

# ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය The Gazette of the Democratic Socialist Republic of Sri Lanka

අති විශේෂ EXTRAORDINARY

අංක 1444/7 – 2006 මැයි 08 වැනි සඳුදා – 2006.05.08

No. 1444/7 – MONDAY, MAY 08, 2006

(Published by Authority)

## PART I : SECTION (I) – GENERAL

### Government Notifications

My No. : CI/1603.

#### THE INDUSTRIAL DISPUTES ACT. (CHAPTER 131)

The Collective Agreement entered into between Ceat-Kelani International Tyres (Pvt) Limited, Nungamugoda, Kelaniya of the one part and Inter Company Employees' Union, No. 158/18, E. D. Dabare Mawatha, Colombo 05 of the other part on 27th February, 2006 is hereby published in terms of Section 06 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.  
06 April, 2006.

#### Collective Agreement No. 04 of 2006

##### COLLECTIVE AGREEMENT

This Collective Agreement entered into on this 27th day of February Two Thousand Six between Ceat-Kelani International Tyres (Pvt) Limited, a Company duly incorporated in Sri Lanka and having its registered office at Nungamugoda, Kelaniya, (hereinafter referred to as "*the Employer*") and Inter Company Employees' Union, a Trade Union duly registered in Sri Lanka under the trade Unions Ordinance and having its registered office at No. 158/18, E. D. Dabare Mawatha, Colombo 5, (hereinafter referred to as "*the Union*")

WHEREAS the Employer and the said Union have discussed and come to a settlement with regard to certain demands regarding revision of salaries and other terms and conditions of employment, thought it necessary to record such settlement as follows:—

##### 1. *Parties covered and bound*

The provision of this Agreement shall apply to the Employer, the Union and its members in the Operative Grades engaged on confirmed permanent contracts of employment in the factory of the employer at Kelaniya.

**2. Date of Operation and Duration**

This Agreement shall come into force on the First day of January Two Thousand Six (1st January 2006) and shall remain in force unless terminated by either party, with three months' notice, in writing, to the other, subject to the condition that neither party shall give such notice prior to the Thirty First day of December Two Thousand Eight (31st December 2008).

**3. Salaries**

With effect from 1st January 2006, the employer shall add Rs. 1,200 to the salary of each employee.

With effect from 1st January 2007, the employer shall add Rs. 750 to the salary of each employee.

With effect from 1st January 2008, the employer shall add Rs. 650 to the salary of each employee.

The employer shall also make payment of notional arrears amounting to Rs. 10,800 - (Rs. 1,200 × 9), which will be calculated on the basis of number of days worked and shall not include days of un-authorized absence. The said notional arrears shall not constitute a part of an employee's earnings and, therefore, would not attract any consequential benefits, such as Provident Fund, Trust Fund, Gratuity, Overtime, etc.

As agreed, notional arrears would be paid in three equal instalments of Rs. 3,600, on the following basis-

1 st instalment	-	1st March 2006
2nd instalment	-	20th March 2006
3rd instalment	-	8th April 2006

Employees who are confirmed in employment during the year would be entitled to the immediately succeeding increase in salary only pro rata basis.

**4. If during the continuance 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 2 hereof.
- (b) Recommends increases in salaries, such recommendations 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 or not.

**5. Meal Allowance**

The Employer shall make payment of a meal allowance of Rs. 40 per day to each employee covered and bound by this Agreement. The meal allowance will be paid on the same terms and conditions as at present.

**6. Annual Incremental Rates**

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, commencing 1st April 2006, subject to the performance evaluation of each employee on the basis of the following:-

<i>Grades</i>	<i>New Incremental Rates</i>
Tyre Machine Operator	- Rs. 95/-
Tradesman	- Rs. 105/-
Boiler Operator	- Rs. 115/-
Instrument Technician	- Rs. 125/-
Instrument Fitter	- Rs. 125/-
Mechanical Fitter	- Rs. 125/-
Mechanic	- Rs. 125/-
Electrician	- Rs. 125/-
Team Leader	- Rs. 125/-

**7. Bonus**

Provided the Employer registers a profit the employees will be paid a bonus in respect of each year in keeping with existing practice. This payment will be made in two instalments, as follows:-

- (a) Advance payment in December of a particular year, subject to half-yearly performance and profits made as at 30th September in relation to that year.
- (b) Final payment in April of the following year, subject to the year's performance.

The quantum of bonus payable will be decided by the Company. No bonus will be declared in case the Company registers a loss in respect of any year. As such, any advance paid in December, in accordance with Sub-clause (a) above, will be recoverable as a loan in equal instalments, in case the Company fails to make a profit for the full financial year.

#### 8. *Hours of Work and Overtime*

Subject to changes due to exigencies of work the normal working hours during the continuance in force of this Agreement shall be those that are worked by the employees as at present. The employees shall work reasonable overtime as and when required by the Employer for which the employees shall be paid overtime as stipulated by the law.

Employees in the Engineering Division, will be required to report for work as and when required (as per the roster or special programme), including statutory holidays. They will be required to work on all Sundays as at present, and will be entitled to 1 1/2 times' wages and lieu leave as per the law. Also Saturday payments shall be made as per the law. Any employee who may be unable to report for work when required on any of the days mentioned above, should inform the relevant Head of the Department/Personnel Division, in writing, at least 24 hours in advance setting out the reasons for such inability. The Head of the relevant Department may accept or reject such a request by an employee taking into consideration the exigencies of business and the reasons cited by the employee. The decision taken by the Manager concerned in the respect of such requirement shall be binding on the worker concerned.

#### 9. *Shift Allowance*

The Employer shall continue to pay a shift allowance to employees engaged in the 2nd and 3rd shifts, i.e. from 2.00 p.m. to 10.00 p.m., and from 10.00 p.m. to 6.00 a.m. respectively, calculated at the rates and subject to the terms and conditions currently applicable.

#### 10. *Attendance Incentive for Attending the Night Shift (i.e. from 10.00 p.m. to 6.00 a.m.)*

The Employer will continue to pay to employees an attendance incentive for attending work on the third shift at the same rates and on the same terms and conditions as at present.

