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PART I : SECTION (I) – GENERAL

Government Notifications

My No.: CI/860.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between International Distillers Lanka Ltd, Melfort Estate, Kotalawala, Kaduwela of the one part and Food Beverages and Tobacco Industries Employees' Union, No. 513-1/2, Elvitigala Mawatha, Colombo 05 of the other part on 11th June, 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.
20th August, 2004.

Collective Agreement No. 33 of 2004

COLLECTIVE AGREEMENT BETWEEN INTERNATIONAL DISTILLERS LANKA LTD. AND FOOD, BEVERAGES AND TOBACCO INDUSTRIES EMPLOYEES' UNION MANUAL GRADES

THIS Agreement made and entered into on this 11th day of June 2004 between International Distillers Lanka Ltd., a duly registered company having its factory and office at Melfort Estate, Kotalawala, Kaduwela (hereinafter referred to as "the Company") and the Food, Beverages and Tobacco Industries Employees' Union, a duly registered Trade Union having its registered office at No. 513 – 1/2, Elvitigala Mawatha, Colombo 5 (hereinafter referred to as "The Union").

1. **Parties covered and Bound.**– This Agreement shall cover and bind the Company, the Union and all members of the Union Employed in the Company on permanent monthly contracts as at the date of signing this Agreement and for whom salary scales have been provided in Schedule 1 hereof –

(a) It is also agreed by and between parties that the terms of this Collective Agreement will be extended to those employees in the Company who are not members of the Union but who are employed in the categories specified in Schedule 1 as at the date hereof and to all those who will be recruited by the Company to positions referred to in Schedule 1 hereof during the period of this Agreement.

2. **Salaries.**– With effect from 1st May 2004 the salary scales applicable to employees covered and bound by this Agreement shall be those set out in Schedule 1 hereof. These scales have been consolidated at the Colombo Consumers' Price Index figure of 2308.0.

To ascertain the salary payable to an employee with effect from 1st May 2004 the following amounts shall be added to the salary paid to an employee as at April 2004.

- (i) With effect from 1st May 2004, a sum of Rs. 600 will be added to the salary paid to an employee as at April 2004. Thereafter, the employee shall be placed on the salary scale set out in Schedule 1 attached hereto in the grade applicable to such employee.
- (ii) With effect from 1st May 2005, a sum of Rs. 500 will be added to the salary paid to an employee as at April 2005. Thereafter, the employee shall be placed on the salary scale set out in Schedule 1 attached hereto in the grade applicable to such employee.
- (iii) With effect from 1st May 2006, a sum of Rs. 400 will be added to the salary paid to an employee as at April 2006, and to that sum shall be added a sum equal to as follows:
 - (a) Employees with a record of service between 5 to 10 years - Rs. 10 per year of service.
 - (b) Employees with a record of service between 10 to 15 years - Rs. 15 per year of service.
 - (c) Employees with a record of service more than 15 years - Rs. 20 per year of service.

Thereafter, the employee shall be placed on the corresponding point in monetary terms on the salary scale set out in Schedule 1 attached hereto in the grade applicable to such employee.

3. **Non Recurring Cost of Living Gratuity.**— During the continuance in force of this Agreement, the employees shall be entitled to receive and the Company shall be liable to pay a Non-Recurring Cost of Living Gratuity (NRCLG) to employees in service in October each year in respect of the preceding 12 months (i.e. 1st October to 30th September, hereinafter referred to as the “Qualifying period”) commencing from the first day of October Two Thousand and Three, ascertained in accordance with the under mentioned formula subject to the provisions or sub clause (ii) hereunder.

THE FORMULA.— If the average of the Colombo Consumers’ Price Index for the qualifying period exceeds 2308.0 (base index) a sum computed at Rupees Two (Rs. 2) for each complete point (i.e. 1.0) by which such average exceeds 2308.0 in respect of each month of service during the qualifying period.

- (i) The NRCLG paid in accordance with the formula given above, shall not be regarded as a part of employee wages for purposes such as Provident Fund, Trust Fund, Overtime and Bonus calculations or for any other similar payment.
- (ii) Any absence during the qualifying period which resulted in a salary deduction will also be subject to a proportionate deduction from the NRCLG on the same basis on which the salary deduction was effected.

