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## PART I : SECTION (I) – GENERAL

### Government Notifications

My No.: CI / 07.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Haymat Limited, 400, Deans Road, Colombo 10 of the one part and United Tea, Rubber and Local Produce Workers' Union, 513-1/2, Elvitigala Mawatha, Colombo 05 of the other part on 15th March, 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,  
15th July, 2004.

#### Collective Agreement No. 30 of 2004

THIS COLLECTIVE AGREEMENT made this First day of April Two Thousand and Four to take effect pursuant to the Industrial Disputes Act between Haymat Limited, having its registered office at 400, Deans Road, Colombo 10 (hereinafter referred to as the "Employer") of the One Part and The United Tea, Rubber and Local Produce Workers' Union a registered Trade Union having its office at 513-1/2, Elvitigala Mawatha, Colombo 5 (hereinafter referred to as the "Union") of the Second Part witnesseth and it is hereby agreed between the parties as follows :

TITLE.— This Agreement shall be known and referred to as the Haymat Limited Manual Workers' Collective Agreement of 2004.

#### PART I

##### CONTAINING TERMS AND CONDITIONS OF EMPLOYMENT AND MATTERS INCIDENTAL THERETO AND CONNECTED THEREWITH

1. **Persons Covered and Bound.**— This Agreement shall cover and bind the Employer, the Union and the members of the Union who are employed by the Employer in a manual or labouring capacity on monthly contracts of employment and for whom provision has been made in the wage scales set out in Schedule 1 of this Agreement.

2. **Date of Operation and Duration.** - This Agreement shall be effective as from the First day of March Two Thousand and Four and shall thereafter continue in force unless it is determined by either party giving notice in terms of the Industrial Disputes Act in writing to the other subject to the following provided -

That one party hereto shall not give such notice to the other party before the 28th February Two Thousand and Seven (2007 AD) and no notice given before that date shall be regarded as valid.

3. **General Terms and Conditions of Employment.** - During the continuance in force of this Agreement the terms and conditions of this Agreement shall be deemed to be included in each contract of service between the Employer bound by this Agreement and an Employee covered and bound by this Agreement, whether such contract of service be written or oral, which was subsisting on the date hereof or which shall come into being at any time after the date hereof during the continuance in force of this Agreement.

4. **Probation.** - Every Employee recruited by the Employer shall serve a period of probation of not more than six (6) months. Provided however, that if during the six (6) months probationary period the Employer is not satisfied with the progress of such Employee, the probationary period may be extended for a further period of three (3) months and in that event the Employer shall indicate to the Employee in writing the reasons why the probationary period has been extended. During the period of probation or extended probation the Employer shall have the right to terminate the services of the Employee without notice. If the Employee's services are not terminated for unsatisfactory service during the period of probation or extended probation and the Employee has not been confirmed by the Employer the Employee shall be deemed to be confirmed in his Employer's service with effect from the day after the day on which the period of probation or extended probation, as the case may be, ended.

5. **Attendance.** - (1) Unless otherwise specifically instructed by his Employer an Employee shall present himself for work on every day (other than a holiday) at the usual starting time of the store, factory, mill or job and shall there remain available for work throughout the normal working hours.

(2) If, at a store, factory, mill or job, work is temporarily not available for an Employee in his own occupation he shall be deemed to be ready and willing to perform work within the capacity and skill in any other occupation at any other work site of the Employer where work is available.

(3) Irregular attendance or unpunctuality of an Employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

6. **Hours or Work.** - The hours of work on a normal working day or on a shift shall be eight (8) hours on a normal working day and a period of six (6) hours on a short working day exclusive of intervals for meals / rest whether on shift or otherwise.

General / 1st shift	-	7.30 a.m. to 4.30 p.m.
2nd shift	-	4.30 p.m. to 1.30 a.m.
3rd shift	-	1.30 a.m. to 7.30 a. m.

7. **Forfeiture of Wages.** - Unless for good cause shown to the satisfaction of the Employer an Employee fails to hold himself available for work throughout the normal working hours of each working day he shall forfeit and his Employer shall be entitled to deduct his wages for the period from the time at which such failure occurs until he is again available for work.

8. **Overtime.** - (1) If required by his Employer, an Employee shall work reasonable overtime which has been authorised by the Employer. Refusal to work reasonable overtime in the absence of a satisfactory explanation which is acceptable to the Employer shall constitute neglect of duty for which an Employee shall be liable to appropriate disciplinary action.

(2) Overtime work (that is work performed in excess of normal working hours) shall be remunerated at one and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of clause 16(a) hereof.

