

**MEMORANDUM OF UNDERSTANDING ARRIVED AT BETWEEN THE  
MANAGEMENT OF ONGC AND ASTO ON 01<sup>st</sup> July, 2006  
at 9<sup>th</sup> Floor, Jeevan Bharati, ONGC, NEW DELHI**

The Association of Scientific & Technical Officers vide its letter No. ASTO/CWC/Presi/2005-07/87 dated 28.4.2006 served Notice of Direct Action Programme on a 33-point charter of demands relating to the organization and officers' community, as enlisted at Appendix-II of the Notice. The issues were discussed on 9.5.2006, 23.5.2006, 28.5.2006 and 29.5.2006. The meetings were held in a cordial atmosphere resolving the initial stalemate, appreciating mutual points of views.

1) After threadbare and prolonged discussions on various dates mentioned above, the mutual understanding on all the issues was finally arrived at, as detailed herein :

**1. Review of safety and security of all installations/establishments in view of recent increase of incidents/accidents in the last four years.**

Safety should be the concern of every employee and not of management alone. Management, however, appreciated the genuine concern of ASTO on safety and security issues. It was agreed by both parties that :

- More training on HSE programmes would be organized to cover employees in various Assets/Basins.
- Rate contract for procurement of core safety items of Kits & Liveries from branded/reputed manufacturers are being centralized to expedite timely availability.
- Reporting pattern of HSE executives to be reviewed and the reporting of the HSE executives at different workcentres to Chief, HSE to be considered to ensure strict implementation of safety standards.

**2. Immediate removal of subsidy sharing by ONGC which has been increasing year after year, affecting the bottom line & risk taking ability of the organization.**

ONGC has already taken up this issue with MOP&NG. Sentiments of the ASTO have been noted and shall be conveyed to MOPNG.

**3. Investigation of all high value contracts by CVC/CBI.**

CVC and CBI are independent agencies. Anybody can approach them. However, organizational image should always be kept in mind. If ASTO have some authentic data, they may submit the same.

**4. Fast track program for conversion of PEL acreages to ML.**

The conversion of PEL into ML is in the interest of the organization and all appropriate action will be taken.

**5. Immediate review of PRBS Scheme, CSSS Scheme and status of implementation of EPS 1995.**

**PRBS:** ASTO wanted to know the status of the Mercer report on PRBS. Director(HR) informed that M/s Mercer have completed their studies and would be submitting their report shortly. As soon as the report is received, a presentation would be given to the collectives on PRBS and view of collectives would be considered before a final decision is taken.

**CSSS:** ASTO requested that the amount of CSSS may be doubled. It has been agreed and the amount is to be increased to 20 lakhs from existing 10 lakhs and the contribution also to be enhanced from Rs.260/- p.m. to Rs.530/- p.m. ASTO also requested that the enhanced amount should be paid from retrospective effect from July, 2003 i.e. from date of mandatory review. Management expressed that any insurance/social cover is given from a prospective date i.e. only after individuals contribution and it may not be possible to implement it from retrospective date. However, the date of implementation shall be decided in consultation with CSSS Trust. Meeting of the trust be held by the end of July, 2006. The orders for the same to be issued accordingly.

**EPS :** ASTO wanted to know details of recoveries effected from employees and the amounts deposited with the EPF authorities. It was agreed that a statement of recoveries/contributions will be provided to employees by the Management. The statement will be issued within the next 60 days.

**6. Career growth of Executives and elimination of stagnation by releasing additional number of corporate Promotion specially E4 to E5 for the years 2004 and 2005.**

ASTO expressed its serious concern over the flight of the core competence of ONGC and the need to arrest the brain drain and save ONGC. ASTO demanded that atleast 100 numbers of promotion from E4 to E5 be released w.e.f. 1.1.2005. Director(HR) clarified that Corporate Promotion is an annual exercise. The views of ASTO for release of additional 100 promotions w.e.f. 01/01/2005 have been noted and would be put up to EC for considerations. All efforts shall be made to complete the promotion process so that promotions are effected in the same year. Attempts would be made to complete for corporate promotions w.e.f. 01/10/2006 by October, 2006.

