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No. 1355/8 – MONDAY, AUGUST 23, 2004

(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

My No.: CI/585.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

The Collective Agreement entered into between Associated Motorways Limited and Associated Autoways (Pvt) Limited, No. 185, Union Place, Colombo 02, of the one part and Sri Lanka Freedom General Workers' Union, No. 39, Mangala Mawatha, Kalutara (North) of the other part on 25th May, 2004 is hereby published in terms of Section 6 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

MAHINDA MADIHAHEWA,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05,
22nd July, 2004.

Collective Agreement No. 31 of 2004

COLLECTIVE AGREEMENT

This Collective Agreement made this 25th day of May, Two Thousand & Four, to take effect from the First Day of April, Two Thousand & Four, pursuant to the Industrial Disputes Act between the Associated Motorways Limited, and Associated Autoways (PVT) Limited, companies duly registered in Sri Lanka under the Companies Ordinance and having their registered office at No. 185, Union Place, Colombo 2, (hereinafter referred to as "the Employers") and the Sri Lanka Freedom General Workers' Union a trade union duly registered under the Trade Unions Ordinance (No. 5863) and having its registered office at No. 39, Mangala Mawatha, Kalutara (North), hereinafter referred to as "the Union" witnesseth and it is hereby agreed between the parties as follows:-

TITLE.— This Collective Agreement shall be known and referred to as the Associated Motorways Ltd. and Associated Autoways (Pvt) Ltd. Employees' Collective Agreement of 2004.

1. *Parties Covered and Bound.*— This Collective Agreement shall cover and bind the Associated Motorways Ltd., and Associated Autoways (Pvt) Ltd., (the Employers) in relation to persons employed at its establishments in Kalutara, Anuradhapura and Palkelele, on permanent monthly contracts of employment in categories of employment for which salary scales have been provided in Schedules 1 hereto, the Sri Lanka Freedom General Workers' Union (the union) and its members employed by the Employers in the said categories of employment as at the date of signing this Agreement and thereafter.

2. **Earlier Collective Agreement.**— This Agreement shall supersede the Collective Agreement entered into between the parties on 11th May, 2001 and the said Collective Agreement of 2001 shall stand repudiated between the parties.

3. **Date of Operation and Duration.**— This Collective Agreement shall be effective from the 1st day of April, 2004 and shall continue to be in force unless it is terminated by either party giving six months' notice in writing to the other, provided however, that no such notice shall be given by either party, prior to the 30th day of September, Two Thousand & Six and this Collective Agreement shall not stand terminated until the 31st day of March, Two Thousand & Seven. Any notice of termination given by a party prior to the 30th day of September, Two Thousand & Seven shall have no effect whatsoever.

4. **Hours of Work & Overtime.**— During the continuance in force of this Agreement the normal working hours shall be deemed to be those that are worked by the employees as at present. As and when requested by the Employers, the employees shall work reasonable overtime, for which the employees shall be paid overtime as stipulated by law.

5. **Salaries.**— (i) With effect from the 1st day of April, Two Thousand & Four, the monthly salaries applicable to each employee as at March, 2004 shall be increased by Rs. 600 and each employee shall be granted an annual increment subject to the provisions of Clause 6 hereof.

(ii) With effect from the 1st day of April, Two Thousand & Five, the monthly salaries applicable to each employee as at March, 2005 shall be increased by Rs. 450 and each employee shall be granted an annual increment subject to the provisions of Clause 6 hereof.

(iii) With effect from the first day of April, Two Thousand & Six, the monthly salaries applicable to each employee as at March 2006 shall be increased by Rs. 500 and each employee shall be granted an annual increment subject to the provisions of Clause 6 hereof.

6. **Annual Increments.**— Unless otherwise decided on disciplinary grounds, in terms of this Agreement, an employee shall be entitled to an annual increment in the month of April each year, in terms of the salary scale applicable to him, and provided in Schedule 1 hereof.

7. If during the continuance in force of this Agreement, the Government of Sri Lanka.—

(a) prescribes in any year, increases in salary by any written law applicable to categories of employees covered by this Agreement, the Employer shall be entitled to take credit for the salary increases granted to an employee in respect of such year in terms of Clause 5 hereof and determine the increase, if any, that is to be granted to an employee accordingly.

(b) recommends increases in salaries, such recommendation will not be applicable to the Employer regardless of whether or not such recommendation is applicable to the categories of employees covered by this Agreement.

8. **Attendance Bonus.**— The Employers shall continue to pay the weekly attendance bonus in terms of the current scheme.

9. **Profit Bonus.**— The payment of bonus, if any, in the month of April will be directly linked to the cumulative net profit recorded in the financial year immediately preceding, in respect of the factories of the Employers covered and bound by this Agreement.