9. **Weekly Holiday and Saturdays.** - (1) In respect of each week every Employee shall be allowed a paid holiday on a Sunday in that week as the weekly holiday provided however, that if an Employee has not worked for a period of at least twenty eight (28) hours, exclusive of any period of overtime work during that week, he shall be liable to forfeit and his Employer shall be entitled to deduct one day's wage in respect of the weekly holiday for that week computed in accordance with the provisions of clause 16 (b) hereof.

(2) In computing the period of twenty eight (28) hours referred to in Sub-clause (1) the Employer shall include -

- (a) Every holiday allowed by the Employer to Employee as annual holiday;
- (b) Every public holiday granted by the Employer in terms of clause 11 hereof ; and
- (c) Every day's absence on any ground approved by the Employer.

(3) The Employer may employ any Employee on a weekly holiday subject to the following conditions :

- (i) a day within the six days next succeeding such weekly holiday shall be allowed to that Employee as a holiday with remuneration. Provided however, that if any Employee who is employed on a weekly holiday is liable forfeit and the Employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in Sub - clause (1) then and in such event that Employee shall forfeit and the Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of Clause 16 (b) hereof in respect of the holiday which shall be allowed to that Employee within six (6) days of that weekly holiday. Provided further, that in respect of not more than two (2) such weekly holidays in any one calendar month the Employer may with the consent of the Employee -
  - (a) instead of allowing an alternate holiday within six (6) days of the weekly holiday in respect of which that Employee shall not be liable to forfeit and the Employer shall not be entitled to deduct on day's wage as aforesaid, pay him one day's wage computed in accordance with provisions of Clause 16(b) hereof in lieu of such alternate holiday, or
  - (b) in case that Employee is entitled to an alternate holiday within six (6) days of the weekly holiday as aforesaid in respect of which alternate holiday he shall be liable to forfeit and the employer shall be entitled to deduct a day's wage as aforesaid, employ that Employee on the alternate holiday.
- (ii) that in respect of work done on such weekly holiday the Employee shall be paid as remuneration -
  - (a) one and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of Clause 16(a) hereof for the number of hours worked during the first nine (9) hours (exclusive of one (1) hours for a meals); and
  - (b) a double the normal hourly rate ascertained in accordance with the provisions of Clause 16(a) hereof for each subsequent hour of work.

The provisions of this Sub - clause shall not apply to employees engaged on work outside the business premises of the Employer for periods exceeding twelve (12) hours in respect of the duration of each such period.

(4) Saturday is a working day - 7.30 a.m. to 1.30 p.m. as per Clause 6.

**10. Annual Holidays.**— Annual holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Boards, In the case of Employees in the Coir Fibre Mats Manufacturing Trade the annual holidays shall be in terms of the decision of the Wages Board for the Coir Mattress and Bristle Fibre Export Trade.

**11. Public Holidays.**— (1) Public holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Boards. In the case of Employees in the Coir Fibre Mats Manufacturing Trade the public holidays shall be in terms of the decision of the Wages Board for the Coir Mattress and Bristle Fibre Export Trade. Provided however, that an Employee may be employed on a public holiday in accordance with the decision of the aforesaid Wages Board.

(2) If any public holiday which an Employee is eligible to under the provisions of Sub -clause (1) falls on a Sunday, a day either in the six (6) days immediately preceding or in the six (6) days immediately succeeding such public holiday shall be granted to the Employee as a weekly holiday in accordance with the provisions of Clause 9 hereof.

(3) If any public holidays to which an Employee is eligible under the provisions of Sub-clause (1) falls on a Saturday the number of hours constituting the normal working day on the day immediately preceding the Saturday shall be five and one half (5 1/2) hours and no interval for a meal shall be granted.

12. **Casual Leave.**— (1) In respect of each year of employment during which any Employee has been continuously in employment that Employee shall be entitled to take on account of private business or other reasonable cause including ill health if that Employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as 'Casual Leave') with remuneration for the period or an aggregate of periods not exceeding seven (7) days and the Employer shall allow such Casual Leave and shall be liable to pay such remuneration. Provided however, that not more than two (2) days Casual Leave shall be taken at any time save and except upon the ground of ill health. Provided further that any Employee shall not be entitled to take Casual Leave immediately preceding or immediately following any period of annual holidays. Provided further that in respect of any Employee's first year of employment including any period of probation he shall be entitled to Casual Leave for that year computed on the basis of one day for each complete period of two months' service.

(2) Casual Leave will normally be granted on application without the Employee being required to state the reason for the application. Where an Employer finds it difficult to grant an application for Casual Leave his difficulty shall be notified to the Employee as soon as possible after the application is made and in such case the Employee may be required to state the reason for the application in order that the Employer may decide whether it is reasonable in the circumstances to grant him Casual Leave.

