

**UNITED FORUM OF MTNL UNIONS AND ASSOCIATIONS,**  
**MTNL MUMBAI**

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CORR/2016/14

DATED 29<sup>TH</sup> June:2016

To

The Regional Labour Commissioner  
Mumbai

SUB :-REJOINDER FILED WITH REGIONAL LABOUR COMMISSIONER MUMBAI  
REF:- ALC ( C )'S Letter no. B.ALC ( C)-III/8(6)/2016 Dated 29/01/2006

We submit the following Rejoinder to the reply given by MTNL Mumbai in the aforesaid case

**1. FIXATION OF PAY AND PENSION AS ON 01/01/2007 MERGING DA AT 78.2% :-**

It seems from the reply that MTNL has agreed in principle to the merger of DA at 78.2% while revising the Pay / Pension on 01/01/2007. However MTNL has following reservations that :-

- a) "due to cash deficit of Rs.160-175 Cr. per month for meeting the day to day expenditures, the company is not in a position to take additional burden".

We point out that MTNL will have sufficient liquidity if the following huge amounts are recovered. As per the Independent Auditor's Report on Annual Accounts 2014-2015, MTNL has to receive the following huge amounts :-

from BSNL .....Rs. 2762.24 Cr.,(para i),  
from DoT.....Rs. 8314.32 Cr. (para ii)  
from ITI               Rs. 100 Cr.+ Interest @ 8.75 % from the year 2001-2002

- b) "presently the neutralization of IDA is being done as per the terms of agreement".

We point out that we had not made any agreement for merger of 68.8% IDA. The percentage of IDA for merger was not for negotiations. The IDA @78.2% should be merged for revision of Pay as decided by the Government so that the price rise on 01/01/2007 will be fully neutralized. No PSU has discretion to tamper with it.

- c) "the issue may be deferred .....and next meeting shall be held .....after the financial performance of MTNL for the year 2015-2016 is known and financial support extended by the Govt. will also be known"

We point out that MTNL has reported a net profit of Rs.174.58 Cr for the QE 31/03/2016 and MTNL should get financial support from the Government.

Moreover we point out that as per Para 3 of Govt. Of India, Ministry of Heavy industries & Public Enterprises orders vide No. 2 (70)/08-DPE (WC) dated 26/11/2008, the criteria for affordability to implement the revised pay scales is ".....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 profit before tax (PBT)