- (i) Provided also that the allowance of Rs. 300/- payable on account of attending the night shift, for a minimum of six per mensem, would be deducted on a pro rata basis as given below, on account of approved leave availed of—
  - (a) One day of approved leave – deduction of Rs. 100/-
  - (b) Two days of approved leave – deduction of Rs. 200/-
  - (c) Three days of approved leave or above – Incentive will not be paid.
- (ii) The Employer agrees that Statutory Holidays, Public Holidays, and Poya Days will not be taken into account if a third shift, falls on either of these days.
- (iii) One mutual shift change would be allowed per employee per mensem. Provided however, the allowance shall not be paid to the employee, originally scheduled to work the night shift, if the covering employee does not report to work on the said night shift.

#### 11. *Production Norms*

It is agreed between parties that the production norms in the factory shall be in accordance with Schedule A – Annexure I hereof and the employees shall maintain such norms in their day-to-day work. The norms shall be subject to change in the event of the introduction of new machinery/technology or work processes geared towards improving production in the factory.

The employees will strive towards controlling scrap and rejects and work towards the overall improvement of produced quality factory.

It is also agreed that any change in the pattern or design of production, according to market/customer requirements, will not have any effect on the norms (vide Schedule A - Annexure I), efficiency parameters (vide Schedule A - Annexure II) and Departmental requirements (vide Schedule A - Annexure III) that have been agreed to by parties.

12. **Production Bonus:-**

- (i) The Employer agrees to implement a production bonus of Rs. 300 per mensem, subject to employees achieving the production bonus payment criteria (vide Schedule B) Provided also, however, that such production bonus shall only be payable upon achieving production norms as set out in schedule A - Annexure I and efficiency parameters in Schedule A - Annexure II as agreed to by parties.
- (ii) The production bonus scheme would be effective from 1st February 2006.

13. **Work Assignments.**- Employees should be willing and ready to work on any machine in the factory to which they may be assigned from time to time, for which the Company shall provide adequate training wherever necessary.

14. **Annual Picnic.**- The Company agrees to make payment of Rs. 400 per employee on account of the annual picnic. The payment would be made by the Company upon the Union submitting a list signed by employees indicating the desire to participate in the picnic. The Company will also provide suitable and adequate transport. The annual picnic shall not exceed two days' duration and shall be organized by the Union in consultation with the Management.

The picnic shall be arranged on a holiday in order to avoid disruption to production and may be curtailed to one day on account of operational exigencies. In the event the picnic is limited to one day on account of operational exigencies, the Company would make a payment of Rs. 250 per employee.

The Union and employees undertake to conduct themselves in an appropriate manner during the picnic and refrain from tarnishing the image of the Company. The Company will be entitled to take disciplinary action upon inquiry against any employee or employees, who resort to acts of indiscipline during the picnic. In such instances, the Company will not bear any liability, financial or otherwise, arising out of the misconduct of any employees.

15. **Leave.**- employees shall be entitled to a maximum of 14 days annual leave in accordance with the provisions of the respective Wages Boards' Decisions applicable to the trade. In addition to annual leave, employees will be entitled to 7 days casual leave, subject to the condition that absence on account of sickness in excess of two days should be supported by a medical certificate from the registered Medical Practitioner and whatever rules pertaining to leave in the Company.

16. **Facilities For the Trade Union.**- The Employer agrees to permit the Branch to conduct an Executive Committee Meeting once in two months, for which the Management would provide a suitable location within the administration building of the Company. The Employer also agrees to permit a designated member of the Parent Union to attend these Committee Meetings, after obtaining prior permission to do so from the Employer. Permission to hold such meetings shall be made in writing by the designated Branch Committee Member to the Factory Manager and the date on which such meeting would be held shall be communicated to him, at least five working days prior to the date of the intended meeting. The Employer also agrees to release ten Committee Members of the Branch who are on duty for a duration of not more than two hours to attend these meetings.

It is also agreed by the Employer to make a payment of Rs. 5,000 towards the expenses of holding Annual General Meetings of the Branch. It is agreed by the Union and its employees that the AGM of the Branch shall be held outside the Company premises on a holiday, in a manner that would not disrupt production at the factory at Kelaniya.

17. **Disciplinary Action.**- When the Company proposes to proceed against an employee on disciplinary grounds, the following procedure will be adopted.

- (a) A show cause notice setting out the misconduct alleged against the employee will be furnished to the employee regardless of whether the employee is suspended or not
- (b) The employee shall be required to submit a written explanation to the show-cause letter within five clear working days. The employee may, if he so requires, seek an extension of time to submit his explanation and the Company may at its discretion grant such an extension of time as being required.
- (c) The Company shall conduct a domestic inquiry into the alleged misconduct on receipt of the employee's written explanation.
- (d) The employee shall be informed in writing of the findings of the inquiry and any punishment that has been imposed after the conclusion of the domestic inquiry.
- (e) The Company shall not be required to conduct a domestic inquiry in terms of sub-clause (c) above where the employee has admitted the acts of misconduct alleged against him or where the employees shall only be warned in respect of an act of misconduct.

- (f) The services of an employee may be suspended without pay by the Company pending disciplinary action or by way of punishment upon the findings of a domestic inquiry.
- (g) In the event of an employee being suspended without pay and the employer is unable to conclude the domestic inquiry within a period of three months from the date of suspension other than for reasons beyond the control of the employer, the employee shall, pending the finalization of the inquiry, be entitled to receive half month's wages in respect of each month in excess of such three months.

18. **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, which are applicable to employees as at the date of signing this Agreement other than by way of mutual agreement between parties.

The Union and the Employees also agree that they shall not, either raise any new demand or resort to any form, of trade union action, whatsoever, in relation to any matter covered by the Agreement.