10. **Reward for Good Attendance.**— With effect from 1st June 2004, the Employers agree to pay a reward for good attendance (in respect of physical presence at work) on a monthly basis to all employees covered and bound by this Agreement on the following basis:

(i) With effect from 1st June 2004 to 31st March 2005 the monthly reward will be paid as follows:

Up to one days' authorized absence	— Rs 250/-
Up to two day's authorized absence	— Rs 150/-
Up to three day's authorized absence	— Rs 100/-
Over 3 day's authorized absence or any unauthorized absence	— No Payment.

(ii) With effect from 1st April 2005 to 31st March 2006, the monthly reward will be paid as follows:

Up to one days' authorized absence	— Rs 400/-
Up to two day's authorized absence	— Rs 240/-
Up to three day's authorized absence	— Rs 160/-
Over 3 day's authorized absence or any unauthorized absence	— No Payment.

(iii) With effect from 1st April 2006 to 31st March 2007, the monthly reward will be paid as follows:

Up to one days' authorized absence	- Rs 500/-
Up to two day's authorized absence	- Rs 300/-
Up to three day's authorized absence	- Rs 200/-
Over 3 day's authorized absence or any unauthorized absence	- No Payment.

11. **Minimum Levels of Production.**— The Union and the employees agree with the Employers that during the continuance in force of this Agreement the employees of the respective Employers covered under this Agreement shall maintain minimum production levels as set out in the Second and Third Schedules hereto, in the factories of the Employers. These minimum production levels, however, shall be liable to review depending on operational requirements.

12. **Disciplinary Action.**— Where the Employers propose to proceed against an employee on disciplinary grounds, then—

- regardless of whether an employee has been suspended or not, the employee shall be furnished with a 'show cause' notice setting out the misconduct alleged against him.
- the employee shall be required to submit his written explanation to the 'show cause' notice within 5 clear working days. The employee may, however, if he so requires, seek an extension of time to submit his explanation and the Employers may at their discretion grant such extension of time as deemed required,
- on receipt of the employee's written explanation, the Employers shall conduct a domestic disciplinary inquiry into the alleged misconduct,
- after the conclusion of the domestic inquiry, the employee shall be informed in writing of the findings of the said inquiry and the punishment, if any, that has been imposed,
- the Employers shall not be required to hold a domestic inquiry in terms of sub-clause above, where the employee has admitted the acts of misconduct alleged against him, or follow the disciplinary action procedure in terms hereof where the employee shall only be warned in respect of an act of misconduct.
- the services of an employee may be suspended without pay by the Employers pending disciplinary action or by way of punishment on the findings of a domestic disciplinary inquiry.

13. **Variation of Terms and Conditions.**— During the continuance in force of this Agreement, neither party shall seek or attempt to vary, alter or change any of the terms and conditions contained herein and/or terms and conditions or other benefits applicable to employees as at the date of signing this Agreement, other than by way of mutual agreement between the parties.

14. **Dispute Settlement Procedure.**— (a) In the event of any dispute that shall arise between the parties during the continuance in force of this Agreement, the branch of the Union in the Employers' establishment shall raise such dispute with the Factory Management of the Employers and the parties shall take all efforts to resolve such disputes amicably.

(b) If no settlement of the dispute can be reached between the parties, the branch of the Union may request the Union to raise the matter in dispute with the Employers and/or with the Employers' Federation of Ceylon and the Union, the Employers and the Federation shall thereafter take all possible steps to resolve the dispute.

(c) Failing a settlement of the dispute as provided in the preceding sub-clause the Union may raise the dispute with the Department of Labour and move to have the dispute resolved under the provisions of the Industrial Disputes Act.

15. **Trade Union Action.**— The employees and the Union agree that they shall not, during the continuance in force of this Agreement, resort to trade union action of any form in respect of any dispute that may arise between the parties but have such dispute settled in the manner provided herein.

16. **Union Committee Meetings.**— The following provisions shall apply to meetings of the branch committee of the Union:

- In respect of each meeting the branch committee desires to hold in the Company premises, an application shall be made to the respective Employers at least 36 hours prior to the date of the meeting.

2. If the Employers decide to grant permission to hold such meeting, the Employers may upon a written request of the branch union, permit a representative of the Union (Parent Union) to attend such branch committee meeting provided, however, that the branch union shall not make such requests on more than 4 occasions during one year.
3. The Employers may also impose any other condition they desire fit subject to which such branch committee meeting shall be conducted.

