

MAHANAGAR TELEPHONE NIGAM LIMITED

CORPORATE OFFICE

MEMORANDUM OF UNDERSTANDING

The Bipartite Committee meeting on revision of Wages of Non-Executive Employees was held on 27/01/2010 and 28/01/2010 and the following MoU was made at MTNL Corporate Office, New Delhi under the Chairmanship of CMD.

Between

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.

1. Recital

- 1.1 Mahanagar Telephone Nigam Limited, a Public Sector Company w.e.f. 01/04/1986.
- 1.2 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 09/01/2006 conveyed the guidelines of the Government for the commencement of wage negotiation by the Management of CPSEs with the Trade Unions.
- 1.3 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.

- 1.4 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 and after detailed and protracted discussions, the following agreement has been reached in the special Meeting convened on 27.01.2010 and 28/01/2010 under the chairmanship of CMD.

2. **TERMS OF SETTLEMENT**

- 2.1 This settlement will be applicable to Non-Executives who were on the rolls of MTNL as on 1.1.2007 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.
- 2.2 Wages under the settlement shall be effective from 1st January, 2007 for a period of 10 years.

3. **WAGE STRUCTURE**

3.1 **Scales of Pay for Non-Executives**

Sl. No.	Grade	Existing IDA Pay Scales (Rs.)	Recommended Pay Scales (Rs.)
1	NE1	4400-125-6775	7800-17000
2	NE2	4500-140-6600	8400-18350
3	NE3	4600-150-6850	8900-19410
4	NE4	4700-170-7250	9500-20710
3	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	3300-235-11825	16000-34650
11	NE11	8575-245-12250	17500-37950
12	NE-12		19000-41180*

* Shall be intimated to DoT before implementation.

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 which is 126.33 as on 01.01.2007. 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

Handwritten signature and initials at the bottom of the page.