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අති විශේෂ EXTRAORDINARY

අංක 1681/23 – 2010 නොවැම්බර් 23 වැනි අඟහරුවාදා – 2010.11.23

No. 1681/23 – TUESDAY, NOVEMBER 23, 2010

(Published by Authority)

PART I : SECTION (I) – GENERAL Government Notifications

My No.: CI/353.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Keells Food Products PLC No. 130, Glennie Street, Colombo 02 of the one part and Ceylon Mercantile, Industrial and General Workers' Union No. 03, 22nd Lane, Colombo 03 of the other part on 21st July 2010 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

W.J.L.U. WIJAYAWEERA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
29th October, 2010.

Collective Agreement No. 62 of 2010

COLLECTIVE AGREEMENT

AGREEMENT entered into on this 21st day of July 2010, between Keells Food Products PLC a duly registered Company in Sri Lanka, having its registered office at 130, Glennie Street, Colombo 2 (hereinafter referred to as the 'Employer') and the Ceylon Mercantile, Industrial and General Workers' Union (CMU), a duly registered Trade Union in Sri Lanka and having its registered office at No. 3, 22nd Lane, Colombo 3, (hereinafter referred to as the 'Union').

Whereas the Union and the Employer after a series of discussions with regard to revision of the terms and conditions of employment have agreed on the following Agreement :

1. The terms of this Agreement shall cover and bind the Employer, the Union and the members of the Union, employed in a manual capacity in the factory. (hereinafter the Factory) Provided however, Clause 3-10 will only be applicable to those members of the Union employed in a manual capacity in the factory of the Employer on permanent monthly contracts of employment hereinafter referred to as the 'Employees').

2. The Agreement shall take effect from 1.06.2010 and shall remain in force unless otherwise terminated by either party by giving one month's written notice to the other, provided however, that neither party shall give such notice of termination prior to 30.04.2012 and the termination shall not take effect until 31.5.2012.
3. The Employer agrees to revise the salaries of Employees covered and bound by this Agreement during the period of the Agreement as follows:
 - (a) With effect from 01.06.2010 a sum equal to 6% of the basic salary paid to an Employee as at 31st Day of October 2009 shall be added to the salary of such Employee.

After granting such revision referred to in above, the following amounts shall be added to the salaries of the Employees as at 1.6.2010 depending on each employee's period of service.

0 to 4 years (as at 01.06.2010)	-	rupee value of 1 increment.
5 to 8 years	-	rupee value of 2 increment.
9 to 12 years	-	rupee value of 3 increments.
13 to 16 years	-	rupee value of 4 increments.
17 to 20 years	-	rupee value of 5 increments.
Over 20 years	-	rupee value of 6 increments.

- (b) With effect from 01.06.2011 a sum equal to 6% of the basic salary paid to an Employee as at 31st May 2011 shall be added to the salary of such employee.
4. In view of the discontinuance of the publication of Colombo Consumers' Price Index (Base Year 1952) and in the absence of a mutually acceptable index and rate of payment, as agreed by parties, the Employer shall make a once and for all addition of a sum of Rs. 4,100/- (Rupees Four Thousand One Hundred only) into salaries of employees covered and employed by the Employer as 31st May 2010 as the payment in place of the Consolidation of wages and Non -Recurring Cost of Living Gratuity (NRCLG). This adjustment will be made after the revision of salaries in the first year of this agreement on 01.06.2010.
5. (i) Shift allowance payable to employees will be revised as follows :

	2008/9	2009/10
First Shift	Rs. 100/-	Rs. 110.00
Second Shift	Rs. 95/-	Rs. 104.50
Third Shift	Rs. 95/-	Rs. 104.50

- (ii) The workers on the general shift will be paid a daily attendance bonus of Rs. 27.50 per day with effect from 01.06.2010.
 - (iii) In terms of the above, all workers of the factory (except the Krest Section) will be eligible for either the shift allowance or the daily attendance bonus.
 - (iv) Furthermore, the Cold Room Allowance will be revised to Rs. 38.50 in respect of employees who are engaged to work in the cold rooms.

