

**JOINT FORUM OF EXECUTIVES' ASSOCIATIONS OF MTNL
CENTRAL HEADQUARTERS, NEW DELHI.**

Ref.No. JF/MTNL/CO/2009/1

Dated: 04.03.2009

To

The Chairman & Managing Director,
Mahanagar Telephone Nigam Limited,
Jeevan Bharti Building,
Corporate Office, New Delhi.

**Sub:- Implementation of New Pay Package with 30% fitment formula as notified by
DPE vide its letter No-2(70)/08-DPE(WC) dated 26.11.08**

Ref. No. 1. TEAM/MTNL/2008-09 dated 13.01.2009.
2. MEA/Delhi/2008-09 dated 20.01.2009.

Respected Sir,

We have come to know that the MTNL Management has sent a proposal to Administrative Ministry with 5% fitment for the executives of MTNL under New pay revision package effective from 01.01.2007.

We have discussed this issue with Director (Finance) on 03.03.2009. During the discussion, we have expressed our resentment regarding the said proposal of MTNL Management. We have clearly communicated sentiments of executives to Director (Finance) that the executives of MTNL will not accept any proposal with less than 30% fitment formula as already accepted and communicated to MTNL by DPE vide letter mentioned under subject.

Kindly recall our earlier communications to your goodself as referred above wherein we have submitted that the expenditure to be incurred for implementing the new pay package with 30% fitment for the executives in MTNL is well within the prescribed limit by DPE in this regard.

We are to further reiterate our view point in this matter as under :-

It is understood that MTNL Board has taken on record the notification for its implementation . Management may be aware that uniform fitment benefit @ 30% of basic pay + DA at 68.8 as on 01.01.2007 would have to be provided to executives. The recommendations would be adopted subject to the conditions that the additional outgo by such revision for a period of 12 months should not in more than 20% dip in Profit Before Tax (PBT) for the year 2007-08 in respect of Executives and Non Unioined Supervisory Staff taken together, **whereas the actual dip comes to less than 8%**. PBT of MTNL for

the year 2007-08 is Rs.6316.49 million, 20% of the above works out to Rs. 1263.30 million.

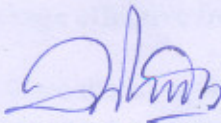
In MTNL, there are no Non Unionised Supervisory cadres. The additional outgo consequent to implement of the above recommendations to Executives for a period of 12 months with 30% fitment is not expected to be more than Rs. 460 million.

It is pertinent to point out that MTNL Management has implemented the recommendations of 6th Pay Commission with 40% increase in salaries for the officers and staff on deemed deputation. The arrears due to them from 01.01.2006 have also been paid.

We the executives of MTNL earnestly request your goodself to kindly implement the order issued by DPE with 30% fitment w.e.f. 01.01.2007 and issue the order for implementation at the earliest.

With regards,

Yours sincerely,



(A.K.KAUSHIK)
General Secretary, TEAM



(V.K.TOMAR)
General Secretary, MEA

Copy to:-

1. Director (HR), MTNL Corporate Office for information and necessary action pl.
2. Director (Fin.), MTNL Corporate Office for information and necessary action pl.
3. Director (Tech.), MTNL Corporate Office for information and necessary action pl.