

SEVENTEENTH REPORT
COMMITTEE ON PETITIONS
(SIXTEENTH LOK SABHA)

MINISTRY OF PETROLEUM & NATURAL GAS

(Presented to Lok Sabha on)



LOK SABHA SECRETARIAT
NEW DELHI

..... August, 2016/Shravana, 1938 (Saka)

CPB. NO. 1 Vol. XVII

Price: Rs.....

(c) 2016 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixteenth Edition) and printed by the Manager, Government of India press, Minto Road, New Delhi

CONTENTS

	Pages
Composition of the Committee on Petitions: (iii)	
INTRODUCTION..... (v)	

REPORT

Representation received from Shri P. N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association regarding violation of Department of Public Enterprises Guidelines by the Bharat Petroleum Corporation Limited.

ANNEXURES

- i) Minutes of the 21st sitting of the Committee held on 28.01.2016
- ii) Minutes of the 26th sitting of the Committee held on 4.8.2016

**COMPOSITION OF THE COMMITTEE ON PETITIONS
(2015-2016)**

Shri Bhagat Singh Koshyari -Chairperson

MEMBERS

2. Shri Suresh C. Angadi
3. Shri Om Birla
4. Shri Jitendra Chaudhury
5. Shri Ram Tahal Choudhary
6. Shri Rajen Gohain*
7. Dr. K. Gopal
8. Shri Chhedi Paswan
9. Shri Kamlesh Paswan
10. Smt. Krishna Raj**
11. Shri Arjun Charan Sethi
12. Shri Kodikunnil Suresh
13. Shri Dinesh Trivedi
14. Shri Rajan Vichare
15. Shri Dharmendra Yadav

SECRETARIAT

- | | | |
|----------------------------|---|----------------------|
| 1. Shri K. Vijayakrishnan | - | Additional Secretary |
| 2. Shri Shiv Kumar | - | Joint Secretary |
| 3. Shri A.K. Srivastava | - | Director |
| 4. Shri Raju Srivastava | - | Additional Director |
| 5. Shri Anand Kumar Hansda | - | Executive Assistant |

*Shri Rajen Gohain ceased to be Member of the Committee *w.e.f.* 5th July, 2016 on his appointment as Minister of State, Government of India.

**Smt. Krishna Raj ceased to be Member of the Committee *w.e.f.* 5th July, 2016 on her appointment as Minister of State, Government of India.

(iii)

SEVENTEENTH REPORT OF THE COMMITTEE ON PETITIONS

(SIXTEENTH LOK SABHA)

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Seventeenth Report (Sixteenth Lok Sabha) of the Committee to the House on the representation received from Shri P. N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association regarding violation of Department of Public Enterprises Guidelines by the Bharat Petroleum Corporation Limited.

2. The Committee considered and adopted the draft Seventeenth Report at their sitting held on 4 August, 2016.

3. The observations / recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

**August, 2016
Shravana, 1938 (Saka)**

**BHAGAT SINGH KOSHYARI
Chairperson,
Committee on Petitions**

REPORT

REPRESENTATION FROM SHRI P. N. SURENDRAN NAIR, GENERAL SECRETARY, COCHIN REFINERIES EMPLOYEES' ASSOCIATION REGARDING VIOLATION OF DEPARTMENT OF PUBLIC ENTERPRISES GUIDELINES BY THE BHARAT PETROLEUM CORPORATION LIMITED.

Shri P.N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association (CREA), had given a representation dated 22.4.2015 regarding violation of Department of Public Enterprises guidelines by the Bharat Petroleum Corporation Limited.

2. The Petitioner, in his representation, *inter alia*, stated that after the merger of Kochi Refinery (KR) with the Bharat Petroleum Corporation Limited (BPCL), the management of BPCL has been neglecting the concerns of the KR workmen. The Petitioner further stated that while most of the benefits of the workmen have been withdrawn, the officers are enjoying all the benefits. Furthermore, he contended that the management is not following the guidelines of the Department of Public Enterprises (DPE) with respect to the health and other benefits of the workmen. The Petitioner had, therefore, requested the Committee to intervene in the matter and give necessary directions to the Ministry of Petroleum & Natural Gas for an early redressal of their grievances.

3. The Committee took up the matter under Direction 95 of the Directions by the Speaker, Lok Sabha, and the representation was forwarded to the Ministry of Petroleum & Natural Gas for furnishing their comments on the issues raised in the representation.

