

महानगर टेलीफोन निगम लिमिटेड

(भारत सरकार का उद्यम)

निगम कार्यालय

MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)
CORPORATE OFFICE



MTNL/CO/IRW/22(90)/07/NE/260

Dated: 14 /05/2010

OFFICE ORDER

Sub: Revision of Wages of Non-Executives of MTNL w.e.f. 01.01.2007.

In accordance with the Settlement signed with the Recognized Majority Unions of Delhi and Mumbai under Wage Negotiation, approval of the Competent Authority is hereby conveyed for revision of Pay Scales etc. in respect of Non-Executive employees of MTNL, effective from 01.01.2007 for a period of ten years i.e., up to 31.12.2016.

2. Accordingly, Pay Scales, Dearness Allowance, etc. in respect of the Non-Executive employees of MTNL shall stand revised w.e.f. 01.01.2007 as under.

2.1 Pay Scales:

Grade	Existing IDA Pay Scales (Rs.)	Revised Pay Scale (IDA) (Rs.)
NE1	4400-125-6275	7800-17000
NE2	4500-140-6600	8400-18350
NE3	4600-150-6850	8900-19410
NE4	4700-170-7250	9500-20710
NE5	5000-185-7775	10500-22830
NE6	5200-210-8350	11500-24970
NE7	6700-220-10000	12500-27170
NE8	7150-225-10525	13500-29300
NE9	7700-230-11150	14500-31500
NE10	8300-235-11825	16000-34650
NE11	8575-245-12250	17500-37950
NE-12	-----	19000-41180*

* The NE-12 Scale shall be applicable w.e.f. 01.04.2009.

2.2 Fitment Method:

2.2.1 Fitment in the revised Scale shall be made applicable as per the following formula:

- Basic Pay in the Pre-revised Pay Scale as on 01.01.2007
Plus
- IDA neutralization @ 68.8% on the Basic Pay
Plus
- Fitment benefit @ 30% on [Basic Pay + IDA (68.8%)]
- The amount so arrived at, rounded off to the next multiple of Rupees Ten, shall be the Basic Pay in the revised Pay Scale.

2.2.2 If any extraordinary increment (s) and/or increase in the pay in respect of Non-Executives have been granted with retrospective effect, which affects the revision of

Hindi Version Follows

Page 1 of 5

pay as on 01.01.2007, such increment and/or increase in pay will be ignored for the purpose of Fitment/Pay Revision.

2.2.3 Where Non-Executives drawing pay at two or more consecutive stages in an existing Scale get bunched at one stage in the revised Scale of Pay, then, for every two stages so bunched, benefit of one increment shall be given.

2.2.4 Employees will have an option to have their pay revised on 01.01.2007 or from the date of regular promotion after 01.01.2007 or from the date of next increment. The option shall be exercised within 30 days from the issue of this Order and the option once exercised shall be final.

2.3 Increment:

After revision of Pay w.e.f. 01.01.2007, the usual annual increments shall be @ 3% of the revised Basic Pay and the same shall be rounded off to the next multiple of Rupees Ten. For this purpose, any amount up to 99 paise shall be ignored and Rupee one to Rs.9.99 shall be rounded off as 10.

2.3.1 In respect of those Non-Executives whose annual increment falls on 01.01.2007 the same shall be allowed in the new Scale after the revision.

2.4 Stagnation Increment:

The rate of Stagnation Increment shall be 3% of the Revised Basic Pay. Each Non-Executive employee would be allowed to draw maximum three Stagnation Increments, one after every two years, after reaching the maximum of the Revised Pay Scale.

2.5 Pay Fixation on Promotion:

On promotion, one notional increment equal to 3% of the existing basic pay rounded off to the next multiple of Rupees Ten would be granted and pay fixed in the promoted Scale and the existing Date of Next Increment (DNI) will remain unchanged.

2.6 Industrial Dearness Allowance (IDA):

100% IDA neutralization will be adopted w.e.f. 01.01.2007 for all the Non-Executives, who are on IDA pattern of Scales of Pay. Thus, IDA as on 01.01.2007 will become zero with link point of All India Consumer Price Index (AICPI) 2001=100. The periodicity of adjustment will be once in three months as per DPE guidelines, as endorsed by Corporate Office time to time. The new quarterly IDA payable w.e.f. 01.01.2007, on revision of Pay, will be as per new IDA Scheme as given below.

Effective Date	IDA Rate (%)	Effective Date	IDA Rate (%)
01.01.2007	0	01.10.2008	12.9
01.04.2007	0.8	01.01.2009	16.6
01.07.2007	1.3	01.04.2009	16.9

01.10.2007	4.2	01.07.2009	18.5
01.01.2008	5.8	01.10.2009	25.3
01.04.2008	6.3	01.01.2010	30.9
01.07.2008	9.2	01.04.2010	34.8

3. Perks and Allowances:

3.1 All Perks and Allowances including reimbursement of OPD expenses shall remain unchanged as it was on 01/04/2008 (on the Old Basic Pay with corresponding IDA). Further, the OPD Medical Expenses shall be reimbursed only on production of bills and prescriptions which will be effective from the quarter commencing from 01.04.2010.

3.2 Perks and allowances shall be reviewed after 31.03.2012.

3.3 Indoor Medical Facility shall continue to remain unchanged. However, efforts shall be made to administer the same through Insurance at the earliest.

3.4 Other Perks/ Allowances/ Advances/facilities which are not mentioned in this Order will remain unchanged subject to eligibility/ admissibility. However, Quota Items, Uniform and Washing Allowance are dispensed with immediate effect. As a final occasion, Quota Items up to June, 2009 and Washing Allowance up to December 2009 shall be paid, if not paid already.

