

File No. ND. 8(1)/2010-P.A

FORM-H
(See Rule 58)

MEMORANDUM OF SETTLEMENT ARRIVED AT BETWEEN THE MANAGEMENT OF MAHANAGAR TELEPHONE NIGAM LTD., NEW DELHI AND THEIR WORKMEN REPRESENTED BY MTNL KAMGAR SANGH, MUMBAI AND MTNL STAFF UNION, NEW DELHI UNDER SECTION 12(3) OF THE INDUSTRIAL DISPUTES ACT, 1947 OVER REVISION OF WAGE AND OTHER RELATED BENEFITS TO THE NON-EXECUTIVES EFFECTIVE FROM 1.1.2007 BEFORE REGIONAL LABOUR COMMISSIONER (CENTRAL) AND CONCILIATION OFFICER, NEW DELHI ON 11.05.2010.

NAMES OF PARTIES: -

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|--|--|
| 1) Representing MTNL | (i) Shri Kuldip Singh, CMD, MTNL |
| | (ii) Smt. Anita Soni, Director (Finance), MTNL |
| | (iii) Shri S P Pachauri, Director (HR), MTNL |
| | (iv) Shri Manjit Singh, ED, MTNL Delhi |
| | (v) Shri M P Singhal, GM (Admn), MTNL Delhi |
| | (vi) Shri A K Saxena, GM (Admn), MTNL Mumbai |
| | (vii) Shri M K Saxena, Jt. GM (HR), MTNL Corp. Office |
| | (viii) Shri S S Kaushal, Manager (Pers-II & IR), MTNL Corp. Office |
| 2) Representing MTNL KAMGAR SANGH MUMBAI. | (i) Shri Arvind Sawant, President, MTNKS, Mumbai |
| | (ii) Shri Dilip Jadhav, GS, MTNKS, Mumbai |
| | (iii) Shri Dilip Satam, Dy. GS, MTNKS, Mumbai |
| | (iv) Shri Prakash Shirwadkar, Member (JNC), MTNKS, Mumbai |
| | (v) Shri J Y Asrondkar, Member (JNC), MTNKS, Mumbai |
| 3) Representing MTNL STAFF UNION, N.D. | (i) Shri Sarup Singh, GS, MTNL SU, Delhi |
| | (ii) Shri Jai Bir, Member (JNC), MTNL SU, Delhi |
| | (iii) Shri S N Rai, Member (JNC), MTNL SU, Delhi |
| | (iv) Shri D R Mangain, Member (JNC), MTNL SU, Delhi |





SHORT RECITAL OF THE CASE.

Management of Mahanagar Telephone Nigam Limited, a Company incorporated and registered under the Companies Act, 1956 and having its registered Office at 12th Floor, Tower-I, Jeevan Bharti Building, 124, Connaught Circus, New Delhi-110001 (herein after referred to as "MTNL" which expression unless repugnant to the context thereof shall mean and include its subsidiaries, affiliates successors and assigns of the ONE PART and the Workmen of MTNL represented by the Mahanagar Telephone Nigam Staff Union, a Union registered under Sec.8 of the Trade Union Act, 1926 and having its registration no. 4705 dated 06.10.1988 and having its registered office at A-207, Pandara Road, New Delhi and Mahanagar Telephone Nigam Kamgar Sangh, Mumbai, a Union registered under Sec. 8 of the Trade Union Act, 1926 and having its registration no. B-II,8430 dated 08.02.1988 and having its registered office at Naigaon Telephone Bldg., Madhavdas Pasta Road, Dadar (East), Mumbai (herein after referred to as "Unions" which expression unless repugnant to the context thereof shall mean and include its successors and permitted assigns) of the OTHER PART.

Mahanagar Telephone Nigam Limited, a Public Sector Company incorporated on 01/04/1986. The Memorandum of Understanding on the Revision of Pay and Allowances and other related matters was effective up to 31.12.2006. After the expiry of this period, the next wage revision fell due from 01.01.2007. DPE vide its OM No.2 (7)/2006-DPE (WC)-GL XIV dated 09/011/2006 conveyed the guidelines of the Government for the commencement of wage negotiation by the Management of CPSEs with the Trade Unions. Mahanagar Telephone Nigam Staff Union, Delhi and Mahanagar Telephone Nigam Kamgar Sangh, Mumbai being the majority representative Unions of MTNL Delhi and Mumbai respectively had submitted their charter of demands vide their letters dated 19/08/2009 and 31/12/2008 respectively requesting MTNL Management for the revision of Wage and other related benefits to the Non-Executives effective from 1.1.2007.

Wage Revision Committee with representatives from recognized Union and Management side was formed vide order dated 26/08/2008 which was reconstituted on 16/09/2009 with the change in recognized status of Union in MTNL Delhi Unit. The demands submitted by the Unions were negotiated in a series of meetings of the Bipartite Committee.

