT / ADJUSTMENT OF ARREARS:

- 12.1. The lump sum Adjustable Advance granted vide Office Order No. (41/2018) dated 22.11.2018 and Office Order No. (23/2019) dated 23.04.2019 shall be adjusted while working out the arrears payable under the MoU. Payment of arrears on account of pay revision shall be subject to usual deduction of CPF contribution, Income Tax etc.
- 12.2. Arrears on account of overtime and Performance Related Pay, if any, shall be payable w.e.f. 01.01.2017.
- 12.3. Employees who have ceased to be in the service of the Corporation on any day on or after 01.01.2017, shall be paid arrears, if any, admissible to them on account of this MoU up to the date they ceased to be the employee of the Corporation, subject to adjustment of Adjustable Advance as mentioned in 12.1 above.

13. PERIOD OF WAGE REVISION:

- 13.1. The wage revision for the unionised category employees will be effective from 01.01.2017 for a period of ten years.
- 13.2. This wage revision effective from 01.01.2017 shall be in full and final settlement, in respect of all demands relating to revision of wages concerning unionised category employees.

14. EFFECTIVE DATE OF IMPLEMENTATION & PAYMENT OF ALLOWANCES:

- 14.1. The revised basic pay, DA, perquisites and allowances under the cafeteria approach shall be effective from 01.01.2017.
- 14.2. All existing allowances not specifically covered under this MoU shall be paid at the existing rate in the pre-revised pay scales up to 25.10.2017 only.
- 14.3. Other perquisites and allowances such as HRA / Self- Lease Accommodation / House Rent Recovery / Work based Hardship Duty Allowance / Location based compensatory allowance shall be effective from 26.10.2017.
15. THIS MOU SIGNED ON 31.07.2020 IS SUBJECT TO APPROVAL OF THE BOARD OF DIRECTORS OF THE CORPORATION AND CONFIRMATION AS PER DPE GUIDELINES. THE MEMORANDUM OF SETTLEMENT UNDER THE PROVISIONS OF INDUSTRIAL DISPUTES ACT, 1947 WILL BE SIGNED BETWEEN MANAGEMENT AND RECOGNISED UNIONS THEREAFTER.

Representing Management (S/Shri)	Representing Unionized category employees of ONGC - General Secretaries of all recognized Unions (S/Shri)
1. (S. K. Wadhvani) ED-Chief, Employee Relations	1. (D. V. Krishnam Raju,) Chief Co-ordinator, All India ONGC Trade Union Co-ordination Committee and General Secretary, Petroleum Employees Union, Rajahmundry
2. (Vijay Raj) GGM (HR)	2. (A. R. Tadvi) General Secretary, ONGC Employees Mazdoor Sabha, Mehsana
3. (A.P. Singh) GGM-Head ER	3. (Pradeep Mayekar) General Secretary, ONGC (WOU) Karmachari Sanghtana, Mumbai
4. (S.K. Tomar) CGM (HR)	4. (R.H. Pathan) General Secretary, ONGC Mazdoor Sangh, Ankleshwar
5. (P.P. Rustagi) CGM (F&A)	5. (Anurag Prakash) General Secretary, ONGC Staff Union, Dehradun

<p>6. (A. M. Kumar) GM (HR)</p> <p>7. (N.C. Baliarsingh) GM (HR)</p> <p>8. (S. K. Mahapatra) GM (HR)</p> <p>9. (A. Suresh) DGM (F&A)</p>	<p>6. (V. Gopinathan) General Secretary, Petroleum Employees Union, Chennai</p> <p>7. (I. Kanagaraj) General Secretary, Petroleum Employees Union, Karaikal</p> <p>8. (Sanjeeb Boruah) General Secretary, ONGC Purbanchal Employee's Association, Sivasagar/Jorhat</p> <p>9. (Ashok Baidya) General Secretary, Trade Union of ONGC Workers, Silchar</p> <p>10. (Shailesh R. Joshi) General Secretary, Petroleum Employees Union, Ahmedabad</p> <p>11. (Pradeep Mitra) General Secretary, ONGC Employee's Association, Kolkata</p> <p>12. (Bir Chandra Debbarma) General Secretary, ONGC Employees' Union, Agartala</p>
--	--