4. In response, the Bharat Petroleum Corporation Limited, *vide* their communication dated 17.8.2015, addressed to the Ministry of Petroleum & Natural Gas, *inter alia*, furnished the following comments:-

"There is no merit in the allegations of Shri P.N. Surendran Nair, General Secretary, CREA that there has been violation of DPE guidelines in signing of the settlement in any of domain of Bharat Petroleum Corporation Ltd., be it in Marketing, Mumbai Refinery and Kochi Refinery. The settlements are in absolute adherence to the principles enunciated by the DPE on wage negotiation and uphold the "Right to Collective Bargaining" of the workmen.

Being a Public Sector Undertaking under the Government of India, the compensation structure applicable to the Management staff and the Workmen cadre are covered under different norms as specified by the Department of Public Enterprises (DPE). The pay and allowances of Management staff working in the Central Public Sector Enterprises (CPSEs) are governed by the DPE guidelines on the matter, while, in case of Workmen, DPE left it open to each of the Public Sector Undertakings to arrive at pay scales based on their paying capacity. Thus for Workmen, wages and other matters are determined by way of Collective Bargaining process culminating into a Long Term Settlement (LTS) valid for a period as agreed upon by the Management and the Unions representing the Workmen.

The first two DPE guidelines mentioned in the representation of the Cochin Refineries Employees' Association (CREA), i.e., O.M. No. 2(70)/08-DPE (WC)-GL-XVII/08 dated 26

November, 2008 and O.M. No. 2(70)/08-DPE (WC)-GL-VII/09 dated 2 April, 2009 are pertaining to the pay revision of Board level and below Board level Executives and non-unionized Supervisors in CPSEs. As far as the third guideline, i.e., O.M. No. 2(10)/2013-DPE(WC)-GLXIII/13 dated 30 April, 2013 is concerned, the same is a clarification issued by the DPE to establish understanding of profitability of a CPSE in totality and not in terms of separate unit-wise performance. This guideline also clearly mentions that the Management and Workmen pay revision are guided by different DPE guidelines and states that O.M. dated 9 November, 2006 and 1 May, 2008 deal with wage revision of Workmen. In case of Management staff across the BPCL, salary structure, various perks and allowances are uniform as per the DPE guidelines, irrespective of the domains, viz., Marketing, Mumbai Refinery and Kochi Refinery.

The wage negotiations for Workmen in Marketing, Kochi Refinery and Mumbai Refinery in the BPCL are three independent processes and are thus separately held with the Unions qualifying to take part in each of these independent negotiations. In other downstream Oil Companies as well, there are different settlements guiding Refinery and Marketing Divisions. The latest Memorandum of Settlement (MoS) on wages and other matters for unionized category of employees in Marketing domain of the BPCL was signed before the Chief Labour Commissioner (Central) at Mumbai on 9th January, 2014 and in Refineries before their respective Regional Labour Commissioners (Central) at Mumbai and Kochi in May 2013, under Section 12(3) read with Section 18(3) of the Industrial Disputes Act, 1947. Apart from significant wage rise and substantial increase in the financial benefits accrued to the Workmen in these three LTS domains, other key highlights of the LTSs are consistency with region-cum-Industry principles, closed-ended pay scale structures all over the Corporation with financial package on a Cost-to-Company basis, productivity improvement measures for greater output and operational continuity, etc.

Shri P.N. Surendran Nair was a signatory to the LTS in Kochi Refinery and is a beneficiary of wage revision and has also received all arrears payable under various heads including Cafeteria benefits. It is pertinent to mention here that LTS in Kochi Refinery domain was signed on 30 May, 2013, and by that time these guidelines were already in force which reveals that Shri P.N. Surendran Nair was well aware of the purpose of these guidelines and their applicability. Shri P.N. Surendran Nair was also aware of the overall framework of LTS in other domains of the BPCL as by that time, Memorandum of Agreement on wages and other matters was already signed in Mumbai Refinery. Before signing the LTS in any domain, the Unions representing the Workmen were clearly explained about the contents as well as the implementation aspects.

As far as Cafeteria Scheme for the Management Staff is concerned, the same is as per the DPE guidelines dated 26 November, 2008 and 2 April, 2009. For Workmen, through the latest LTSs, all perks and allowances/benefits have been monetized and accounted under the ceiling of 50% of Basic Pay of a workman in line with practice adopted by downstream Oil Companies.