6. **Drivers/ Cleaners Batta :**

Travelling outside over 3 hours leaving between 11.00 a.m. and 12. 30 p.m. and returning after 2.00 p.m. Eg. leaving at 11. 00 a.m. and returning 2.00 p.m.	Rs. 44.00
Colombo / Negombo over 4 hours' trip	Rs. 80.00
Kandy, Bentota over 8 hours	Rs.110.00
Less than 8 hours will be entitled to	Rs. 71.50
Avissawella	Rs. 71.50
Anuradhapura 1st day	Rs. 137.50
Anuradhapura 2nd day	Rs. 137.50

Matara	one day trip	Rs. 198.00
	Two day trip	Rs. 275.00
	Three day trip	Rs. 385.00
Bandarawela	Two day trip	Rs. 275.00

7. In respect of Employees working in the Krest Section the Production related attendance bonus will be revised in the following manner, subject to the production norms already agreed by parties:-

The payment rate will be revised to Rs. 69.85 cents per day with effect from 01.06.2010

The present rates of payment in respect of the production levels will remain unchanged.

8. In view of the wage revision set out above, the Union and the Employees covered and bound by this Agreement will endeavour to maintain an average production level of 9000 kgs of processed meat per day, under the present working conditions, location, number of employees and machinery. It has been agreed by management that in the event of absenteeism affecting the present manning levels, the management will take steps to provide necessary absenteeism cover through the 'pool' of 'casual employees'.
9. (a) The management will have a pool of persons, whose names have been set out in schedule 1 hereof, eligible for employment on a 'casual basis', in circumstances mentioned hereunder,
1. To meet seasonal production requirements and/or additional orders ;
 2. To meet requirements for workers due to absenteeism.
- (b) Priority in employment on a 'casual basis' will be given by the Management to workers in the pool in the order of dates of first employment. The workers so employed will not be discontinued from the pool by the Management without valid reason.
- (c) Six (6) months' or more casual employment would not entitle a person to be absorbed into the permanent cadre. However, the Union reserves to itself the right to request that persons who may have worked for a period of six months or more to perform regular work of the Company to be taken into the 'permanent employment'.
- (d) The rate payable for work on 'casual basis', shall be Rs. 350/- per day, inclusive of the budgetary relief allowance (BRAWA)
10. It is also hereby agreed between the parties that the provisions of the Agreement dated 14.11.2000 and the provisions of the Memorandum of Settlement entered into between the parties before the Commissioner-General of Labour under section 12(1) of the Industrial Disputes Act on 08.11.2001 relating to work arrangements, allowances, batta rates (subject to mutually agreed amendments) and the Dispute Settlement Procedure will remain in force during the period of this Agreement, subject to any revision as set out in this Agreement.
11. During the continuance of this Agreement neither party will attempt to vary, alter or add to any of the terms and conditions or benefits currently applicable to the employees other than by mutual agreement and the union shall not resort to any form of trade union action on such matters.

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I කොටස: (I) පෙදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2010.11.23

PART I: SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 23.11.2010

In witness whereof parties have hereunto set their hands on this Twenty First day of July 2010.

For and on behalf of
Keells Food Products PLC

For and on behalf of the
Ceylon Mercantile, Industrial &
General Workers Union (CMU).

Name: Jit Gunaratne,

Name: Bala Tampoe

Designation: President,
Consumer Foods,
John Keells Group

Designation: General Secretary

Name: Nishantha Jayasooriya

Name:

Designation: Chief Executive Officer
Keells Food Products PLC

Designation:

Witnesses:

1

Name:

Designation:

2

Name: Anura Amarasinghe

Designation: Branch President

SCHEDULE 1

Name of Employee	Date of Engagement	Casual Employee No.
1 Sanka Priyalal	28/1/2009	T- 1177
2 Rukshan Fernando	6/5/2009	T- 1180
3 S.C Prasanna	11/5/2009	T- 1182
4 J.D Mahalekam	2/6/2009	T- 1189
5 H G V Kalansooriya	16/06/2009	T-1202
6 J.M.U.G.S Kumara	14/07/2009	T-1212
7 M.G.S.S Pushpakumara	31/07/2009	T- 1239
8 U.S.P.K Silva	12/08/2009	T- 1224
9 M K S N R Silva	26/10/2009	T - 1232

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

My No. : CI/ 1519.