19. **Disputes Settlement Procedure**

- (a) In the event of any dispute that shall arise between parties during the continuance in force of this Agreement, the Branch of the union in the Employer's Establishment shall raise such dispute with the factory management of the Employer and parties shall take all efforts to resolve such disputes amicably.
- (b) If no settlement of the dispute can be reached between parties, the Branch of the Union may request the Union to raise the matter in dispute with the Company.
- (c) Failing a settlement of the dispute as provided in the preceding sub-clauses, 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.

20. **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 parties but have such dispute settled in the manner provided herein.

In witness hereof parties have set their hands on this Twenty Seventh day of February, Two Thousand Six (27th February, 2006).

(Sgd.)

.....  
Name: OSCAR BRAGANZA  
Designation: M. D. & CEO

(Sgd.)

.....  
Name: B. I. ABDEEN  
Designation: Vice President

On behalf of  
CEAT KELANI INTERNATIONAL  
TYRES (PVT) LTD.

On behalf of  
INTER COMPANY EMPLOYEES  
UNION

WITNESSES:

(Sgd.)

.....  
1. S. K. TAMHANE  
VP- Commercial

(Sgd.)

2. ....  
C. GANNILE  
Head of HR

(අත්සන)

1.....  
ශාඛා ලේකම්,

(අත්සන)

2. ....  
ශාඛා සභාපති

Date: 27th February, 2006.

## SCHEDULE A

PRODUCTIVITY NORMS FOR 2006 - 2009  
CKITL PLANTAnnexure I  
Page 1

M/C	Activity	Details	Agreed norm
Mixing			
Banbury No. 02	Master	30rpm Batch wt 210Kg, 82 bts Mixing cycle 5.8 min	82
	Remixing	30rpm Batch wt 200 Kg, 125 bts Mixing cycle 3.8 min	125
	Final	30rpm Batch wt 200 Kg, 135 bts Mixing cycle 3.6 min	135
Banbury No. 03	Master	30rpm Batch wt 190Kg, 82 bts Mixing cycle 5.8 min	82
	Remixing	30rpm Batch wt 190 Kg, 125 bts Mixing cycle 3.8 min	125
	Final	30rpm Batch wt 180 Kg, 135 6 ts Mixing cycle 3.6 min	135
Banbury No. 01	Butyl Mixing	30rpm Batch wt 185 Kg Avg mixing cycle 6.67 min	
4roll calender	Rubberizing	Run the Calender as per the speed specified which could be increased from time to time based on technological improvements/machine update and the total out put will be based on rated capacity which will be decided by the management	25 mts/min
Extruder (Duel)	Extrusion	Die changing + size setting time (min) Preformer = die changing + size setting (min)	LT - 4500 kg/hr TT - 4500 SW - 2500 5 7
	Tread slittering	Nos. (Manual Cutting)	100
Squeegee/ Bias	Cushioning	No. of rolls/ shift	140*
Bias Cutter	Cutting Plies	Cuts per splicing table	1000
Slittering		No. of bias cut rolls/Shift	50
Bead	Winding	No. of beads/ shift/machine	2500
	Fillering LT TT	No. of beads/ shift/machine No. of beads/ shift/machine	750 750
		No. of beads/ shift/machine	650
	Flipping LT TT	No. of beads/ shift/machine	650

\* Extra winding Unit + 1 person (9+1) to be given to squeegee bias for 140 rolls. One extra person will be given till 60" mill is recommissioned

## SCHEDULE A

## PRODUCTIVITY NORMS FOR 2006 - 2009 CKITL PLANT

Page 2

Section	Activity	Agreed norm	Mitsubishi Stage 1 Machine	Midland M/C	
TYRE BUILDING	6.00 - 12 (4 PR) K 203	80	60		
	5.60 - 15 (4PR) K 511	80			
	5.50 - 13 (6PR) K 231	70	50		
	6.00 - 14 (6/8) SUPREME	67			
	6.00 - 14 (6/8) ACE	67			
	6.50 - 14 (8) FM	60			
	6.50 - 15 (8) K231	60			
	7.00 - 15(6/8/10) SUPREME	60			
	7.00 - 15 (10 /12) FM	50			
	6.00 - 16 EG	60	40		
	6.00 - 16 (6/8)SAM	60	40		
	6.50 - 16 (6/8) FM	60	30		
	7.00 - 16(6/8/10) SUPREME	60			
	7.00 - 16 (10) T 2001	45			
	7.50 - 16 (6/8) SUPREME	52		50	
	7.50 - 16 (12) T2001	47		42	
	7.50 - 16 (14/16) FM	42		42	
	7.50 - 16 (14/16) HILOAD	42		42	
	7.50 - 16 (14 /160) HILUG	42		42	
	7.50 - 16 LUG PLUS	40		40	
		8.25 - 20 (14) TR	23		
		9.00 - 20 (14) ABIMANA	23		
		9.00 - 20(14/16) TR	23		
		9.00 - 20 (14 /16) HT 92	23		
		9.00 - 20 (14/16) CLT	23		
		9.00 - 20 (16) XL SUPER	21		
		10.00 - 20 (16) TR	23		
		10.00 - 20 (16) XL SUPER	20		
		10.00 - 20 (16) INFINITY	23		
		10.00 - 20 (16) L 40	23		
		10.00 - 20 (16) TRACK LUG	20		
		11.00 - 20 (16) FM	15	*	
	5TR 12 (4PR) K 33	80	60		
	6TR 12 (4PR) K 33	68	50		
	11.00 - 28 (6/12) OD	30			
	11.00 - 28 (6/12) ND	30			
	12.4 - 28 (12) SAM	18			
	TRACTOR BAND BUILDING	60			

### GREEN TYRE PREPARATION : ග්‍රීන් ටයර් ප්‍රෙපරේෂන්

(1) weighing and supply of prepared green tyres as specified to cater curing requirement & proper storage of all the green tyres built during the shift තිදවන ලද ශ්‍රීත් වසර අදාල පරිදි කිරා කුණරින් අංශයෙහි අවශ්‍යතාවයන් සඳහා සැපයීම හා සේවා මූරය තුළදී තිදවන ලද ශ්‍රීත් වසර තිසි පරිදි බෙදා කිරීම.

