

# 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 1<sup>st</sup> 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

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## PERKS & ALLOWANCES

4.1 All Perks and Allowances including Reimbursement of OPD Expenses shall continue unchanged as it was as on 01/04/2003 (on the old Basic and DA). However, the OPD expenses shall be reimbursed only on production of bills.

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 20% 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 30<sup>th</sup> 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 July 2010.

## 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.

## 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 these recommendations may remain unchanged, subject to eligibility/admissibility.

6.3 As and when MTNL management decides for 78.2% IDA merger for executives, the same benefit may be extended to Non-Executive also.

6.4 Payments made on 50% of the IDA merged with basic pay w.e.f. 01.01.2007 in terms of Office Order No. MTNL/IR/W/22(90)/2008/186 dated 12.09.2008 and 21.10.2008 would be adjusted against the arrears arising out of the wage revision.

6.4 Items not covered above shall remain unchanged.

6.5 Arrears of Wage revision shall be paid in three bi-monthly installments commencing from February 2010. The revised wages shall also be paid along with salary of February 2010.

payable w.e.f. 01.04.2007 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 31.12.2006  
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 10 Rupees, shall be the Basic Pay in the revised Pay Scale.

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

3.4.1 Annual Increment will be at the rate of 3% of the revised basic pay and will be rounded off to the next 10 Rupees.

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 provided the non-executive gets a performance rating of 'good' or above.

3.4.3 On promotion, one notional increment equal to 3% of the existing basic pay rounded off to the next multiple of Rs. 10/- 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.

### 3.6 City Compensatory Allowance (CCA)

CCA stands dispensed w.e.f. 01/01/2007.

- 6.6 The detailed agreement shall be signed in the next JNC meeting. Thereafter, it will be put up to the MTNL Board for its approval.
- 6.7 The date of implementation of revised Wage/Salary for the Non-Executive and Executive employees shall be same.

SIGNED AT MTNL CORPORATE OFFICE, JEFVAN BHARTI BUILDING, TOWER-I, 12<sup>TH</sup> FLOOR, 124, CONNAUGHT CIRCUS, NEW DELHI-110091 ON 28/01/2010.

PARTIES TO THE SETTLEMENT

On behalf of MTNL Management

Kuldip Singh  
CMD

Anita Soni  
Director (Fin)

S P Pachauri  
Director (HR)

*A K Saxena*  
A K Saxena  
GM (Admn), MTNL Mumbai

*M K Saxena*  
M K Saxena  
DGM (HR), MTNL Corp. Office

D N Mishra  
DGM (IR), MTNL Delhi

*Pankaj Yadav*  
Pankaj Yadav  
DGM (Fin)

On behalf of Workmen  
(Non-Executives)

*Arvind Sawant*  
Arvind Sawant  
Hon'ble MLC  
President, MTNL Kamgar Sangh, Mumbai

*Sarup Singh*  
Sarup Singh  
General Secretary, MTNL Staff Union,  
Delhi

*Dilip B Jadhav*  
Dilip B Jadhav  
General Secretary, MTN KS, Mumbai

Dilip Satam  
Dy. GS, MTN KS, Mumbai

*Prakash Shirwadkar*  
Prakash Shirwadkar  
Working President, MTN KS, Mumbai

*Jai Kir*  
Jai Kir  
Representative, MTNL Staff Union, Delhi

*D R Mangain*  
D R Mangain  
Representative, MTNL Staff Union

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(S N Rain)