**7. Immediate judicious settlement of all pending D&A cases as per CVC guidelines**

ASTO pointed out that number of cases are pending settlement and the officers concerned are being harassed. Management informed that the present cases are on the track.. Guidelines are being followed. At times, the delays are due to non-cooperation of charged officers. Cases that are pending shall be followed up and settled within the time frame specified in the guidelines.

**8. Payment of profit sharing to the tune of full 5% of distributable profits for all the fiscal years 1997-98, 1998-99, 1999-00, 2004-05 & 2005-06.**

After discussion it was mutually agreed by both sides to pay :

- a) 5% & 10% of the maximum of the scale for the years 1998-99 and 1999-2000 respectively.
- b) 28% for the year 2004-05 (10% already paid) additional incentive.

ASTO, however pointed out that full 5% has not been disbursed.

Relevant orders have been issued.

It was demanded by ASTO to make 20% adhoc payment for the year 2005-06 before September, 2006. Management informed that interim additional incentive based on profit is generally paid before festival.

9. **Immediate review of R&P Policy and expediting pending predating promotions.**  
&  
10. **Review of job rotation and transfer policy and placement.**

To be deliberated by the committees set up for the purpose.

Committee on Transfer Policy to deliberate and wherever there is need for modifications, it will be put up to the competent authority.

ASTO brought out that as per MRPR 80 predating of promotions upto E4 has to be carried out upto and including the year 2003. Director(HR) informed that we should come out to an agreed year so that there is parity and for which the period upto 2001 need to be covered as the promotions have been done in some disciplines upto 2001. However, the demand of ASTO for predating of promotion upto E-4 level till the year 2003 is under consideration.

Issues relating to moderation of PAR were also raised. It was pointed out that there are prescribed narrow limits within which moderation can be done. The cases beyond the limits, if any, shall be reviewed.

11. **Additional monetary benefits in case of second posting in ER.**

To be discussed at an early date alongwith the NE related benefits for a holistic approach.

12. **Immediate withdrawal of Office Order No.19/2006 dated 7<sup>th</sup> April, 2006 and restoration of benefits to all affected units retrospectively.**

Management agreed to review the orders and modified Orders have been issued.

13. **Immediate stoppage of direct recruitment/deputation from outside at E2 and above level (as per Central Government Guidelines).**

Such appointments are only by exception based on the specific need of the organization and not as a general process. This has negligible impact. However, ASTO brought out that such inductions have to be as per the laid down policies and guidelines. Further, ASTO opined that such practice needs to be minimized.

14. **Removal of anomaly in pay scales of E2 to E5**

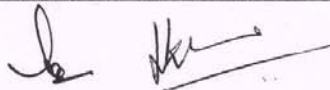
To be re-submitted in next Board Meeting and pursued by Dir.(HR) in a positive frame.

15. **Effective utilization of internal resources and manpower instead of hiring manpower through indirect routes like O&M contracts in all operational areas.**

Detailed discussions to be held (**within two months**) with Chief, Drilling Services and Chief, MM alongwith data.

16. **Implementation of MOU signed in 1991 related to North East and issue of standing order for special NE facilities including QTF.**

To be discussed with NE related issues. Till such time the existing facilities will continue.



**17. Recruitment of working level manpower.**

Recruitment is already under process and to be resorted sector-wise in a phased manner.

**18. Introduction of On/Off pattern for all onshore operational areas.**

**&**

**19. Two way air fare for all operational areas and introduction of Onshore Duty Leave for 14 days On/Off for all Work Centres.**

ASTO requested for introduction of 14 days on/off duty pattern in all onshore operational areas.. Further, ASTO requested for two way Air fare (on check-fare) for on/off shift pattern employees in all onshore areas including geophysical field parties. However, it was informed that the issue will be discussed in detail during discussions on North East issues.