(2) The crew also ensure that start up load for the next shift is prepared and supplied (Crew size 5 persons / shift)

පුද්ගලයින් 5 දෙනෙකුගෙන් සෑදුම්ලත් කණ්ඩායම, ඉදිරි සේවා මුරය ඇරඹීම සඳහා අවශ්‍යවන යෙදවුම් නිසි පරිදි සකසා, සැපයීමට වග බලා ගත යුතුය.

\*Norm For 11.00–20 will be 18 Nos./Shift with new drum.

## SCHEDULE A

PRODUCTIVITY NORMS FOR 2006 - 2009  
CKITL PLANT

CURING

Page 3

SIZE	PR	PATTERN	AGREED NORM
6.00-12	4	K203	54
5.60-15	4	K511	54
5.50-13	6	K231	47
6.00-14	6/8	Suprem	54
6.00-14	6/8	ACE	54
6.50-14	8	FM	45
6.50-15	8	K231	43
7.00-15	6/8/10	Suprem	43
7.00-15	10/12	FM	43
6.00-16	6	EG	54
6.00-16	6/8	Sam	27
6.50-16	6/8	FM	45
7.00-16	6/8/10		43
7.00-16	10	T2001	38
7.50-16	6/8	Suprem	37
7.50-16	12	T2001	37
7.50-16	14/16	FM	37
7.50-16	14/16	Hiload	37
7.50-16	14/16	Hilug	33
7.50-16	16	Lug Plus	33
8.25-20	14	TR	28
9.00-20	14	ABM	27
9.00-20	14/16	TR	27
9.00-20	14/16	HT 92	25
9.00-20	14/16	CLT	25
9.00-20	16	XL Super	26
10.00-20	16	TR	25
10.00-20	16	XL Super	24
10.00-20	16	Infinity	25
10.00-20	16	L40	25
10.00-20	16	Track Lug	25
5TR12	4	K33	47
6TR12	4	K33	43
11.00-28	6/12	OD	18
11.00-28	6/12	ND	18
12.4-28	12	Sam	14
FLAP			
7.00-15			192
7.50-16			262
9.00-20			262

Curing cycles will be reduced based on thermocouple studies done by technical department. Curing out put to be charged accordingly. තාක්ෂණ අංශය මගින් සිදු කරන තරමේ කපල් අධ්‍යයනයන් මත කපුරින් සයිකල් අඩු කරනු ලැබේ. ඒ අනුව කපුරින් නිෂ්පාදනය වෙනස් කරනු ලැබේ.

**Trimming and Inspection** 250 tyres/shift ට්‍රිම් ඇන්ඩ් ඉන්ස්පෙක්ෂන් සේවා මූරයකට වයර් 250

**Remarks:** වෙනත් කරුණු

\* Loading time 3.5 mins / TT 5 mins ලෝඩ් ටයිම් මිනිත්තු 3.5 / TT මිනිත්තු 5

\* 6.00 -16 agreed with auto pci 6.00-16 ඔටෝ පී.සී.අයි. සමග එකඟ විය.

\* Odd nos of curing cycles should be achieved during 24 hours කපුරින් සයිකල්වල ඔඩ් නම්බර්ස් ප්‍රථම සේවා මූරයේදී ලබා ගැනීම.

\* 12.4-28 - 14 Nos agreed with a man cooler (industrial type) 12.4 - 28 14ක් එකඟ විය.



EFFICIENCY PARAMETERS CKITL PLANT		SCHEDULE A	Annexure II
			Agreed time to be completed
Bladder change	LT		30
	TT		45
Mould change		One mould	180
	LT	Two mould	270
		One mould	210
	TT	Two mould	390
	Agri	One mould	225
		Only Drum	45
	LT	Only Segment	60
		Drum and Segment	90
Drum change		Only drum	60 with crane 90 without crane
	TT	Only segment	60 with crane 90 without crane
		Drum and Segment	90 with crane
			120 without crane
	Agri	Only bead setter	25

Engineering issues discussed between factory manager and union representative will be complied to achieve the above norms.

## SCHEDULE A

Annexure III

### Operational requirements in line with productivity norms

#### Common Clause

There could be changes in machinery/process or technology, as and when required, which may result changes in manpower allocation, production norms or operating hours and systems. These changes could be discussed with the relevant personel before implementing. However there should not be barrier or constant in implementing aforementioned changes.

#### Mixing

Structural changes – weighing of chemical separately, to be implemented.

#### Extruder / fabric calender

Efficiency of the machine/process is calculated based on the number of hourse operaterd, and the output generated during the particular time of operation.

### **Bias Cutter/Squeegee bias cutter**

In case of providing electronic encorder for auto function, cutting norms should increase and the cutter operator should be able to work as an additional splicer.

### **Tyre building**

Helper's job should include following responsibilities:

1. Providing all required materials to the tyre builder to fulfill the norms.
2. He should be directly responsible for maximum utilization of materials and minimizing of wastages and scrap during the operating period.
3. He should inspect all the green tyres for defects and do the necessary corrections before removing from the department.
4. Ply changing time in case drum changes (should be within 1.5 hour)
5. Ply loading when machine servicer is empty. It should be 60 minutes.

### **Tyre curing**

Curing cycles with odd number of rounds should be achieved within 24 hours of the day. Changes applicable to curing department in same for the bladder curing process.

## **SCHEDULE B**

### **Production Bonus payment criteria**

- (a) Production Bonus will be payable only on achievement of 100% agreed Norms as per **Schedule A – Annex I**.
- (b) When there is a part completion of norm, and the full achievement has not been possible due to a justified reason, the proportionate amount will be paid.
- (c) If there is non achievement of norm due to an unjustified reason no production allowance will be paid.
- (d) For employees in the engineering division, the amount will be paid subject to achievement of norms being achieved in respect of Drum change, Mould change and Bladder change over times as per **Schedule A – Annexure III**.
- (e) Person - wise, Sector-wise shift-wise details will be maintained to document actual output and reasons for the shortfall if any, and such records will form the basis for payment of Production Bonus.
- (f) The above will be calculated on a monthly basis and will be released as per the practice of paying other allowances.
- (g) Production Bonus shall not be paid if production is curtailed due to reasons beyond the control of the Management. In such instances the production bonus shall not be paid for such specified instances.

