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## PART I : SECTION (I) – GENERAL

### Government Notifications

My No.: CI/1396.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Nisol Corrugated Cartons Ltd., No. 129, Reid Avenue, Colombo 4 of the one part and Ceylon Mercantile Industrial and General Workers' Union (CMU), No., 03, 22nd Lane, Colombo 03, of the other part on 12th October, 2005 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,  
23rd December, 2005.

#### COLLECTIVE AGREEMENT No. 22 OF 2005

This Collective Agreement entered into between Nisol Corrugated Cartons Ltd., a company duly registered in Sri Lanka and having its registered office at No. 129, Reid Avenue, Colombo 4 (hereinafter referred to as "the Company" and the Ceylon Mercantile, Industrial and General Workers' Union (CMU), a trade union duly registered in Sri Lanka and having its registered office at No. 3, 22nd Lane, Colombo 3 (hereinafter referred to as the Union) on this 12th day of October 2005 at Colombo.

#### WHEREAS,

1. The Union made proposals to the Company for the revision of terms and conditions applicable to their members in the factory of the Company situated at Ekala, hereinafter referred to as "the factory".
2. The Company and the Union after negotiations have arrived at an agreement with regard to the matters discussed.

It is agreed between the said parties as follows:

#### 1. Parties Covered and Bound:

This agreement shall cover and bind the Company, the Union and members of the Union employed on monthly contracts of employment by the Company in the manual grades of the Company's factory at Ekala, hereinafter referred to as "the employees."

#### 2. Salaries:

- I. The Company will increase the salaries of the employees with effect from 1st July 2005 in the manner given below.

A wage increase of Rs. 600/- will be granted to the employees in the following manner:

- (a) A sum of Rs. 300/- will be consolidated into the salary in lieu of the existing production bonus scheme (up to 899 MT/month).
- (b) A sum of Rs. 300/- will be incorporated into the monthly salary of employees in terms of the new productivity Bonus Scheme which will be in operation thereafter on the basis of efficiency levels over 85%.

The above increase of Rs. 600/- will be in addition to the wage increase of Rs. 400/- already granted by the Company with effect from 01.07.2005.

II. The revised grading scheme will continue to be applicable during the period of this Agreement and the employees will continue to receive the annual salary increment granted in terms thereof, in accordance with the salary scale applicable to each employee and the seniority allowance in keeping with existing practice.

**3. Production Bonus Scheme:**

Subject to clause 2.I(a) above, the Company will pay a monthly production bonus to its employees in accordance with the production bonus scheme as set out in Schedule I hereto.

It is agreed between parties that subject to the availability of orders, production will be maintained so as to achieve a delivered tonnage of not less than 1100 MT per month.

**4. Daily Attendance Incentive Payments:**

The Daily Attendance Incentive payable to employees will be revised as follows:

- (a) Attendance on all days of the month - Rs. 20/- per day. (This includes the employee utilizing a day's annual leave with prior permission from management).
- (b) Attendance at work 20 or more days of the month - Rs. 15/- per day.
- (c) Attendance at work less than 20 days a month - Rs. 10/- per day.

**5. Night Shift Allowance:**

The payment of Night Shift Allowance will be revised as follows:

- (a) 100% attendance on other night shifts planned in a week - Rs. 75/- per night.
- (b) Attendance only on one night shift per week planned OR less than 100% attendance on more than one night planned - Rs. 65 per night.

**6. Dispute Settlement Procedure:**

In the event of a dispute that may arise between parties the following procedure shall be followed for the resolution of such dispute:

- (a) The branch committee of the Union will initially raise such dispute with the management and the parties shall endeavour to have such dispute resolved through discussions.
- (b) In the event of no resolution of the matter in dispute the branch committee of the Union will refer the dispute to the union and the union will raise it with the management direct or with The Employers' Federation of Ceylon for resolution through discussions.
- (c) In the event of no satisfactory resolution of the dispute after discussions in terms of (b) above, the Union or the Company may seek the intervention of the Department of Labour under the provisions of the Industrial Disputes Act for conciliation.
- (d) Subject to clause 8 hereof, the Union and the employees agree that they shall not resort to any form of trade union action without having complied with the procedure set out above for the settlement of an industrial dispute and in the event of any trade union action the Company shall be given reasonable notice of such action.

**7. Trade Union Action:**

The Company, the Union and the employees covered and bound by this Agreement agree that no party shall attempt to amend, vary or alter the terms of this Agreement during its period of operation and the Union and the employees shall not resort to any form of trade union action whatsoever in relation to any matter covered by this Agreement or related to the remuneration package of employees.

**8. Period of Operation:**

The provisions of this Agreement shall take effect from 1st July 2005 and shall continue in force unless determined by either party with one month's notice to the other, provided, however that neither party shall give such notice to the other before 01.06.2006 and such notice shall not expire before 30.06.2006.

**9. Work Arrangements:**

In respect of work arrangements in the factory, the Company has reached an agreement with the employees and the branch of the Union and the terms thereof shall be confirmed in writing and signed between parties.

Any dispute arising in this regard will be dealt with in terms of clause 6 of this Agreement.

10. In respect of item Nos. (2) and (9) set out in the Union's letter of 12th May 2005, the agreement reached between the parties is more fully set out in the Agreement signed between the parties in terms of Clause 9 above.

IN WITNESS HEREOF THE PARTIES HERETO HAVE SET THEIR HANDS ON THIS 12TH DAY OF OCTOBER 2005.

*For and on behalf of*  
NISOL CORRUGATED CARTONS LTD.

*For and on behalf of:*  
CEYLON MERCANTILE, INDUSTRIAL &  
GENERAL WORKERS' UNION (CMU).

Name: NIAEL AUSTIN

Name: BALA TAMPOE

Designation: Management Director

Designation: General Secretary

WITNESS

1.

Name: M. PERERA

Designation: Director

2.

Name: RANJITH KARIYAWASAM

Designation: Senior Manager- Commercial Operations

1.

Name: I. A. JAYANTHA

Designation: Branch Secretary

2.

Name: M. D. SRIWARDENA.

Designation: Branch President

**SCHEDULE I**

**PRODUCTION BONUS SCHEME**

(a) The employees will be entitled to payment as follows in respect of production tonnage delivered and accepted by the customers in respect of each month.

<i>Delivered &amp; Accepted Tonnage</i>	<i>Rate Payable</i>
900 tons - 999 tons	Rs. 1.00 per ton
1000 tons - 1099 tons	Rs. 1.05 per ton
1100 tons - 1199 tons	Rs. 1.20 per ton
1200 tons - 1299 tons	Rs. 1.25 per ton
1300 tons and above	Rs. 1.30 per ton

(b) Based on absence at work during a month, the following deductions will be made from the payments (above Rs. 750/-) payable in terms of the formula given above.

(i) Up to 03 days leave	No Deduction
(ii) 04 days leave	15%
(iii) 05 days leave	30%
(iv) 06 days leave	50%
(v) 07 days leave	75%
(vi) 08 days leave and above	No payment

Any period of unauthorized absence (no pay) during a month will disqualify an employee from receiving any payment under this scheme.

(c) Subject to the availability of orders, production will be maintained so as to achieve a delivered tonnage of not less than 1100 MT per month.