The matter could not be resolved through Bi-bilateral discussions, the Management of MTNL requested the intervention of the Regional Labour Commissioner (Central), New Delhi. In the mean time, MTNL Staff Union, New Delhi also served a strike notice on this issue. The dispute was seized in conciliation by Regional Labour Commissioner (Central), New Delhi and both the parties MTNL Management as well as MTNL Staff Union were called for discussions/conciliation. During the course of conciliation proceedings MTNL Management assured to expedite the Wage Settlement and finally on the advice from RLC (C), New Delhi, the Union called off the Strike.

After detailed, protracted and threadbare discussions and persuasion by the Regional Labour Commissioner (Central) New Delhi & Conciliation Officer on various dates, the parties agreed to resolve the dispute on the following Terms of Settlement.

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TERMS OF SETTLEMENT

1. This settlement will be applicable to Non-Executives who were on the rolls of MTNL as on 01.01.2007 including those Non-Executives who are presently drawing Executive Pay Scales due to grant of promotions/up-gradations after 01.01.2007. It will also be applicable to Non-Executives who have joined the Company on or after 01/01/2007.
2. Wages under the settlement shall be effective from 1st January, 2007 for a period of 10 years i.e. from 1st Jan. 2007 to 31st Dec, 2016.

3. WAGE STRUCTURE

3.1 Scales of Pay for Non-Executives

Sl. No.	Grade	Existing IDA Pay Scales (Rs.)	Agreed Pay Scales (Rs.)
1	NE1	4400-125-6275	7800-17000
2	NE2	4500-140-6600	8400-18350
3	NE3	4600-150-6850	8900-19410
4	NE4	4700-170-7250	9500-20710
5	NE5	5000-185-7775	10500-22830
6	NE6	5200-210-8350	11500-24970
7	NE7	6700-220-10000	12500-27170
8	NE8	7150-225-10525	13500-29300
9	NE9	7700-230-11150	14500-31500
10	NE10	8300-235-11825	16000-34650
11	NE11	8575-245-12250	17500-37950
12	NE-12	-----	19000-41180*

* The NE-12 Scale shall be applicable w.e.f. 01/04/2009.

3.2 Industrial Dearness Allowance (IDA)

100% DA neutralization will be adopted for all the Non-Executives, who are on IDA pattern of Scales of pay w.e.f. 01.01.2007. Thus, DA 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 the existing practice for these categories. The quarterly DA from 01.01.2007 will be as per new DA schemes. The IDA payable w.e.f. 01.01.2007 onwards shall be as per the IDA rates circulated by DPE (Govt. of India) from time to time.

3.3 Fitment Method:

3.3.1 Employees who were in the pre-revised Non-Executive Pay Scales before 1.1.2007 will be placed in the corresponding revised Non-Executive Pay Scales as per the fitment formula given in Para 3.3.3.

3.3.2 Employees joining MTNL on or after 1.1.2007 will be placed at the initial stage of the revised Pay Scale in which they are appointed.



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

- a) Basic Pay in the Pre Revised Pay Scale as on 01/01/2007
Plus
- b) IDA neutralization @ 68.8% on Basic Pay
Plus
- c) Fitment benefit @ 30% on [Basic Pay+IDA (68.8%)]
- d) The amount so arrived at, rounded off to the next multiple of ten Rupees, shall be the Basic Pay in the revised Pay Scale.

3.4 **Annual Increment/Stagnation Increment/Pay Fixation on Promotion.**

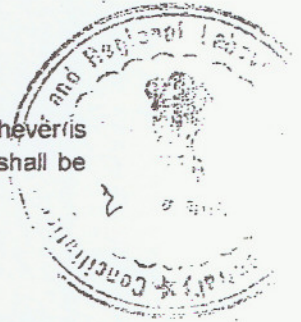
- 3.4.1 After revision of Pay, w.e.f. 01.01.2007, the annual increments shall be @ 3% of the revised Basic Pay and the same shall be rounded off to the next multiple of Rupees Ten. For this purpose, any amount up to 99 paise shall be ignored and Rupee 1/- to Rs.9.99 shall be rounded off as 10.
- 3.4.2. Stagnation increment will be @ 3% of the revised Basic Pay and the Non-Executive will be allowed to draw maximum 3 stagnation increments, one increment after every two years upon reaching the maximum of the revised Pay Scales.
- 3.4.3 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.
- 3.4.4. The annual increment which falls on 01.01.2007 will be granted in the revised Pay Scale on 01.01.2007.
- 3.4.5. Where Non-Executives drawing pay at two or more consecutive stages in the existing Pay Scales get bunched, then, for every two stages so bunched, benefit of one increment will be given.
- 3.4.6 Employees can opt for the revision of pay on 01/01/2007 or from the date of promotion after 01/01/2007 or from the date of next increment.

3.6. **City Compensatory Allowance (CCA)**

CCA stands dispensed w.e.f. 01/01/2007 for Non-Executives and Executives both.