The demand of the CREA for the rounding off Rs.10 during wage fixation is not applicable to the workmen in Kochi Refinery. As a matter of fact, the principle of rounding off of basic pay to the next Rs. 10 was extended to the Management cadre of CPSEs by the DPE.

As far as allegations on non-implementation of child-care leave and maternity leave of 180 days is concerned, the rules framed under DOPT guidelines for Central Government employees do not ipso-facto apply to CPSEs employees. As per DPE O.M. No. 6(1)2014-DPE (GM) dated 18th June, 2014, which was also referred in the representation submitted by CREA, it is clarified that, the CPSEs can formulate their own H.R. rules with the approval of their respective Boards and in the interest of ensuring the welfare of women employees, these HR rules must, incorporate all statutory provisions.

The Maternity leave for female employees has been revised to 180 days w.e.f., 6.07.2015. The policies of the Corporation are in absolute adherence to the principles enunciated by the above-mentioned guidelines.

As far as the aspects of non-implementation of Post Retirement Medical Benefit Scheme (PRMBS) and National Pension Scheme (NPS) are concerned, Shri P.N. Surendran Nair is fully aware that the New Pension Scheme (NPS) could not be implemented in Kochi Refinery due to the adamant stand taken by employee representatives in the Cochin Refineries' Employees Superannuation Benefit Fund (CRESBF) Trust. Also, it would be wrong to say that Post Retirement Medical Benefit Scheme (PRMBS) is not implemented in Kochi Refinery. As a matter of fact, in Kochi Refinery, retired employees are covered by the existing PRMBS scheme and request has been received to revise the same, which is being assessed and reviewed."

5. On being enquired by the Committee about the implementation of the proposal of merger of Kochi Refineries Ltd., with the Bharat Petroleum Corporation Ltd (BPCL), the Ministry, in a written reply, submitted:-

"Kochi Refineries Limited became a subsidiary of Bharat Petroleum Corporation Limited on 26.03.2001 and was amalgamated with Bharat Petroleum Corporation Limited on 21.08.2006."

6. On a specific query by the Committee about the implementation of the principles enunciated by the Department of Public Enterprises on wage negotiations, the Ministry of Petroleum and Natural Gas, in a written reply, stated that in terms of the DPE O.M. No. 2(7)/2006-DPE(WC)-GL-XIV dated 9 November, 2006, it has been clearly mentioned that the wage negotiation and its finalization would be subject to certain conditions, some of which, are summarised as under:-

(i) The Managements of the CPSEs would be free to negotiate the wage structure for the unionised workmen keeping in view and consistent with the generation of the resources/ profits by the concerned enterprises.

(ii) No budgetary support for the wage increase shall be provided by the Government under any circumstances. The resources for meeting the increased obligation for implementation of wage revision must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention.

(iii) The CPSEs may implement the negotiated wages after confirming to their administrative Ministry and the Department of Public Enterprises that the revisions are within these approved parameters, and that it has been ensured that such negotiated wages

would not come in conflict with the pay revision of officers and non-unionized supervisors of the respective CPSEs.

7. The Committee then specifically wanted to seek a clarification showing that the pay and allowances of Management cadre in the Central Public Sector Enterprises (CPSEs) are governed by DPE Guidelines, whereas, in the case of Workmen, it is open to each of the Public Sector Undertakings to arrive at the pay scales based on their paying capacity. The Ministry of Petroleum & Natural Gas, in a written reply, submitted that the DPE Guidelines on Executive Pay revision clearly state that the same are for Board level, below Board level Executives and Non-Unionised Supervisors in the Central Public Sector Enterprises. As far as revision of pay of Workmen is concerned, the DPE O.M. No. 2(7)/2006-DPE(WC)-GL-XIV dated 9 November, 2006, *inter alia*, mentions that it is in the domain of the CPSEs to negotiate the wage structure for the Workmen *vide* the Guidelines issued to that effect.