05 – 330

My No. CI/546.

## **THE INDUSTRIAL DISPUTES ACT (CHAPTER 131)**

THE Collective Agreement entered into between Asian Paints (Lanka) Limited (formerly known as Delmage Forsyth and Company (Paints) Ltd. No. 81, Koralawella Road, Moratuwa of the one part and Samastha Lanka Welandha Ha Karmanta Kamkaru Sangamaya, No. 457, Dr. Colvin R De Silva Mawatha (Union Place) Colombo 02 of the other part on 02nd March, 2006 is hereby published in terms of Section 06 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.  
06th April, 2006.

## Collective Agreement No. 05 of 2006

### COLLECTIVE AGREEMENT

This Collective Agreement entered into in terms of the Industrial Disputes Act on this 02nd day of March, Two Thousand and Six, to take effect from the 01st day of February, Two Thousand and Six between Asian Paints (Lanka) Limited (formerly known as Delmage Forsyth and Company (Paints) Ltd.), a Company duly registered under the Companies' Act and having its registered office at No. 81, Korallawella Road, Moratuwa (hereinafter referred to as the Employer) of the One Part and the Samastha Lanka Welanda Ha Karmantha Kamkaru Sangamaya (All Ceylon Commercial and Industrial Workers' Union), a trade Union duly registered under the Trade Unions' Ordinance and having its registered office at No. 457, Dr. Colvin R. De Silva Mawatha, (Union Place), Colombo 2, (hereinafter referred to as the Union), of the other Part.

**Witnesseth** and it is hereby agreed between the parties as follows;

**Title :** The Collective Agreement shall be known and referred to as the Asian paints (Lanka) Ltd. Employees' Collective Agreement 2006.

1. **Employees' Covered and Bound.** - This Agreement shall cover and bind the Union and its members employed in the manual grades who are in service with the Employer, as at the date of signing this Agreement.

2. **Date of Operation and Duration.** - This Collective Agreement shall be effective as from the 01st day of February two Thousand and Six, and shall continue to be in force unless it is terminated by either party with three months' notice to the other, in writing, provided however that no such notice shall be given by either party, prior to 31st December, Two Thousand Eight, and such notice

shall not take effect and this Collective Agreement shall not stand terminated until the 31st day of January, Two Thousand Nine. Any notice of termination given by a party prior to the 31st day of December, Two Thousand eight shall have no effect whatsoever.

3. **Salaries.** - the Employer shall increase the salaries of all employees covered and bound by this Agreement as follows:

Rs. 1,200/- with effect from 1st of February, 2006 for a period of one year

A salary increase of Rs. 1,100/- with effect from 1st of February, 2007 for a period of one year.

A salary increase of Rs. 1,200/- with effect from 1st of February, 2008 for a period of one year.

The salary point of each employee as at 1st February 2006, 1st February, 2007, and 1st of February, 2008 is set out in schedules 1, 2, and 3 respectively, annexed in this Agreement.

4. **Notional Arrears.** - It was agreed that the number of months between April 2005 and up to January 2006 i.e. a period of 10 months minus 2 months i.e. a period of 8 months would be taken into consideration for the payment of Notional Arrears of Rs. 1,200 per month. The Notional Arrears would not attract EPF/ETF or any other statutory payment. On a request made by the union, the management, as a special consideration *ex-gratia* without prejudice agrees to pay the overtime earnings based on actuals of each employee in respect of the above Notional Arrears.

Parties are in agreement that since there is a Collective Agreement between parties, the Budgetary Relief Allowance of Workers Act No. 36 of 2005 does not have any bearing in respect of this company and in any event, the salary increases granted as above and the notional arrears would set off and mean include the allowance applicable under the said law.

5. **Medical Assistance.** - The Employer shall arrange for the services of a General Medical Practitioner once a year to conduct a medical check-up of workers and shall provide a sum of Rs. 5,0000 per employee per annum as medical reimbursement. The employees would be entitled to reimburse the amount on the basis of Rs. 1,250 per quarter.

7. **Bonus.** - The company will continue to pay one (1) months basic salary as bonus *ex-gratia* in December of each year.

8. **Production Bonus.** - Parties were in agreement to fully implement all the terms and conditions of the Production Bonus scheme, which has been discussed between the Management and the Union and agreed upon, for a trial period of three (3) months, commencing 1st March 2006 to end May 2006. A copy of the said Production Bonus scheme is annexed herewith as Annexure II.

The employer shall pay a production bonus per month to employees based on the following formula:

- An employee shall qualify to receive production bonus of Rs. 2,200 if he achieved a production target for 18 days in the month. (work including holidays).\*
- An employee shall qualify to receive a production bonus of Rs. 1,600 if he achieved a production target for 14 days in the month (work including holidays).\*
- If an employee goes on half day, he shall work and complete his work on pro-rata basis (of the desired production output in a shift.)

\* Average leave taken by an employee in a month has been considered in the above-mentioned targets.

Parties would strive to maintain the Production Bonus scheme and in the event of any practical difficulty arising, parties agreed to negotiate, after the aforesaid three (3) months period and agree upon applicable revisions to the said Production Bonus Scheme. This would not in any way construe an increase to the Production Bonus payment, but would only be in respect of the other terms and conditions of the Production Bonus Scheme. The Union and Workers agreed that in the event of the said Production Bonus Scheme not being complied with, they would not be paid the Production Bonus of Rs. 2,200. In the event of the Production Bonus Scheme not being complied with, the workers agree to revert to the earlier working schedule as indicated in Annexure II without payment of any Production Bonus.

9. **Attendance Incentive.** - The Employer shall pay an attendance incentive of Rs. 400 per month to employees, to enthruse attendance and eliminate absenteeism, on the following formula:

- An employee shall qualify to receive an attendance incentive of Rs. 400 per month, where they have reported to work on every working day in that month.