4. **Bonus.**— During the pendency of this Agreement the Company will pay in December each year a Bonus to employees calculated on the basis set out hereunder—

- (i) a sum equal to 1–1/2 months salary provided the Company has operated at a profit during the financial year immediately preceding the bonus payment. The salary for this purpose shall be the salary paid to employees in the month of September of the year in which the bonus falls due having regard to the position that the financial year of the Company is from 1st October to 30th September.
- (ii) In the event of the Company not having made profits in respect of any financial year, the bonus payable in December shall be restricted to one months salary per employee. The Union however, reserves the right to raise a dispute in relation to such reduction should the controlling body of the Union so decide, and pursue such dispute under the provisions of the Industrial Disputes Act. It is agreed in this regard that the Union and/or the employee shall not resort to any form of Trade Union action in pursuing such dispute.

5. **Loans.**—(i) Subject to clause 5A hereof, the Company will grant interest free distress loans to employees on applications made for such loans on the following basis, provided the applicant has no distress loans outstanding.

- | | |
|---|-----------|
| (a) Employees with over 5 years service | Rs. 5,400 |
| Loan repayable in 18 monthly instalments of | Rs. 300 |

(b) Employees with over 3–5 years service	Rs. 4,500
Loan repayable in 18 monthly instalments of	Rs. 250
(c) Employees with over 1–3 years service	Rs. 3,240
Loan repayable in 18 monthly instalments of	Rs. 180

(ii) HOUSING LOAN.— The Company agrees to revise the present housing loan scheme by an additional sum of Rs. 20,000/-, subject to an interest of 10% per annum. In the circumstances, employees who have served for over 5 years will be granted a housing loan of Rs. 30,000/- and employees who have served for over 100 months will be granted a housing loan of Rs. 40,000/- subject to the conditions currently applicable to the grant of housing loans once during employment.

5A. In the case of employees recruited after 23rd December 1998 an interest rate of 10% on distress loans and an interest rate of 16% on housing loans will be charged by the Company.

6. **Annual Picnic.**— During the pendency of this Agreement the Company will make a grant of Rs. 1,000/- per employee who participates in the annual picnic organised by employees of the company. In the event of there being no annual picnic in respect of any year no grant will be made on such account and the Company will not be required to carry forward this payment to a subsequent year.

7. **Performance Bonus.**— The Company also agrees to pay an Annual performance bonus of Rs. 1,000/- to each employee covered by this agreement in the month of April each year subject to the sections in which they work and the conditions set out hereunder.

- (a) Production, Stores and Maintenance Sections subject to achieving the production targets by the Company for the preceding financial year.
- (b) Distribution Sections subject to achieving the sales targets set by the Company for the preceding financial year.

8. **Monthly Performance Bonus.**— The Company agrees to pay a Monthly Performance Bonus based on local liquor sales of a minimum of 25,000 (9 litre cases) per month. The said Monthly Performance Bonus will be paid on the sales volumes over and above 25,000 (9 litre cases) per month. The payment will be made on the following basis.

In 09 Litre Cases	Rs.
25,000 – less than 30,000	– 500
30,000 – less than 35,000	– 750
35,000 – less than 40,000	– 1000
40,000 – less than 45,000	– 1250
45,000 – less than 50,000	– 1750
50,000 – less than 55,000	– 2250
55,000 – less than 60,000	– 3000
60,000 – less than 65,000	– 3750
65,000 – less than 70,000	– 4500
70,000 – less than 75,000	– 5250
75, & over	– 6000

9. **Production Incentive Scheme.**— The Company will pay a production incentive of 15 cents per bottle produced during the month to each employee (other than those earning a sales commission) on a pro rata basis on the number of hours actually worked during the entire month. The total production incentive so arrived at will be divided by the total number of hours worked by those who are entitled to the incentive multiplied by the number of hours actually worked by each employee who is entitled to same. Any period of prior approved annual leave obtained by an employee will be regarded as hours worked for the purpose of computing this incentive payment.