8. On being asked by the Committee about the outcome of the first Long Term Settlement (LTS) by way of Collective Bargaining Process for determining the wages and other matters after the merger of Kochi Refineries Ltd., with the BPCL, the Ministry of Petroleum & Natural Gas, in a written reply, submitted:-

"Kochi Refineries Limited, which was an independent Company became a subsidiary of the Bharat Petroleum Corporation Limited on 26.03.2001 and was amalgamated with the Bharat Petroleum Corporation Limited on 21.08.2006 and is now known as the Bharat Petroleum Corporation Limited – Kochi Refinery.

The Long Term Settlement (valid for a duration of 10 years) dated 28.08.2002 between the Management and Unions of the erstwhile Kochi Refineries Ltd., (KRL) effective from 1.08.1998 expired on 31.07.2008. The three Unions of the BPCL-Kochi Refinery thereupon placed their individual charter of demands on various dates, i.e., 06.03.2009 (CRWA), 17.03.2009 (REU-KRL) and 05.06.2009 (CREA), respectively, before the management of the BPCL-Kochi Refinery for revision of pay scales, fitment and other benefits effective from 1.08.2008.

The Management, on its part, placed before the Unions certain organizational expectations to improve the productivity and to rationalize work-related practices, processes, commensurate with the expected deployable skills in the work place along with optimization of manpower in the context of the current and future business scenario in the petroleum sector and in the Corporation.

Several rounds of discussions took place between the Management and the Unions on various issues during the meetings held between 20.05.2009 to 16.05.2013. After protracted discussions, the parties arrived at a Settlement under Section 12 (3) read with Section 18 (3) of the Industrial Disputes Act, 1947 on 30.05.2013. Shri P.N. Surendran Nair's Union representing CREA was a party to the said Long Term Settlement and Shri P.N. Surendran Nair himself was a signatory to the said Settlement. After the said Long Term Settlement, the pay scales with respect to the basic pay of the Workmen of the BPCL - Kochi Refinery were as follows:-

Grade	Minimum & Maximum of the pre-revised scales (valid for 01.08.1998 to 31.07.2008)	Minimum & Maximum of the revised scales (valid for 01.08.2008 to 31.07.2018)
1	3850 – 9000	11500 – 20000
2	4150 – 9300	12500 – 22000
3	4500 – 10000	13000 – 24000
4	4800 – 11300	13500 – 31000
5	5300 – 13300	14000 – 36000
6	5600 – 14500	15000 – 43000
7	5900 – 17000	16000 – 49000

Apart from revision in Basic Pay, the wage structure of the Workmen of the BPCL-Kochi Refinery, also included Dearness Allowance, HRA, certain work related compensations, Cafeteria Allowances and Retirement Benefits. The Workmen of BPCL are also entitled to Productivity Incentives payments over and above the salary and wage components mentioned above.

Pay Revision for Management Staff

The Pay Revision of Management Staff is governed by DPE guidelines. The pay scales of all the BPCL Management cadre, including Kochi Refinery (post merger), valid from 1.01.2007 to 31.12.2016 are as following:-

JOB GROUP	Minimum & Maximum of the pay scales (valid for 1.01.2007 to 31.12.2016)
A	24900 – 50500
B	29100 – 54500
C	32900 – 58000
D	36600 – 62000
E	43200 – 66000
F	51300 – 73000
G	51300 – 73000
H	51300 – 73000
I	62000 – 80000

Apart from revision in Basic Pay, the wage structure also included Dearness Allowance, House Rent Allowance, certain work related compensations, Cafeteria Allowances, Retirement Benefits and Performance Related Pay."

9. The Committee further desired to know as to whether the wage structure of the Workmen in all the subsidiaries of the Bharat Petroleum Corporation Limited, viz., Marketing, Kochi Refinery and

Mumbai Refinery are similar; in response, the Ministry of Petroleum & Natural Gas, in a written reply, submitted:-

"The principles governing the wage structure of Workmen in Marketing, Mumbai Refinery and Kochi Refinery are same. However, the number of grades, pay-scales, certain work related compensations etc., may vary due to historical, operating and local practices. Although, the threshold of the pay scale for basic pay in the case of Mumbai Refinery and Marketing Workmen is only Rs. 8500/9000 in Grade 1 and Rs.15000 in the highest grade in both the domains, the Workmen of Kochi Refinery enjoy a much higher threshold of Rs.11,500 in Grade 1 and Rs.16,000/- in the highest grade. Thus, an entry level Workman is better placed on monetary terms in Kochi Refinery than a workman in Marketing or Mumbai Refinery.