Working days shall exclude statutory and weekly holidays and a maximum of a day's annual leave approved by the Management and taken during that month.

Subject to the above, employees shall be absent for the purpose of this incentive scheme where they have been on leave of any description, i.e, annual, casual, sick or approved accident leave.

- The attendance incentive will be paid on a reducing scale as follows:

#### Leave Absence Per Month Incentive Payable

half day (4 hours taken on one single Occasion or on a cumulative basis)	Rs. 376
One day (8 hours)	Rs. 350
One and half days (12 hours)	Rs. 325
Two days (16 hours)	Rs. 300

Employees who absent themselves from work on more than two days in a month will not be entitled to any incentive.

Employees who exhaust their leave entitlement, other than annual leave and placed on No Pay for even half a day in any one month, will not be entitled to this incentive.

10. **Grant of Loans.** - The Employer shall pay a workman a loan of three months' salary or Rs. 10,000, whichever is higher, to be recovered in 24 monthly installments, with interest at prevailing rates, subject to two guarantors.

Those eligible to sign as guarantors for this loan will be as follows:

- A worker could obtain a loan and sign as a guarantor of one other worker, or
- A worker who does not obtain a loan could sign as a guarantor for two other workers.

11. **Annual Excursion.** - The Employer shall arrange only the transport for a two-day excursion and grant an annual excursion allowance, totaling Rs. 650 per employee. In addition, the Employer agrees to grant two workers Rs. 650 each for a Pilot trip for the purpose of organising the trip.

12. **Donation to the Dependants of Deceased Employees.** - In the event of the unfortunate death of an employee, a payment would be made jointly by the Employer and Employees to the dependants of the deceased employee on the following basis:

The Employees would work on a holiday as a mark of respect to the deceased employee and donate the day's wages to the family of the bereaved. The Company will contribute an equal amount as its contribution to the bereaved family.

The payment as mentioned above would be made to a dependant nominated by the employee concerned. All employees will be required to nominate the recipient who will be entitled to receive this payment on behalf of the dependants.

13. **Shift Work.** - The Employer has introduced a rostered two-shift work arrangement with effect from October, 2001, in the factory and the employees are complying with same. The two-shift work arrangement shall be adopted by the Employer depending on the exigencies of business. The shift hours will be as follows:

Morning shift - 8.00 a.m. to 5.00 p.m.  
Night shift - 8.00 p.m. to 5.00 a.m.

The employees will be entitled to one break of half hour's duration and two breaks of 15 minutes duration during the operation of the above-mentioned shifts.

The Employer shall pay a sum of Rs. 2,000 per month, per employee, during the months in which the factory works on the two-shift work arrangement as set out above. The employer shall also pay a sum of Rs. 20 per employee per day to each employee who is rostered for work in the night shift and reports for same. The above payment on account of shift work shall not constitute a part of the earnings of employees and shall not attract any consequential payments such as Overtime, Provident Fund, Trust Fund, etc.

The Employer reserves the right to revert to the general one-shift work arrangement at any time with notice to the employees. The following allowances will be paid to the employees on account of overtime work performed after 8.00 p.m. during the operation of the general one-shift work arrangement:

Transport Allowance - Rs. 35  
Dinner Allowance - Rs. 55

It was agreed that during night shift, workers in Stores, N.C. Section and Technology Section would be utilized in other areas of production work depending on the requirements and workers agreed to this condition in order to earn the shift allowance.

In the event of the necessity to change the present shift timings, it was agreed that the union and management would discuss and arrive at different shift timings without increase to the present shift allowance.

14. The Union and its members shall co-operate with the Company in the maintenance of discipline, avoidance of waste, maintenance of safe working conditions, improvement of quality, improvement of productivity and securing efficiency in such manner as to augment the competitive strength of the Company.

15. The Union and its members agree that during the period of this Agreement, they shall not seek to change or vary the terms of employment and shall not resort to any Trade Union action or any matter covered herein.

If Trade Union action is to be taken on any matter, not covered by this Agreement, the Union shall give written notice of 14 days to the Employer to enable a settlement of the underlying dispute. Any breach of this Clause shall entitle the Employer to repudiate this Agreement forthwith.

In witness hereof parties have set their hands on this 02nd day of March Two Thousand Six

For & On behalf of  
ASIAN PAINTS (LANKA) LTD.

(Sgd.)

.....  
Director/ General Manager

WITNESSES:

Name : N. P. A. A. Abhayaratne

(Sgd.)

Signature : .....

For & On behalf of  
SAMASTHA LANKA WELANDA HA  
KARMANTHA KAMKARU SANGAMAYA.

(Sgd.)

.....  
General Secretary

WITNESSES:

Name: ඩී. අනුරාද ඩිල්ලා

(Sgd.)

Signature : .....