13. **Sick Leave.**— In any year an Employee shall be entitled to Sick Leave not exceeding twenty one (21) days provided that –

- (a) his illness is supported by a medical certificate from a registered medical practitioner (unless waived by his Employer) and
- (b) the Employee shall not be on probation within the meaning of Clause 4 hereof. Provided however, that an Employee who has been on probation shall as from the date of confirmation in respect of the remainder of the first year of employment be entitled to Sick Leave not exceeding ten (10) days if he is confirmed after six (6) months' probation and Sick Leave not exceeding five (5) days if he is confirmed after nine (9) months' probation.

14. **Monthly Consolidated Wages.**— (1) Subject to the provisions of Clause 15 hereof and the Employer's right to make deductions from wages in terms of the practices prevailing at the date of this Agreement and also subject to the existing practices in relation to the performance by employees of work in other grades (whether in higher or lower grades), as from the First day of March Two Thousand and Four each Employee shall be paid upon and subject to the other terms and conditions herein contained, a monthly consolidated wage on the basis of the scales of consolidated wages set out in the Schedule 1 hereto.

(2) This Agreement shall not have the effect of changing the incremental date of an Employee.

- (3) (a) At the expiry of the twelve month period commencing from the First day of November Two Thousand and Four the scales of the consolidated wages set out in Schedule 1 hereto shall be revised by addition to and consolidation with the wage at each stage of each grade of an amount in Sri Lanka Rupees equal to the number of complete points by which the Colombo Consumers' Price Index figure has increased during such twelve month period, multiplied by two (2) and the wage payable to each Employee under this Agreement shall accordingly be increased by a like amount as from the First day of November Two Thousand and Four.
- (b) At the expiry of each twelve month period commencing from the First day of November Two Thousand and Four the scales of consolidated wages revised in the manner prescribed above shall be revised in a like manner as from the First day of November of the succeeding year by addition to and consolidation with the wage at each stage and grade of the consolidated wages in force in the twelve month period immediately preceding of an amount equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such preceding twelve month period, multiplied by two (2) and the wage of each Employee as from the First day of November of the succeeding year shall be increased by a like amount during the continuance in force of this Agreement.

(4) If during the continuance in force of this Agreement the Government of Sri Lanka—

- (a) prescribes increases in wages by any written law applicable to categories covered by this Agreement legally obliging the Employer to make such payment, the Employer shall pay such increases in wages prescribed by such written law and in terms of such written law;
- (b) recommends increases in wages such recommendations will not be applicable to the Employer, irrespective of whether or not such recommendations are applicable to categories covered by this Agreement.

14A. **Incentive Payments.**— The existing systems of incentive payments shall continue subject to the changes in norms agreed with the Union more fully described in Schedule II.

15. **Conversion to Scales of Monthly Consolidated Wages.**— (a) For the purpose of ascertaining the wage which an Employee shall receive with effect from the First day of March Two Thousand and Four on the basis of scales of consolidated wages set out in the Schedule 1 hereto the following provisions subject to the provisions of Clause 14 above shall apply.

- (i) All Employees shall be given an increase in wage of a sum equivalent to 16% of their wages as at 29th February 2004.
- (ii) Each Employee shall thereafter be placed at the corresponding point on the wage scale in Schedule 1 without change in grade and if there is no corresponding point in terms of money value, the next higher stage on the same grade.

(b) The wage increase referred to at Clause 15(a)(i) hereof is in consideration of the Agreement reached between the Union and the Employer for higher output norms as per Schedule II attached hereto.

16. **Wages for Periods less than One Month.**— For the purpose of this Agreement the wages of any employee for periods less than one month shall be computed in the manner following:

- (a) for one hour – the monthly wage divided by two hundred and forty (240)
- (b) for one day – the monthly wage divided by thirty (30)
- (c) for one half day – a day's wage ascertained as above divided by two (2)  
(either morning  
or afternoon)
- (d) for one week – a day's wage ascertained as above multiplied by seven (7)

17. **Non-Recurring Cost of Living Gratuity.**— (1) As the scales of consolidated wages set out in Schedule 1 hereto have been fixed on the basis of the Colombo Consumers' Price Index being 2646.0 an Employee shall, subject to the provisions of the succeeding sub-clause be entitled to receive and the Employer shall be liable to pay a Non-recurring Cost of Living Gratuity to the Employee in November each year in respect of the preceding twelve (12) months (First November to Thirty First October hereinafter referred to as the 'qualifying period') commencing from the First day of November two Thousand and Four ascertained in accordance with the undernoted formula.