Prior to the recently concluded Long Term Settlement, Workmen in Marketing and Mumbai Refinery Division of the BPCL had open-ended pay scales with no limit on the maximum value to which basic pay might rise, but post signing the settlement, the open-ended pay scale was done away with in their case and they were brought in line with the close ended pay scale as prevalent in Kochi Refinery."

10. On a specific query by the Committee about the Cafeteria Scheme, viz., its salient features, quantum of deduction made towards running the infrastructure facilities in respect of Officers, Workmen cadre, etc., the Ministry of Petroleum & Natural Gas, in a written reply, submitted:-

"DPE through OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26.11.2008 for Executives' pay revision advised CPSEs to pay allowances and perks admissible to Executive cadre subject to the limit of 50% of Basic Pay. Through these guidelines, the DPE advised to monetize infrastructure and other facilities such as Schools/Colleges, Hospitals, Clubs, etc., and consider those under the purview of the Cafeteria Scheme.

In case of Workmen, Cafeteria principles were extended to them in all the 3 domains viz., Marketing, Mumbai Refinery and Kochi Refinery through LTSs signed with their respective Unions. This is in line with the practice adopted by all the downstream oil Companies. The Cafeteria benefit was extended by M/s. IOCL to their Workmen through their LTS in 2010. Subsequently, M/s. HPCL followed suit in 2012 and in line with the practice already adopted by the above downstream Companies, the BPCL extended the Cafeteria benefits to their Workmen in all the 3 domains vide Settlements in 2013 & 2014.

The quantum of deduction towards running the infrastructure facilities is 1.5% of Basic Pay and value is charged after accounting the same on pool basis in line with decision of Industry in this regard and is uniformly applied in all the 3 domains across all cadres."

11. On being asked about the reasons due to which rounding-off Rs 10 during wage fixation had been confined to Executive Cadre only, the Ministry, in their written reply, submitted that the principle of rounding up of basic pay to next Rs.10 was extended to Management Cadre of the CPSEs by DPE through OM No. 2(70)/08-DPE(WC)-GL-XVII/08 dated 26.11.2008. As far as Workmen are concerned, there is no DPE or any other guideline governing this issue. It is a negotiable item in the collective bargaining process. In the last Long Term Settlement of Workmen in Kochi Refinery, the rounding off was to the nearest rupee. This time also by virtue of Clause 46 of the Kochi Refinery

LTS read with clause 5 of the said LTS, which clearly states that any terms not altered or superseded or varied by this Settlement shall not be affected in any manner by this Settlement, the same was continued. Since the norms mentioned in the earlier Settlement had not been modified by this Settlement, the same still holds good.

12. The Committee, then, enquired about the comparative details of the permanent and optional holidays applicable to Officers and Workmen in the BPCL (Marketing, Mumbai Refinery and Kochi Refinery). The Ministry, in a written reply, submitted:-

"All Officers in BPCL Marketing and Mumbai Refinery are entitled to 14 days holidays (National and Festival holidays) in a calendar year, out of which 2 days are treated as Optional/Restricted Holidays. Kochi Refinery Officers are similarly entitled to 14 days holidays (National and Festival holidays) in a calendar year, out of which, 3 days are treated as optional Holidays.

Holidays for Workmen in all the 3 domains are governed by their respective Settlements. The Marketing and Mumbai Refinery Settlements provide for 14 days' holidays in a calendar year, out of which 2 are treated as Optional / Restricted Holidays. In Kochi Refinery, the Settlement states unambiguously that the number of holidays for workmen shall be limited to 13 holidays in a calendar year, out of which 10 would be compulsory Holidays and 3 would be optional holidays, which they have been historically receiving and the same has been continued in the current Settlement as well."

13. On being asked by the Committee about the implementation of the New Pension Scheme (NPS) and Post Retirement Medical Benefit Scheme (PRMBS) in the BPCL-KR, the Ministry of Petroleum & Natural Gas, in a written reply, again clarified that in accordance with Government guidelines, 'New Pension Scheme' has been introduced for the benefit of all employees with effect from 1.01.2007. However, the same could not be implemented in Kochi Refinery due to the adamant stand taken by the employees' representatives in the Cochin Refineries Employees' Superannuation Benefit Fund Trust. As a matter of fact, the retired employees are covered by the existing PRMB Scheme.