SCHEDULE 1

SALARY SCALES

PRODUCTION WORKERS

UN-SKILLED

Salary scale

Rs. 4790/= (Annual increment of Rs. 25/= for 10 years) (Annual increment of Rs. 50/= for 10 years) (Annual increment of Rs. 85/= for 4 years or more)

SEMI SKILLED

Salary scale

Rs. 4810/= (Annual increment of Rs. 40/= for 10 years) (Annual increment of Rs. 65/= for 10 years) (Annual increment of Rs. 95/= for 4 years or more)

SKILLED

Salary scale

Rs. 4835/= (Annual increment of Rs. 50/= for 10 years) (Annual increment of Rs. 75/= for 10 years) (Annual increment of Rs. 110/= for 4 years or more)

ENGINEERING WORKERS

UN-SKILLED

Salary scale

Rs. 4750/= (Annual increment of Rs. 45/= for 10 years) Annual increment of Rs. 65/= for 10 years (Annual increment of Rs. 85/= for 4 years or more)

SEMI SKILLED

Salary scale

Rs. 4765/= (Annual increment of Rs. 50/= for 10 years (Annual increment of Rs. 70/= for 10 years) (Annual increment of Rs. 95/= for 4 years or more)

SKILLED

Salary scale

Rs. 4835/= (Annual increment of Rs. 65/= for 10 years) (Annual increment of Rs. 85/= for 10 years) (Annual increment of Rs. 110/= for 4 years or more)

SCHEDULE 2

AGREEMENT FOR PRODUCTIVITY IMPROVEMENT AT TRD

1. Initial inspection targets:
 - Machine No. 01 – 255
 - Machine No. 02 – 205
 - Machine No. 03 – 205
 - Machine No. 04 – 205
2. Initial stores targets for coding – 455
Job numbering – 230
3. buffing machine targets as follows:
 - B 01 – 135 tyres
 - B 02 – 84 tyres
 - B 03 – 75 tyres
 - B 04 – 130 tyres
4. Building section production as follows:

Truck	07 persons	–	125 tyres + 06 Tractor tyres
	06 persons	–	105 truck tyres
Light truck and Car	07 persons	–	L/T 125 + Car 105 = 230 tyres
5. Repair section production targets as follows:
 - * Selection of tyres – 65 tyres
 - * Hand buffing – 45 tyres
 - * Building of patches – 30 Nos.
6. Building of tractor tyres target 14 tyres.
7. Accept any technical changes in curing of tyres.
 - * To increase one tyre set of tyres in 18 Hrs. of work (i.e. for two shifts)
 - * To increase one tyre set in L/T and car sections in 18 Hrs. of work.
 - * To increase one tyre set in radial presses in 18 Hrs. of work.
 - * Curing of tyres in any mould (irrespective of the press)

Eg: 03 moulds in TL 8 – 1 and 05 moulds in TL 8 – 2 (Subject To an Production Incentive System)
8. To control the reject percentage below 1%.
9. To accept that the cleaning of the machine is a duty of the operator himself.
10. Final inspection target is 155 tyres.

AGREEMENT FOR PRODUCTIVITY IMPROVEMENT IN COMPOUND DEPARTMENT

1. Sulphuring in Carter Banbary (Without a batch off unit) – 11 bathers / Hr.
2. Mixing in Carter banbary
 - 2.1 ACPL compounds – 80 batches / Shift
 - 2.2 ARI compounds – 70 batches / Shift

3. Mixing in Farrel Bridge Banbary

3.1 TRD Camel back – 82 batches / Shift

3.2 ARI 707 – 45 batches / Shift

4. Chemical weighing – Extra 10 bathes per shift

SCHEDULE 3

PRODUCTION NORMS

ASSOCIATED AUTOWAYS (PVT.) LTD.

<i>SECTION</i>	<i>TARGET</i>
1. Initial Inspection	180 tyres / 9 hrs
2. Buffing	100 tyres / 12 hrs
3. Building – Matteuzzi	05 tyres / 1 hr
Vulcan	04 tyres / 1 hr
IMI	03 tyres / 1hr
4. Curing – Magnobosco	06 sets (72 tyres / day)
IROP	06 sets (132 tyres / day)
5. Final Inspection	90 tyres / 9hrs
6. Extrusion	35 lugs / 1 hr
7. Tread Press – TP – 2	03 cycles / 1 hr
TP – 3	03 cycles / 1 hr
TP – 4	03 cycles / 1 hr
8. Tread Sanding	22 tread liners / 1 hr
9. Calendering	60 kg / 1 hr

In witness whereof the parties aforesaid have hereunto set their hands at Colombo on this 25th day of May, Two Thousand & Four.

For and on behalf of
ASSOCIATED MOTORWAYS LTD

For and on behalf of
SRI LANKA FREEDOM GENERAL
WORKER'S UNION

TILAK DE ZOYSA
Deputy Chairman and Managing Director

For and on behalf of
ASSOCIATED AUTOWAYS (PVT) LTD

For and on behalf of
SRI LANKA FREEDOM GENERAL
WORKERS' UNION

ANANDA CALDERA
Director / General Manager.

S. M. CHANDRESENA
Trazara.

WITNESSES TO THE ABOVE SIGNATURES:

R. L. P. PEIRIS
Deputy Director General. (EFC)

W. AJITH WASASTHA SILVA
Secretary.