10. **Variation of Terms and Trade Union Action.**— The Union and the employees covered and bound by this Agreement on their part agree that –

- (i) During the continuance in force of this Agreement, the union and employees shall not seek to vary or alter any term or condition of this Collective Agreement or make any demands relating to the payment or increase of any monetary benefits to employees whether by way of a salary revision or otherwise.
- (ii) During the pendency of this Agreement the Union and the employees shall not engage in a strike or any other form of trade union action in respect of any dispute that may arise between the Union and the Company and or the employees, save and except in a situation where in the opinion of the controlling body of the union, the Company acts in a manner calculated to threaten or undermine the existence of or the legitimate activities of the Union in relation to an industrial dispute and the

Company is given 14 days written notice of such action.

11. **Mobility of Labour.**– If work is temporarily not available for a general worker in the Department where such employee is normally assigned work at any given time, or in the event the services of a General Worker is urgently required by another Department, he shall be deemed ready and willing to perform work within his capacity and skill in any other Department to which he may be assigned.

12. **Transfers.**– Employees will be transferred from Department to Department at the discretion of the Management, without assigning any reason for such transfer.

13. **Period of Agreement.**– (i) The provisions of this Collective Agreement shall be effective from 1st May, 2004 and shall remain binding unless otherwise terminated by the Company or the Union with one month's notice to each other provided, however, that no such notice may be given by either party prior to 31st day of March, 2007, other than for a reason involving the violation of all or any of the provisions contained herein by a party.

(ii) The provisions of this Collective Agreement shall supersede the provisions of any other memorandum of settlement or agreement entered into between parties earlier and the provisions of whatever such earlier settlement / agreement shall stand terminated with effect from the date hereof.

SCHEDULE – I

MANUAL GRADES – SALARY SCALES EFFECTIVE 01/05/2004 CONSOLIDATED AT THE CCPI FIGURE OF 2308.0

	Grade III	Grade II	Grade I	SP. Grade
Minor Staff – A	Rs. 5,410 – Annual increments of Rs. 50/=	Rs. 5,525 – Annual increments of Rs. 60/=	Rs. 6,085 – Annual increments of Rs. 65/=	Rs. 6,310 – Annual increments of Rs. 75/=
Minor Staff – B	Rs. 5,775 – Annual increments of Rs. 50/=	Rs. 6,310 – Annual increments of Rs. 60/=	Rs. 6,480 – Annual increments of Rs. 70/=	Rs. 7,155 – Annual increments of Rs. 85/=
Drivers	Rs. 6,145 – Annual increments of Rs. 65/=	Rs. 6,745 – Annual increments of Rs. 75/=	Rs. 7,320 – Annual increments of Rs. 85/=	Rs. 7,660 – Annual increments of Rs. 95/=
Skilled – A	Rs. 6,285 – Annual increments of Rs. 65/=	Rs. 6,865 – Annual increments of Rs. 75/=	Rs. 7,425 – Annual increments of Rs. 85/=	Rs. 7,985 – Annual increments of Rs. 95/=
Skilled – B	Rs. 6,390 – Annual increments of Rs. 70/=	Rs. 6,985 – Annual increments of Rs. 80/=	Rs. 7,550 – Annual increments of Rs. 90/=	Rs. 8,120 – Annual increments of Rs. 100/=

IN WITNESS HEREOF PARTIES HAVE HEREUNTO ON THIS 11TH DAY OF JUNE, 2004 SET THEIR HANDS AT COLOMBO.

For and on behalf of
INTERNATIONAL DISTILLERS LANKA LTD.

SHRIYANTHA PERERA
Chief Executive Officer

For and on behalf of
FOOD, BEVERAGES AND TOBACCO
INDUSTRIES EMPLOYEES' UNION

D. MALAVISINGA
Secretary

WITNESS TO THE ABOVE SIGNATURE:

WITNESS TO THE ABOVE SIGNATURE:

R. L. P. PEIRIS
Deputy Director-General
EFC

S. D. NISAKA
Branch President