14. Thereafter, in order to have an overall view on various grievances raised by the Petitioner in his representation, on 28.1.2016, the Committee invited Shri P.N. Surendran Nair, General Secretary, CREA, to hear his views. During the course of his interaction with the Committee, the Petitioner, *inter alia*, made the following submissions before the Committee:-

"Non-implementation of wage-revision

There are three units viz., Marketing, Kochi Refinery and the Mumbai Refinery in the Corporation and these units have different wage /pay structures, number of holidays, repatriation benefits /setting allowance, medical allowance, conveyance allowance and productivity incentives for the workmen; however, the officers are having the same benefits across the Corporation. The Petitioner further submitted that after the merger of Kochi Refinery with the BPCL in 2006, the workmen of Kochi Refinery are being discriminated by non-implementation of wage-revision and other benefits to them.

Non-implementation of Post-retirement Medical Benefit Scheme (PRMBS)

Though BPCL had introduced PRMB in 2015, but the scheme has not been extended to the Kochi Refinery.

Contributory Pension Scheme

BPCL is operating two contributory pension schemes for their employees. One scheme which offers 55% pension and the other scheme funded by the Cochin Refineries' Employees Superannuation Benefit Fund (CRESBF) Trust which offers only 40% pension. Consequent upon the Central Government's directives to all CPSEs to freeze the old Contributory Pension Scheme and to start a new pension scheme, there was a sudden shortfall in pension fund and therefore the Management invested a sum of Rs. 323 crore into the pension fund which offers 55% pension, however, they have denied to put proportionate amount in the CRESBF.

Non-implementation of other aspects viz., Cafeteria Scheme, rounding off Rs. 10 during wage fixation and Child Care & Maternity Leave to female employees

The Child Care & Maternity leave was raised to 180 days after lodging the complaint. Besides, rounding-off Rs. 10 during wage fixation was only extended to the officers' cadre, while workmen were excluded from getting this benefit."

15. During oral evidence, the representative of the Ministry of Petroleum & Natural Gas, while elaborating the implementation of the guidelines issued by the Department of Public Enterprises along with the Long Term Settlement Plan in all the subsidiaries of the Bharat Petroleum Corporation Limited, submitted:-

"In May, 2013, a Long Term Settlement was accepted by the office bearers of the Unions/Associations of the Bharat Petroleum Corporation Limited. Since it was a tripartite agreement entered into by the BPCL Management, Regional Labour Commissioner and all the Unions/ Associations, the validity of the agreement cannot be challenged by any of the Parties. The settlement reached out by all the stakeholders had resulted in giving a package of Rs. 137 crore for payment as arrears to all the employees of BPCL, including the Kochi Refinery. As per the latest order of 12.1.2016, the New Pension Scheme has been implemented in all the Units of BPCL, i.e., Kochi Refinery, Mumbai Refinery and Marketing.

16. The Committee, thereupon, specifically desired to know as to whether the guidelines issued by the Department of Public Enterprises as well as the enhanced Maternity Leave, Child Care Leave, etc., are implemented by all the Units of BPCL. The representative of the Ministry of Petroleum & Natural Gas, during oral evidence, submitted:-

"Not only all the guidelines issued by the Department of Public Enterprises but also the provisions of enhanced Maternity Leave, Child Care Leave, etc., are invariably implemented in various Units of the BPCL and there is no discrimination against any of the Units of BPCL on these counts."

Observations/ Recommendations

Non-implementation of wage revision

17. The Committee note that Kochi Refineries Ltd., which was an independent Company, became a subsidiary of the Bharat Petroleum Corporation Ltd., (BPCL) on 26.3.2001 and is now known as BPCL-Kochi Refinery. There are three downstream oil Companies of the BPCL, viz., Kochi Refinery, Marketing and Mumbai Refinery.

18. On the contention of Shri P.N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association that there has been violation of the guidelines of the Department of Public Enterprises (DPE) in signing of the wage settlement in the BPCL, the Ministry of Petroleum & Natural Gas has informed that the wage settlements are in absolute adherence to the principles enunciated by the DPE on wage negotiation and uphold the 'Right to Collective Bargaining' of the Workmen. The Ministry has also informed that the BPCL, being a Public Sector Undertaking under the Government of India, the compensation structure applicable to the Management and the Workmen cadres are covered under different norms as specified by the DPE. The pay and allowances of Management cadre are governed by the DPE guidelines, while, in the case of Workmen, the DPE had left it open to each of the Public Sector Undertakings to arrive at the pay scales based on their paying capacity. Thus, for the Workmen cadre, wages and other matters are determined by way of the Collective Bargaining process culminating into a Long Term Settlement (LTS), which is valid for a period as agreed upon by the Management and the Unions representing the Workmen.