4 **PERKS & ALLOWANCES**

- 4.1 All Perks and Allowances including Reimbursement of OPD Expenses shall continue unchanged as it was as on 01/04/2008 (on the old Basic and DA). However, the OPD expenses shall be reimbursed only on production of bills. This will be effective from the quarter commencing from 01.04.2010. Perks and allowances shall be reviewed after 31.03.2012.
- 4.2 Indoor medical facility shall continue unchanged. However, efforts shall be made to administer the same through Insurance at the earliest.
- 4.3 The House Rent Allowance to the Non-Executive employees 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 whichever is earlier. The arrear on account of HRA from 15/05/2009 till 30/06/2010 shall be paid along with salary of May, June and July 2010.

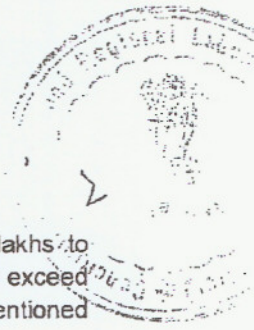
5. PRODUCTIVITY AND RELATED ISSUES:

- 5.1 The recognized union has agreed to extend full support to all initiatives taken by the Management for further improving the work culture.
- 5.2 Management and representative Unions agree to cooperate for creating a harmonious Industrial Relationship conducive to the growth of MTNL's share in the Telecom Services market.
- 5.3 It was also agreed to continuously improve the processes to achieve excellence in customer satisfaction. It was also agreed for multi-skilling and redeployment of staff.
- 5.4 It was also agreed that Union will cooperate in maintaining discipline, reduce absenteeism and avoid wasteful practices.

6. GENERAL

- 6.1 Anomalies/aberrations, if any, arising out of this Wage revision will be addressed separately.
- 6.2 Other allowances/perquisites/advances/facilities etc. not mentioned in this Agreement/ Settlement will remain unchanged, subject to eligibility/ admissibility. However, Quota Items, Uniform and Washing allowance are dispensed with immediate effect. However, as a last payment, Quota Items will be paid up to June 2009 and Washing Allowance up to December 2009.
- 6.3 As and when MTNL Management decides for 78.2% IDA merger, the same benefit shall be equally extended to both Non-Executives as well as Executives of MTNL.
- 6.4 Items not covered above shall continue as per existing practice. However, employees shall be entitled for Festival advance in the Revised Scale.
- 6.5 The Revised Wages shall be paid along with the salary of May 2010. Arrears of Wage revision from January, 2007 to May, 2010, if any, shall be computed and released in two instalments, i.e., first instalment on or before 20th May, 2010 and second instalment along with the Salary of July 2010. Payments made on 50% of the IDA merged with the Basic 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 Wage Revision.
- 6.6 The Corporate Office of MTNL shall work on five days week basis w.e.f. the date of signing of this Agreement with working Hours from 09.30 A.M. to 6.00 P.M. with Half an Hour lunch break.

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- 6.7 The House Building Advance (HBA) is enhanced from existing Rs.8 lakhs to Rs.20 lakhs. Cost of House/property excluding the cost of land shall not exceed maximum Rs.50 lakhs. The rate of interest on the HBA shall be as mentioned below. The rate of interest shall be 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, the HBA shall be insured by collecting one time insurance premium 50% from MTNL and 50% from employee.

- 6.8. In case any dispute regarding implementation of terms of this settlement, decision of the RLC's New Delhi will be final.
- 6.9 The parties will report implementation of settlement to the Regional Labour Commissioner (C), New Delhi & Conciliation Officer under the Industrial Disputes Act, 1947 within 30 days of signing this settlement, otherwise it will be presumed that Settlement has been implemented.

This Memorandum of Settlement is signed on this Eleventh day of May, 2010 before the Regional Labour Commissioner(Central) & Conciliation Officer, New Delhi under Industrial Dispute Act, 1947.

Signature of the parties.

Representing Management

Kuldip Singh
CMD

Anita Soni
Director (Fin)

S P Paehauri
Director (HR)

Mahjit Singh
ED, MTNL Delhi

Representing Workmen

Arvind Sawant
President, MTNL Kamgar Sangh, Mumbai

Sarup Singh
General Secretary, MTNL Staff Union, Delhi

Dilip B Jadhav
General Secretary, MTN KS, Mumbai

Dilip Satam
Dy. GS, MTN KS, Mumbai

M P Singhal
GM (Admn), MTNL Delhi

Prakash Shirwadkar
Working President, MTN KS, Mumbai

A K Saxena
GM (Admn), MTNL Mumbai

J Y Asrondkar
Representative, MTNKS, Mumbai

M K Saxena
Jt. GM (HR), MTNL Corp. Office

Jai Bir
Representative, MTNL Staff Union, Delhi

S S Kaushal
Manager (Pers-II & IR), MTNL CO

D-R Mangain
Representative, MTNL Staff Union

S N Rai
Representative, MTNL Staff Union, Delhi

LIST OF WITNESS:-

1. A.C.KATOCH, ALC (C), NEW DELHI

11/5/2010

2. ANAND KUMAR, ALC(C), NEW DELHI.

11/5/10

SIGNED BEFORE ME:

[B B BHATNAGAR]
REGIONAL LABOUR COMMISSIONER (CENTRAL), NEW DELHI
&
CONCILIATION OFFICER UNDER THE INDUSTRIAL DISPUTES ACT, 1947.