3.5 House Rent Allowance (HRA):

House Rent Allowance to the Non-Executives of MTNL posted at Delhi and Mumbai will be at the rate of 30% of revised Basic Pay and shall be payable on revised Pay w.e.f. 15/05/2009. However, HRA on existing Pay Scale shall continue till 30th June 2010 or till the pension issue is decided by the Govt. of India whichever is earlier.

3.6 City Compensatory Allowance (CCA):

The payment of CCA stands dispensed with effect from 01.01.2007.

3.7 Loans and Advances:

3.7.1 Festival Advance:

Festival advance shall be granted to the employees with reference to revised Pay Scales with usual conditions which shall remain unchanged. This provision shall have prospective effect after issue of these Orders and past cases need not be reopened.

3.7.2 House Building Advance:

The maximum amount of House Building Advance (HBA) is enhanced from existing Rs.8 lakhs to Rs.20 lakhs. Cost ceiling of House/property excluding the cost of land also stands enhanced to Rupees Fifty Lakhs from the existing level of Rupees Eighteen lakhs. The rate of interest on the HBA shall stand revised as mentioned below which is subject to review after 31.03.2012.

Amt. (Rs.)	Rate
Up to 6 lakhs	6%
More than 6 lakhs and up to 8 lakhs	7%
More than 8 lakhs to 12 lakhs	7.5%
More than 12 lakhs to 20 lakhs	9.5%

Further, an Insurance Policy to ensure the recovery of HBA from the individual employee shall be taken with 50% Insurance Premium payable each by MTNL and the employee. Separate amendment to the HBA Rules of MTNL will be issued in this regard.

4. GPF/EPF Contribution:

Recoveries towards GPF/EPF contribution shall be made as detailed below.

- (i) Recovery of difference in GPF contribution, wherever applicable, from arrears in case it was recovered less than minimum of 6% of the revised Basic Pay w.e.f. 01.01.2007.
- (ii) Recovery of arrear of EPF contribution w.e.f. 01.01.2007 (being difference between 12% of revised Basic Pay & IDA and Pre-revised Basic Pay, Dearness Pay and IDA) towards employees' share from arrear wherever applicable.
- (iii) Payment of additional contribution of Employers' share to the tune of difference between 12% of revised Basic Pay and IDA and pre-revised Basic Pay, Dearness Pay and IDA shall be credited to the EPF Account wherever applicable.

5. Applicability:

5.1 This order shall be applicable to all Non-Executive employees of MTNL who were on the rolls of the Company on 01.01.2007. Employees separated thereafter will also be eligible for Pay Revision benefits up to their date of separation. Recoveries and deductions shall be effected on the revised pay for the period up to the date of separation from MTNL. In case where Non-Executives have separated from the Company on or after 01.01.2007 after paying Notice Pay, the quantum of Notice Pay shall also be recalculated based on the revised Pay and recovered from the arrears by way of adjustment.

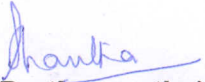
5.2 Non-Executives joining the Company on fresh appointment on or after 01.01.2007 shall be deemed to have been appointed in the revised Pay Scales. Their pay shall be fixed in the revised Pay Scale in terms of the conditions contained in Offer of Appointment as also government guidelines on the subject, if any.

6. General:

6.1 Pay in the revised Pay Scales shall be drawn in the salary for the month of May, 2010.

- 6.2 **Arrears:** Arrears of Wage Revision (other than HRA) for the period January, 2007 to April, 2010, if any, shall be computed and released in two equal installments. The first installment shall be paid on or before 20.05.2010 and the second installment along with the salary of the Month of July 2010. Arrear, if any, on account of revision of HRA on the new Scale w.e.f. 15/05/2009 till 30.06.2010 shall be computed and paid in three equal installments along with the salary for the months of May, June and July, 2010.
- 6.2.1 Payments made on 50% of the IDA merged with the Basic Pay as Dearness Pay w.e.f. 01.01.2007 in terms of Office Order no. MTNL/IRW/ 22(90)/2008/186 dated 12.09.2008 and 21.10.2008 will be adjusted against the arrears arising out of the Pay revision.
- 6.3 Pay Anomalies, if any, arising out of this pay revision will be addressed separately.
- 6.4 In case of any doubt with regard to implementation of this Office Order, the same shall be referred to Corporate Office with comments of GM (Fin) of the respective Unit duly approved by the concerned ED of the Unit for further examination.
- 6.5 Excess payments, if any, arising out of incorrect fixation of pay in the revised Scales and in calculation of arrears detected/noticed subsequently shall be recovered forthwith either by way adjustment against any future payment due to the employee. An undertaking to this effect shall be obtained from the employees.

This issues with the approval of the Competent Authority.


(S Parthasarathy)
DGM (Personnel)

Copy to:

1. Chairman and Managing Director, MTNL.
2. Director (Fin)/Director (HR), MTNL.
3. Executive Director, MTNL Delhi/Mumbai.
4. ED (Technical), MTNL CO.
5. CVO, MTNL.
6. General Manager (Admn), MTNL Delhi/Mumbai.
7. General Manager (Fin), MTNL Delhi/Mumbai.
8. Jt. GM (HR), MTNL Corporate Office
9. Company Secretary, MTNL for taking this as an ATR on the subject.
10. DGM (A/c & Cash), MTNL CO.
11. Manager (Pers), MTNL Corp. Office for incorporating the necessary amendment in the HBA Rules.
12. Director (RK)/ Director (PSU-I), DoT for information.
13. Director (Audit), P&T Audit, 12th Floor, "Jeevan Bharti", New Delhi.
14. General Secretary, MTNL Staff Union Delhi
15. General Secretary, MTN Kamgar Sangh, Mumbai