19. The Ministry has further informed that the wage negotiations for Workmen in Kochi Refinery, Marketing and Mumbai Refinery in the BPCL are three independent processes and are thus separately held with the Unions. The latest Memorandum of Settlement (MoS) on wages and other matters for the unionized category of employees in the Marketing domain of the BPCL was signed before the Chief Labour Commissioner (Central) at Mumbai on 9.1.2014 and for the Refineries, before their respective Regional Labour Commissioners (Central) at Mumbai and Kochi in May, 2013 under Section 12(3) read with Section 18(3) of the Industrial Disputes Act, 1947. Shri P.N. Surendran Nair was a signatory of the LTS in Kochi Refinery and is also a beneficiary of the wage revision.

20. The Committee take note of the adherence of various norms contained in the DPE guidelines in regard to the LTS on wage revision for the Workmen of Kochi Refinery by the BPCL. The Committee also note that Shri P.N. Surendran Nair was a signatory of the LTS in respect of the unionized category of employees of Kochi Refinery. The Committee would like to point out that though retracting from the already implemented Memorandum of Settlement (MoS) on wages and other matters by the office bearer of the Cochin Refineries Employees' Association is neither desirable nor legally tenable, the Management of Kochi Refinery should make efforts to scrupulously follow the tenets of 'Collective Bargaining' with the workmen for

maintaining healthy industrial relations on various matters where the Workmen, sometimes, feel aggrieved. The Committee, therefore, urge the Ministry of Petroleum & Natural Gas to advise the BPCL Management to once again invite the office bearers of the Cochin Refineries Employees' Association for having an unambiguous understanding of all the finer aspects of the LTS/ MoS on wage revision of Kochi Refinery. The Committee would like to be apprised of the action taken by the Ministry in this regard.

Non-implementation of Post-retirement Medical Benefit Scheme (PRMBS)

21. The Committee note that Shri P.N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association, has requested that the PRMB Scheme, which was introduced in the year 2015, be extended to Kochi Refinery. In this context, the Ministry of Petroleum & Natural Gas has stated that as far as non-implementation of PRMB Scheme is concerned, the same could not be implemented in Kochi Refinery due to the adamant stand taken by the employees' representatives in the Cochin Refineries' Employees Superannuation Benefit Fund Trust. Notwithstanding this, in Kochi Refinery, the retired employees are covered by the existing PRMB Scheme. The Committee do not accept the contention of the Ministry in view of the fact that the responsibility of implementing the PRMB Scheme lies with the BPCL Management themselves, irrespective of the fact that there might be some differences of opinion on some aspects with the employees' representatives in the Cochin Refineries' Employees Superannuation Benefit Fund Trust. The Committee are of the firm view that had the BPCL Management resorted to structured deliberations with the employees' representatives, the divergent views between the Management and the Workmen on the aspect of implementation of the PRMB Scheme in Kochi Refinery could have been amicably sorted out. The Committee, therefore, impress upon the Ministry to work out modalities, in consultation with the employees' representatives, for early implementation of PRMB Scheme in Kochi Refinery so that the retiring employees may also reap the benefits of the new Scheme. The Committee would like to be apprised of the action taken by the Ministry in this regard.

Non-implementation of New Pension Scheme

22. The Committee note that Shri P.N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association has contended that BPCL is operating two Contributory Pension Schemes for their employees. One Scheme offers 55% pension, whereas the other Scheme, funded by the Cochin Refinery Employees Superannuation Benefit Fund (CRESBF) Trust, offers only 40% pension. Consequent upon the Central Government's directives to all the CPSEs to freeze the old Contributory Pension Scheme and to start a new Pension Scheme, there was a sudden shortfall in the pension fund and, therefore, the Management invested a sum of Rs. 323 crore into the pension fund which offers 55% pension. However, the Management had failed to put the proportionate amount in the CRESBF.

