

Joint Forum of Executives' Associations of MTNL

Central Head Quarters, New Delhi

Ref—JF/MTNL/Delhi/CMD

Dated—07-12-09

To

Shri. R.S.P. Sinha

CMD MTNL

New Delhi

**SUBJECT:- Implementation of Government orders on Pay Revision w.e.f 01/01/2007----
Protest action w.e.f 23-12-09**

Respected sir,

We would like to draw your kind attention to the issue of revision of pay to the Executives with effect from 01.01.2007.

Keeping trust on your words that on settlement of pension issue, 30% fitment will be revisited, executives are waiting patiently for more than six months. The time limit of two months wanted by the Management in May'09 has elapsed. MTNL will appreciate our view that settlement of pension issue is not the sole responsibility of the Associations only.

Sir, MTNL is aware that as far as the Executives are concerned, pension liability rest with Central Government as per provisions under Rule 37-A of CCS (Pension) rules. Obviously, any solution to the pension issue will be in improvement of this position. DOT has already informed vide letter no.40-29/2002-Pen(T) dated 29th Aug 2002 that,

"it has been agreed in principle that the payment of pensionary benefits including the family pension to the Government employees absorbed in MTNL and who have opted for the Government Scheme of pension shall be paid by the Government".

Therefore we demand that issue of implementation of revised pay scales be de linked from pension issue forthwith.

Regarding the fitment, orders of the Government i.e., DPE's OM no.2(70)08-DPC (WC) dated 26th Nov'2008 are very clear and mandatory.

There is no discretion left to the Management regarding fitment after adoption of the revised pay scales.

Para 3 of the aforesaid OM regarding affordability reads as under:-

"The revised pay scales would be adopted, subject to the condition that the additional outgo by such revision for a period of 12 months should not result in

more than 20% dip in profits before tax (PBT) for the year 2007-08 of a CPSE in respect of Executives.....”

It may kindly be noted that the revised scales should be adopted only if the affordability condition is fulfilled. MTNL has already decided to adopt the revised pay scales for Executives and the approval of the administrative ministry has also been obtained. This clearly proves that the affordability condition is fulfilled.

Once revised pay scales have been adopted, the management has conceded that conditions in para 3 above have been fulfilled. Consequently, fitment formula, as per para 2 of the DPE's OM is automatically becomes due.

Moreover, the DPE's order dated 26.11.2008 is very clear that only the PBT as on 31.03.2008 and not any other year should be the bench mark for calculating the affordability. It nowhere talks about any possible worsening profits in future.

The executives from E-7 onwards including CMD level get maximum benefit of upto 55% increase irrespective of whether the fitment percentage is 5% or 30% as their pay will get bunched at the minimum of the scale. Then why there should be fitment less than 30% for other executives?

The revised pay will continue for another 10 years till the pay is further revised. The further revision after 10 years will also be based on this revised pay. The pension and family pension on retirement is also dependent upon the pay that will be drawn on retirement. Thus the revision of pay has implications for decades till the life of self or spouse.

Therefore the MTNL Executives are rightfully entitled to the fitment @30%.

The Gr-A officers on deputation have been given benefit of more than 40% increase in the basic pay while implementing 6th Pay commission recommendations. The Government orders have been implemented in toto without any dilution in the fitment formula. Similarly, the absorbed executives who belong to the company should also be given fitment of 30% as per DPE's orders without any dilution.

While disposing of a similar case, Hon'ble Supreme Court of India in case no 9244 of 2003 has stated as under

“Thus, the corporation cannot put forth financial loss as a ground only with regard to a limited category of employees. It cannot be said that the corporation is financially sound in so far as granting of revised pay scales to other employees, but finds financial constraints only when it comes to dealing with the respondents, who are similarly placed in the same category.”

The fitment of 30% will boost the morale of the executives invigorating them to contribute their best. This boosted morale coupled with the effective policies of the top management will lead MTNL to flourishing days.

Under these circumstances we demand that MTNL implement the pay revision in toto as per DPE's OM no.2(70)08-DPC (WC) dated 26th Nov'2008 and 02.04.2009 giving 30% fitment on pay+78.2% of DA with effect from 01.01.2007.

Now we are painful to say that in spite of many reminders from JF of Executives and repeated assurances by management, nothing has been done so far. If the issue of new pay package with 30% fitment as per the DPE guidelines is not resolved in a period of fortnight than we will be left with no option except to resort to trade union action as per programmes given below for which MTNL management will be squarely responsible.

<u>Date</u>	<u>Programme</u>	<u>venue</u>
23-12-09	Lunch hour demonstration	Jantar Mantar
06-01-10	Rally to MOC&IT at 1PM	Scope bldg, CGO complex To Electronics Niketan
14-01-10	Indefinite Non-cooperation	

We hope that good sense will prevail upon the MTNL management and the issue will be resolved at the earliest to avoid industrial unrest in MTNL.

With high regards,

Sincerely yours,


(A.K.Kaushik)
GS, TEAM


(V.K.Tomar)
GS, MEA

Copy to:

- ✓ 1. Hon'ble MOC&IT, Govt of India.
2. Secretary, DOT, Govt of India, New Delhi.
3. DIR (HR), MTNL, New Delhi
4. DIR (FIN), MTNL, New Delhi
5. DIR (TECH.), MTNL, New Delhi
6. ED, Delhi/ Mumbai