## Schedule I

<i>Serial No.</i>	<i>Name</i>	<i>Current Salary as on Jan. 2006</i>	<i>Salary as on 1st Feb. 2006</i>
1.	D. S. Attapattu	10,823	12,023
2.	M. D. Chandradasa	10,317	11,517
3.	N. K. T. Amarasiri	10,292	11,492
4.	A. A. N. Perera	10,579	11,797
5.	H. G. R. Fonseka	10,079	11,279
6.	W. N. K. Soysa	9,886	10,888
7.	Jagath Punchihewa	9,622	10,822
8.	M. T. J. Perera	10,176	11,376
9.	W. A. Ananda	9,956	11,156
10.	P. D. A. Udayakumara	10,292	11,492
11.	A. W. K. Silva	9,971	11,171
12.	D. P. J. Pieris	10,045	11,245
13.	A. R. K. Silva	9,916	11,116
14.	J. A. De Silva	9,971	11,171
15.	N. G. Jayathunga	9,964	11,164
16.	S. D. De Mel	9,982	11,182
17.	O. K. C. Silva	9,923	11,123
18.	W. A. R. S. Fernando	9,892	11,092
19.	A. K. S. K. De Silva	9,556	11,156
20.	I. G. M. P. Appuhamy	9,850	11,050
21.	H. F. U. K. Fonseka	9,956	11,156
22.	K. D. L. Hemachandra	10,238	11,438
23.	B. D. Chanake	9,921	11,121
24.	S. K. J. Sri Rajika	9,892	11,092
25.	L. K. Pathmasiri	9,799	10,999
26.	S. S. Fernando	10,001	11,201
27.	W. S. S. Fernando	9,906	11,106
28.	R. M. S. K. B. Ratnayake	7,917	9,117
29.	D. M. Sirimanna	9,809	11,009
30.	W. S. I. Fernando	7,907	9,107
31.	A. T. T. De Silva	7,944	9,144
32.	T. S. N. Fernando	9,769	10,969
33.	M. K. Salgado	9,842	11,042
34.	K. S. Fernando	7,907	9,107
35.	P. U. J. N. K. Fernando	9,852	11,052
36.	A. G. Sumanasiri	9,759	10,959
37.	D. M. Dayasena	9,769	10,969
38.	P. M. Jayantha	9,769	10,969
39.	W. N. S. Fernando	9,769	10,969
40.	I. A. Zoysa	9,779	10,979
41.	P. C. Fernando	9,769	10,969
42.	S. H. Siripala	9,759	10,959
43.	S. H. W. Perera	10,064	11,264
44.	M. D. C. S. Perera	9,070	10,270
45.	S. A. D. Harischandra	9,039	10,239
46.	E. M. M. Rangana	9,049	10,239
47.	A. C. Perera	7,907	9,107
48.	G. G. L. Perera	8,294	9,494
49.	H. M. Premarathne	9,388	10,588
50.	S. Ramanathan	10,027	11,227
51.	M. B. A. P. Fernando	9,429	10,629
52.	E. G. S. Chandrasekara	9,388	10,588
		<u>502,000</u>	<u>564,400</u>

Schedule II				Schedule III			
Serial No.	Name	Salary as on 1st Feb. 2006	Salary as on 1st Feb. 2007	Serial No.	Name	Salary as on 1st Feb. 2007	Salary as on 1st Feb. 2008
1.	D. S. Attapattu	12,023	13,123	1.	D. S. Attapattu	13,123	14,323
2.	M. D. Chandradasa	11,517	12,617	2.	M. D. Chandradasa	12,617	13,817
3.	N. K. T. Amarasiri	11,492	12,592	3.	N. K. T. Amarasiri	12,592	13,792
4.	A. A. N. Perera	11,797	12,897	4.	A. A. N. Perera	12,897	14,097
5.	H. G. R. Fonseka	11,279	12,379	5.	H. G. R. Fonseka	12,379	13,579
6.	W. N. K. Soysa	10,888	11,988	6.	W. N. K. Soysa	11,988	13,188
7.	Jagath Punchihewa	10,822	11,922	7.	Jagath Punchihewa	11,922	13,122
8.	M. T. J. Perera	11,376	12,476	8.	M. T. J. Perera	12,476	13,676
9.	W. A. Ananda	11,156	12,256	9.	W. A. Ananda	12,256	13,456
10.	P. D. A. Udayakumara	11,492	12,592	10.	P. D. A. Udayakumara	12,592	13,792
11.	A. W. K. Silva	11,171	12,271	11.	A. W. K. Silva	12,271	13,471
12.	D. P. J. Pieris	11,245	12,345	12.	D. P. J. Pieris	12,345	13,545
13.	A. R. K. Silva	11,116	12,216	13.	A. R. K. Silva	12,216	13,416
14.	J. A. De Silva	11,171	12,271	14.	J. A. De Silva	12,271	13,471
15.	N. G. Jayathunga	11,164	12,264	15.	N. G. Jayathunga	12,264	13,464
16.	S. D. De Mel	11,182	12,282	16.	S. D. De Mel	12,282	13,482
17.	O. K. C. Silva	11,123	12,223	17.	O. K. C. Silva	12,223	13,423
18.	W. A. R. S. Fernando	11,092	12,192	18.	W. A. R. S. Fernando	12,192	13,392
19.	A. K. S. K. De Silva	11,156	12,256	19.	A. K. S. K. De Silva	12,256	13,456
20.	I. G. M. P. Appuhamy	11,050	12,150	20.	I. G. M. P. Appuhamy	12,150	13,350
21.	H. F. U. K. Fonseka	11,156	12,256	21.	H. F. U. K. Fonseka	12,256	13,456
22.	K. D. L. Hemachandra	11,438	12,538	22.	K. D. L. Hemachandra	12,538	13,738
23.	B. D. Chanake	11,121	12,221	23.	B. D. Chanake	12,221	13,421
24.	S. K. J. Sri Rajika	11,092	12,192	24.	S. K. J. Sri Rajika	12,192	13,392
25.	L. K. Pathmasiri	10,999	12,099	25.	L. K. Pathmasiri	12,099	13,299
26.	S. S. Fernando	11,201	12,301	26.	S. S. Fernando	12,301	13,501
27.	W. S. S. Fernando	11,106	12,206	27.	W. S. S. Fernando	12,206	13,406
28.	R. M. S. K. B. Ratnayake	9,117	10,217	28.	R. M. S. K. B. Ratnayake	10,217	11,417
29.	D. M. Sirimanna	11,009	12,109	29.	D. M. Sirimanna	12,109	13,309
30.	W. S. I. Fernando	9,107	10,207	30.	W. S. I. Fernando	10,207	11,407
31.	A. T. T. De Silva	9,144	10,244	31.	A. T. T. De Silva	10,244	11,444
32.	T. S. N. Fernando	10,969	12,069	32.	T. S. N. Fernando	12,069	13,269
33.	M. K. Salgado	11,042	12,142	33.	M. K. Salgado	12,142	13,342
34.	K. S. Fernando	9,107	10,207	34.	K. S. Fernando	10,207	11,407
35.	P. U. J. N. K. Fernando	11,052	12,152	35.	P. U. J. N. K. Fernando	12,152	13,352
36.	A. G. Sumanasiri	10,959	12,059	36.	A. G. Sumanasiri	12,059	13,259
37.	D. M. Dayasena	10,969	12,069	37.	D. M. Dayasena	12,069	13,269
38.	P. M. Jayantha	10,969	12,069	38.	P. M. Jayantha	12,069	13,269
39.	W. N. S. Fernando	10,969	12,069	39.	W. N. S. Fernando	12,069	13,269
40.	I. A. Zoysa	10,979	12,079	40.	I. A. Zoysa	12,079	13,279
41.	P. C. Fernando	10,969	12,069	41.	P. C. Fernando	12,069	13,269
42.	S. H. Siripala	10,959	12,059	42.	S. H. Siripala	12,059	13,259
43.	S. H. W. Perera	11,264	12,364	43.	S. H. W. Perera	12,364	13,564
44.	M. D. C. S. Perera	10,270	11,370	44.	M. D. C. S. Perera	11,370	12,570
45.	S. A. D. Harischandra	10,239	11,339	45.	S. A. D. Harischandra	11,339	12,539
46.	E. M. M. Rangana	10,249	11,349	46.	E. M. M. Rangana	11,349	12,549
47.	A. C. Perera	9,107	10,207	47.	A. C. Perera	10,207	11,407
48.	G. G. L. Perera	9,494	10,594	48.	G. G. L. Perera	10,594	11,794
49.	H. M. Premarathne	10,588	11,688	49.	H. M. Premarathne	11,688	12,888
50.	S. Ramanathan	11,227	12,327	50.	S. Ramanathan	12,327	13,527
51.	M. B. A. P. Fernando	10,629	11,729	51.	M. B. A. P. Fernando	11,729	12,929
52.	E. G. S. Chandrasekara	10,588	11,688	52.	E. G. S. Chandrasekara	11,688	12,888
		<u>564,400</u>	<u>621,600</u>			<u>621,600</u>	<u>684,000</u>



