

PERMANENT ARBITRATION TRIBUNAL

Interpretation/Variation of Award

RN 971

RN 1029

Before:

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| Rashid HOSSEN | - | President |
| Binnodh RAMBURN | - | Member |
| Rajendranath SUMPUTH | - | Member |

In the matter of:-

**(i) SBI(Mtius) Ltd (formerly Indian Ocean International Bank Ltd)
And**

Private Bank Staff and Employees Association

(ii) Private Bank Staff and Employees Association

And

SBI(Mtius) Ltd (formerly Indian Ocean International Bank Ltd)

In an application dated 8th October 2007, the Indian Ocean International Bank Ltd, made a request for the interpretation and/or variation on some points of the Award RN 848. This application is RN 971.

In a similar application dated 16th June 2008, the Private Bank staff Employees Association, sought for the interpretation of an essential point in the Award RN 848. This application is RN 1029.

The applications were made under **Section 88 (1) of the Industrial Relations Act 1973** as amended.

Both Parties were represented by Counsel.

Mr. R.Chetty of Counsel appears for SBI (Mtius) Ltd

Mr. D. Ramano of Counsel appears for Private Bank Staff Employees Association (PBSEA)

In a statement made on the 31st of October 2008 before the Tribunal, Mr.Chetty pointed out that 'by virtue of a certificate of amalgamation issued by the Registrar of Companies which takes effect as from the 25th October, 2008, there has been an amalgamation between IOIB, the present applicant and SBI international (Mtius) Ltd and hence the previous IOIB is now known as SBI (Mtius) Ltd. Therefore all the rights, obligations, privileges and liabilities following from the present award and its application will now be called SBI(Mtius) Ltd.

There was no objection from the other party.

For ease of reference and following a motion made by both applicants that Case Re 971 and Case Re 1029 be consolidated, and which motion has been granted the SBI (Mtius) Ltd will be referred to as the "*Bank*" and the PBSEA will be referred to as the "*association*".

The Bank prays the Tribunal to give an interpretation and/or variation on the following points:-

(a) Salary structure as at January 2004.

Table A

| Grade | Salary at January 2004 |
|-------------------------------------|-------------------------------|
| Legal Clerks/Typist/Cashiers | 8,734 |
| Head Messenger | 9,310 |
| Assistant Head Messenger | 7,880 |
| Messenger-Cleaner | 7,880 |

The Bank contends that the actual salary for the clerical and service staff should be as follows:

Table B

| Grade | Salary at January 2004 |
|-------------------------------------|-------------------------------|
| Legal Clerks/Typist/Cashiers | 8,984 |
| Head Messenger | 8,350 |
| Assistant Head Messenger | 7,256 |
| Messenger-Cleaner | 6,829 |

The Bank contends that the salary for the clerical and service staff should be restated correctly and prays that the Award be varied accordingly so as to have a balanced consideration when awarding salary increase grade wise which reflects the hierarchy and responsibility level.

(b) Increment – Senior Clerk

This point has been dropped as there has been an agreement between the parties.

(c) Initial Salary of Head Messenger and Clerks

At pages 14 and 15 of the Award, the Head Messenger and Clerks get the same initial salary and increment, viz

Head Messenger : (10,000 x 300 – 16,300)

Clerks : (10,000 x 300 - 19,000)

The Bank feels that a Head Messenger cannot in any way be on the same footing as a Clerk as qualifications criteria and responsibilities are higher for Clerks. The Bank prays that the Award be varied accordingly, taking into consideration also that it is table B, as mentioned above, which shows the starting point in the salary scale, which should be applicable.

(d) Assistant Head Messenger Clearances

At page 15 of the Award the Assistant Head Messenger/Telephonist/Driver are in the same salary scale and increment as the Messenger/Cleaner/Handyman/S.Guard. As such there will be no motivation to perform at lower level of Messenger/Cleaner/Handyman/S/Guard since on promotion they will remain in the same salary scale. The Bank feels that the

Messenger/Cleaner/Handyman/S.Guard starting salary and increment should be lower, taking into consideration also that it is Table B as mentioned above, which shows the starting point in the salary scale that should be applicable.

The Bank prays that the Award be varied accordingly.

(e) Passage Benefits

At page 18 of the Award, the Tribunal awarded is as follows:

“(2) All employees should be entitled to travel credit after having completed 10 years of confirmed service. The travel credit is to be calculated on the basis of 5% of their monthly salary.

(3) Manual employees can extend their travel credit to their spouse, dependent children below the age of 21 years old and any members of their families (as agreed).”

The Bank contends:

- (i) That it has never agreed for payment of passage benefits to manual workers (not even to clerical cadre) or the formulas awarded by the PAT.
- (ii) That like for other allowances and benefits, the passage benefits should also be effective as from the date of the Award.

The Applicant also seeks interpretation on the accumulated Passage benefits (For Supervisors & Officers) and other employees (clerical and lower) who have availed of one-off Air Ticket up to now and the way to deal with it.

In consideration of the above contentions and the interpretations/clarifications, the Bank prays that the Award be varied accordingly.

**(f) and (g): Staff Housing Renovation Schemes
Managers**

Both items were dropped at the Tribunal sitting dated 29th July 2008.

The application of the association for interpretation is to the effect that following the Award RN 848, the Bank has effected unilateral payment in connection with the new salary structure.

Document B1 and B2 were submitted following the conversion used by the Bank.

Document D1 and D2 were submitted as alternative conversion proposed by the association.

Both Parties submitted statements of case.

The Tribunal heard the consolidated cases on the 29th of July 2008 and 31st of October 2008.

Mr. Ramkelawon, Chief Compliance Officers of the Bank deponed and was cross-examined. He agreed that the Bank did not submit any salary structure of its employees prevailing as at January 2004. The salary scales submitted by the association was never challenged, modified or amended.

He stressed that the Tribunal should consider an increase in salary made to the Bank's employees in 2002.

The Tribunal found that the salary increase, if ever, was never an issue in connection with Award RN 848.

Following the unilateral decision of the Bank to adopt a conversion, the witness during cross-examination pointed out that the increase of 12.5% granted in 2002 has been taken into consideration and that is why a corresponding point conversion was not accepted.

The Tribunal pointed out that there were a number of agreements that were put before it and both parties requested for an award in terms of those agreements. The Bank is more in disagreement in relation to the salary scales awarded. The scale of salaries awarded is not an issue for interpretation, not even variation as there are no new circumstances that have arisen. The Tribunal has considered the terms of reference as submitted by the Ministry. We do not see any ambiguity that requires interpretation.

However by virtue of **Section 88 (3) of the Industrial Relations Act 1973** as amended, we feel there is a need to intervene only as follows:-

- (1) In Sub-Section 3 of Section 8 of Award RN 848 – “Overseas Passage Benefit” the word “*Manual*” should be deleted and replaced by the word “*Married*”.

We note that as regard the conversion point issue, an agreement has been reached between the parties as per letter dated 19th September 2008.

The application for interpretation/variation is accordingly set aside.

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(sd) Rashid HOSSEN
President

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(sd) Binnodh RAMBURN
Member

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(sd) Rajendranath SUMPUTH
Member

Date: 30.01. 2009