23. The Ministry of Petroleum & Natural Gas has stated that as per Clause 22 of the LTS of Kochi Refinery, it was agreed that, in accordance with the Government guidelines, the 'New Pension Scheme' is to be introduced for the benefit of all employees with effect from 1.1.2007. The Ministry has further stated that despite having agreed to the aforesaid Clause, Shri Nair had challenged the implementation of the Scheme. However, after overcoming the challenges thrown up by way of litigations, disputes, etc., the revision of the Trust Deed was carried out by the BPCL and the NPS implementation was facilitated by the Management. Thus, the NPS has been implemented in respect of 8 beneficiaries of Kochi Refinery. Later on, Shri Nair again challenged the implementation of the NPS in the High Court of Kerala and the matter is presently *sub-judice*.

24. The Committee take note of the initiatives taken by the Ministry of Petroleum & Natural Gas to implement the New Pension Scheme in Kochi Refinery as well as investing a sum of Rs. 323 crore into the pension fund. Nevertheless, the Committee find the grievance of the Petitioner for not investing a proportionate amount in the CRESBF as genuine. The Committee would like to point out that any Scheme formulated by the Government for the PSUs should invariably be an improvement over the existing Scheme and not to the disadvantage of the employees. That being so, the Committee feel that the objective of implementing the New Pension Scheme would not yield the desired results until and unless the grievances of the employees are adequately addressed. The Committee, therefore, recommend to the Ministry of Petroleum & Natural Gas to re-visit the New Pension Scheme by juxtaposing the same with the Cochin Refinery Employees Superannuation Benefit Fund (CRESBF) Trust and also to ensure that the quantum of pension receivable to the retiring employees under the old Pension Scheme should not be less in the New Pension Scheme. The Committee would like to be apprised of the measures taken by the Ministry in this regard.

Non-implementation of other sundry aspects, viz., Cafeteria Scheme, rounding off Rs. 10 during wage fixation and Child Care & Maternity Leave to female employees

25. The Committee note that Shri P.N. Surendran Nair, General Secretary, Cochin Refineries Employees' Association, has also raised the matter of non-implementation of various benefits to the employees of Kochi Refinery, viz., Cafeteria Scheme, rounding off Rs. 10 during the wage fixation and Child Care & Maternity Leave to female employees. The Ministry of Petroleum & Natural Gas has stated that in the case of workmen, Cafeteria Principles were extended to them in all the three domains, viz., Kochi Refinery, Marketing and Mumbai Refinery through the LTS signed with their respective Unions. BPCL extended the cafeteria benefits to their workmen *vide* Settlements in 2013 and 2014. The quantum of deductions towards running the infrastructure facilities is 1.5% of basic pay and the value is charged after accounting the same on pool basis in in line with decision of the Industry and is uniformly applied in all the three domains, across all the cadres.

26. The Ministry has also stated that the principle of rounding off of basic pay to the next Rs. 10/- was extended to the Management cadre of CPSEs by the DPE. As far as the workmen are concerned, there is no DPE or any other guideline governing this issue. In the last LTS of workmen in Kochi Refinery, the rounding off was to the nearest rupee. On the aspect of Child Care as well as Maternity Leave to the female employees, the Ministry has further stated that the Rules framed under the DoPT Guidelines for Central Government employees do not *ipso-facto* apply to the CPSEs employees. However, the Maternity Leave and Child Care Leave for female employees have been revised to 180 days with effect from 6.7.2015.

27. The Committee observe that the Cafeteria Scheme for the workmen has already been implemented in all the three downstream Companies of the BPCL and the quantum of deduction is uniformly applied in all the three domains, across all the cadres. The Committee also find that the Ministry of Petroleum & Natural Gas has revised the Maternity Leave as well as Child Care Leave for female employees of all the three downstream Companies of BPCL to 180 days. The Committee appreciate the initiatives taken by the Ministry for providing these benefits not only to the employees of Kochi Refinery but also to the other subsidiaries of BPCL, viz., Marketing and Mumbai Refinery. On the aspect of rounding off Rs. 10 during wage fixation of the workmen of Kochi Refinery, the Committee is of the opinion that if this benefit could be extended to the Management cadre, then, on the grounds of equity and fair play, this could equally be applied to the Workmen cadre also. The Committee, therefore, urge the Ministry to advise BPCL to extend the benefit of rounding off Rs. 10 during wage fixation to the Workmen cadre at the earliest. The Committee would like to be apprised of the outcome in this regard.