**ASIAN PAINTS LANKA LIMITED - DATE: 14TH FEBRUARY, 2006**

**Summary of Productivity Proposal for Factory Workers**

**Water Based Section:**

- (a) Grinding and Thinning: To be completed as follows (2 operators are involved for each machine):

**TSD/PUG Mill:** 2 wall Putty or 3 acrylic wall filler batches or 4 emulsion batches per shift (Presently same as existing except in case of emulsion 3 batches per shift)

**DHC:** 4 water based standard batches per shift (Presently 3 batches)

**DHV:** 4 water based standard patches per shift (Presently 3 batches)

- (b) **Tinting:** 3 batches per shift per tinter (Presently 2 batches)

- (c) **Filling:** 3 full batches to be filled from each filling point per shift (Presently 2 batches). Incase of Wall Putty 2 batches per one filling point per shift (Presently same as existing). (In all filling points same team should be prepared the required packing materials. Assumed 2 operators involved in each filling point).

**Enamel Section:**

- (a) **Pearl Mills:** 2 tint bases/whites (700lt batch) (Presently give 2 hrs O/T) or 1 colour per shift per machine (700lt) (Presently 1 1/2 shift per colour)

- (b) **Ball Mill Loading and Unloading and Thinning:** Loading or unloading one ball Mill batch, preparation of one ancillary batch and Thinning down 2 standard enamel batches per shift. (Total operation with 2 workers) (One additional activity involved)

- (c) **Tinting:** 2 batches per shift per tinter. (Presently 1-2 batches depend on colour)

- (d) **Filling:** Enamel 2 full batches from each filling point per shift (3 workers are involved in each filling point. In all filling points same team should be prepared the required packing materials) (Presently 1 1/2 batches per shift).

**NC/Industrial/Wood Section:**

Production of total (NC/Wood and Industrial) 1,200 litres per shift (Presently 800-1,000 litres per shift inclusive 2 hrs O/T) (This includes raw material issues/Dispersion and Thinning/Tinting/Testing/Preparation of packing materials/packing) (Team of 12 workers).

**Worker Distribution in NC Factory:**

Raw Material Issues	: 2
Dispersion and Thinning	: 2
Tinting	: 1
Testing	: 1
Packing and preparations	: 6

**Preparation of Labels:**

One workman will participate. During the shift need to be completed labels for 12 full batches without interrupting work the operation. (Presently 9-10 per shift).

**Raw Material Stores:**

18 full batches to be issued to production floor per shift. (One workmen shall complete 4 1/2 batches per shift) (4 workers). In addition unloading and stacking raw materials received from suppliers. (Presently 15 batches inclusive 2 hrs O/T.).

**Finish Goods Stores:**

Loading/acceptance 13,000 litres of finished goods with in the shift with 5 workers for delivery and distribution. If the loading amount is less than 13,000 litres to be clean stores/repacking finished goods to be done. (Presently 10,000 litres per shift).

**Q.C. Laboratory:**

Corporate and assist production floor and laboratory to test and complete all days' batches. (2 workers) (Presently 2-4 hrs O/T per day).



***Goods Transfer Personnel :***

100 % clearance of all finished goods during the day's production within the shift. (Presently 2-4 hrs O/T per day)

***Maintenance Section:***

All scheduled maintenance to be carried out for all production machinery as per instructions without interrupting operation. All small machinery defects to be rectified and repaired within 4 hours.

***During Over Time:***

The desired production out put during over time shall be calculated on prorated basis (of the standard shift out put). This production out put during over time has to be achieved in order to earn production bonus for the month.

***General for all Stages:***

1. If there is delay in input for any stages workers must involved in other work specified by the supervisor. eg. Machine cleaning, cleaning working area, cleaning utensils or work in some other area where services are required.
2. All operators must clean respective working area and utensils used for production operation in the day within the shift.
3. All operators shall make sure all equipments and utensils are used in proper manner to ensure smooth operation in the production floor.
4. In all respective activities must carry out as per standard specified for products and services.