As regards Onshore duty leave, the same was agreed from January, 2006 on the lines of Offshore Duty Leave.

**20. CMRE to E0 Officers to be upgraded at par with E1 and above.**

Parity was not agreed to. However, the amount of CMRE for E0 level to be enhanced appropriately to minimize the gap.

**21. Introduction of desert allowance at Rajasthan Forward base.**

To be examined in line with the Govt. guidelines on the subject.

**22. Enhancing the CL to 20 days for employees from NE posted outside.**

To be discussed with NE related issues.

**23. Enhancement of HRA for Rajahmundry Asset and KG Basin to 22.5%.**

Rates of HRA to be reviewed in totality for all workcentres vis-à-vis the Govt. guidelines on the subject **within a period of 45 days.**

**24. Q3 and below Q3 Executives should not be transferred.**

Executives are to be considered under Transfer & Job Rotation Policy. However, transfer of Q3 executives to be considered cautiously, on case to case basis. Intra regional transfers to be effected.

**25. Golden Jubilee Memorabilia – 100 ONGC shares to each employee.**

The proposal to be given by ASTO for issue of RBI bonds to be considered. ASTO to give details within 3 days. Other options also to be worked out for putting up to the EC/Board.

**26. Retirement package at par with the industry.**

ASTO to submit proposal.



**27. Improvement in working conditions at operational areas and offices.**

To be taken up in Virtual Board Meetings by ASTO and also with Incharge HR/ER. Dir.(HR) to write to Key Executives for improvement in working conditions in operational areas, residential colonies and office complexes. Same standard to be adopted for residential colonies at all workcentres.

- 28. Periodicity of Pay Revision to be reduced to 5 years w.e.f. 01.01.2002.**  
**29. DA neutralization w.e.f. 01.01.1996 instead of 01.01.1997.**  
**30. Competitive pay package for Oil Sector PSE Executives in line with private sector and MNCs. Delinking from DPE guidelines for the Pay Revision**  
**31. Removal of stagnation and assured increment for all officers.**  
**32. Merger of 50% DA with basic pay.**

Sine these points are concerning to MOP&NG & DPE, the Management has no power / authority to give any assurance to the ASTO for redressal on the same w.r.t. these issues. However, Management shall pursue with the appropriate authorities of the Government for favorable settlement of all these issues.

**33. Review of Incentive scheme.**

Committee to review. Suggestions to be given by ASTO.

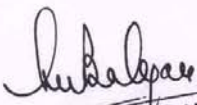
II) In spite of the above mutual understanding, ASTO informed the management vide its letter dated 30.5.2006, that it would resort to indefinite strike w.e.f. 31.5.2006. ASTO, however, was persuaded not to do so, informing that both ONGC and MOP&NG would further pursue the matter with DPE for resolution of the above issues, to the extent possible.

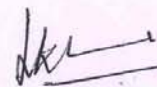
III) In view of long pending grievances and demands of the members of ASTO. The ASTO had given a call for strike w.e.f. 31/05/2006. The Management had filed a suit No. 1215/2006, seeking injunction in the Hon'ble Delhi High Court against the call of strike by the ASTO.

The said suit was listed before the Hon'ble Delhi High Court on 30/05/2006, where the learned Additional Solicitor General appearing on behalf of Management as well as MOP&NG was gracious enough to give assurance to the Hon'ble Court – that the demands of ASTO would be actively considered and take up the issues with the concerned ministry and shall take firm instructions on this aspect of matter and place the same before the court on the next date of hearing.

In view of the said assurance (Govt. issues, yet to be resolved), ASTO deferred the strike i.e. till the next date of hearing.

IV. Management and ASTO reiterate their faith & confidence in resolving the issues through mutual discussions, appreciating mutual view points to maintain harmonious industrial relations for furtherance of organizational interest and accordingly, this understanding is signed hereunder :

  
DR. A.K. BALYAN 01/07/06  
DIRECTOR(HR)

  
1.7.06  
L.K. MIRCHANDANI  
PRESIDENT, ASTO-CWC