THE FORMULA :

If the average of the Colombo Consumers' Price Index for the qualifying period exceeds 2646.0 a sum computed at Rs. two (2/-) for each complete point (i.e. 1.0) by which such average exceeds 2646.0 in respect of each month of service during the qualifying period.

- (2) When at the expiry of each twelve (12) month period commencing on the first day of November Two Thousand and Four the scales of consolidated wages have been revised in the manner set out in clause 14(4) hereof, the base index figure in the formula for the purpose of calculating the Non-recurrent Cost of Living Gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index figure has risen during each twelve (12) month period as specified in clause 14(4) hereof.
- (3) The Non-recurring Cost of Living Gratuity shall be payable by the Employer to an Employee who is eligible to receive the same by virtue of his service under the Employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the Non-recurring Cost of Living Gratuity becomes due in November of any year or he joined the Employer's service during the course of the qualifying year.
- (4) The Non-recurring Cost of Living Gratuity shall not be payable to an Employee in respect of any period for which he received no wages for whatever reason.
- (5) No Provident Fund, Trust Fund, Overtime or any other payment shall be due or calculated on the Non-Recurring Cost of Living Gratuity.

18. **Provident Fund.**— (1) The Employer and an Employee shall contribute to the Provident Fund at rates prescribed by the Employees' Provident Fund Act, No. 15 of 1958.

(2) Subject to the provisions of the Employees' Trust Fund Act, No. 46 of 1980 where the Employer and Employee as at the date hereof were contributing to Provident Fund at rates more favourable than those prescribed by the Employee's Provident Fund Act, the more favourable rates of contribution will continue.

19. **Terminal Benefits.**— The Employer will pay terminal benefits to Employees in accordance with the gratuity Act, No. 12 of 1983.

20. **Bonus.**— An annual bonus as decided by the management would be paid to employees depending on the profitability of the company. In the event a dispute arises in this regard both parties hereby agree to follow the disputes procedures as set out in clause 28 of this Agreement.

21. **Annual Increments.**— (1) The annual increments provided in each grade of the scales of consolidated wages in Schedule I hereto shall be automatic, unless as a matter of punishment for general inefficiency including irregular attendance or unpunctuality or disciplinary action on account of serious misconduct an increment is suspended, stopped or deferred in which case where an increment is—

- (a) deferred, the loss of increment shall be continuous throughout the year;
- (b) stopped, the loss of increment shall only be for the period of stoppage during the year;
- (c) Suspended, the increment is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision an increment is neither stopped nor deferred, then the suspension shall be treated as waived and the full increment from the date of suspension thereof shall occur to the employee concerned.

Deferment, stoppage or suspension of an increment shall only be effected in cases where the Employee has been notified, in writing of a complaint against such Employee and has been found guilty after due inquiry of inefficiency, fraud or misconduct which in the circumstances does not merit termination of employment.

22. **Warnings.**— If in the opinion of the Employer an offence warrants a warning the same shall be conveyed to the Employee, by a letter, a duplicate of which shall be signed by the Employee. If the Employee refuses to sign the duplicate the warning may be given to the Employer orally by the Employer in the presence of two witnesses.

23. **Suspension.**— (1) An employee may be suspended without pay by his Employer –

- (a) Pending an inquiry to be held by the Employer on a charge or charges of misconduct which warrants dismissal;
- (b) In order to avoid a breach of the peace or damage to the property or disturbance of business of the Employer;
- (c) As a punishment for misconduct for a period not exceeding seven (7) working days after the inquiry;

(2) At the time of suspension under Sub-clause (1)(a) or within twenty four (24) hours thereof the Employer shall provide the Employee with a written order of suspension specifying the reasons for such suspension and thereafter, hold an inquiry into the charge or charges in terms of clause 24 hereof.

24. **Disciplinary Action.**— Where the Employer proposes to proceed against an Employee then –

- (1) Irrespective of whether an Employee has been suspended under Clause 23 hereof or not, the Employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such Employee and such show cause notice shall give the Employee not less than three (3) clear working days in which to give the answer or explanation to the charge or charges preferred.
- (2) Within three (3) clear working days after the date of the show cause notice, the Employee shall furnish in writing to the Employer the answer or explanation to the charges preferred against such Employee. Provided however that if in the circumstances it is reasonable, the Employee may ask the Employer for an extension of time within which to furnish a written answer or explanation to the show cause notice and where such request is made by the Employee to the Employer, the Employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.
- (3) If the Employer is satisfied with the written answer or explanation of the Employee the Employee shall, if he is under suspension forthwith be reinstated and shall be paid all wages and entitlements due for the period of such suspension.
- (4) If the Employer is not satisfied with the written answer or explanation of the Employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within ten (10) working days from the date of receipt by him of the written answer or explanation to the show cause notice.