THE Collective Agreement entered into between Dankotuwa Porcelain PLC, No. 283, Galle Road, Colombo 03, of the one part and Sri Lanka Nidahas Sevaka Sangamaya, No. 301, T. B. Jayah Mawatha, Colombo 10 and Jathika Sevaka Sangamaya, No. 416, Kotte Road, Pitakotte of the other part on 09th September 2010 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

W.J.L.U. WIJAYAWEEERA,
Commissioner - General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
11th November, 2010.

Collective Agreement No. 61 of 2010

DANKOTUWA PORCELAIN PLC

DANKOTUWA PORCELAIN PLC - COLLECTIVE AGREEMENT 2010

01 September, 2010 - 31 August 2013.

Collective Agreement

THIS collective Agreement entered into in terms of the Industrial Disputes Act on this 09th day of September Two Thousand and Ten to take effect from the 01 st day of September Two Thousand and Ten between Dankotuwa Porcelain PLC, a Company incorporated under the Companies' Act No. 17 of 1982 and re - registered under the Companies' Act No. 07 of 2007 and having its registered office at 283, Galle Road, Colombo 03, (hereinafter referred to as "the Employer") of the One part and between Sri Lanka Nidahas Sevaka Sangamaya a Trade Union duly registered under the Trade Unions ordinance and having its registered office at 301, T B Jayah Mawatha, Colombo 10 and Jathika Sevaka Sangamaya a Trade Union registered under the Trade Unions' Ordinance and having its registered office at 416, Kotte Road, Pitakotte (hereinafter referred to as "the Unions") of the Other Part.

WITNESSETH and its hereby agreed between the parties as follows.

Title –. This Collective Agreement shall be known and referred to as the Dankotuwa Porcelain PLC - collective Agreement 2010.

1. **Employees Covered and Bound–.** This Agreement shall cover and bind the Unions and its members employed on a permanent basis, who are in service with the Employer at the time of signing this Agreement, excluding those in the executive grades.

2. **Date of Operation and Duration–.** This Collective Agreement shall be effective from the 1st day of September Two Thousand and Ten and shall continue to be in force, unless it is terminated by either party with six months notice to the other party, in writing, provided however, that no such notice shall be given by either party prior to the 31st day of August 2013, and such notice shall not take effect and this Agreement shall not stand terminated until the 31st day of August 2013.

Any notice given by a party prior to the 31st day of August of 2013 shall have no effect whatsoever.

3. This Collective Agreement is entered into consequent to the Memorandum of Settlement signed before the Commissioner of Labour, as per the provisions contained in Section 12 (1) of the Industrial Disputes Act on the 16th day of June 2010.

4. **Consolidation of the Cost of Living Allowance to the salary –.** The Cost of Living Allowance of LKR 12,221/= received with the February 2010 salary will be consolidated with the salary with effect from September 2010. There would be no further consolidation of the Cost of Living Allowance for the entire duration of this Agreement.

5. **Salary increase –.** It is agreed between parties that a salary increase of LKR 750/= would be granted to all employees covered and bound by this Agreement in September 2010.

Parties are in agreement that there would be no further salary increases for the duration of this Agreement i.e. for the years 2010, 2011, 2012 and 2013 up to 31st day of August 2013.

6. **Annual Salary increments** .– Parties are in agreement that there would no annual salary increments during the full period of the duration of this Collective Agreement.

7. **Bonus** .– Parties are in agreement that there would be no payment of Bonus of any nature during the full duration of this Collective Agreement.

8. **Cost of Living Allowance** .– A monthly Cost of Living Allowance (COLA) would be paid to those employees who are at present receiving a Cost of Living allowance and the payment would be calculated on the new Colombo Consumers Price Index (CCPI (N)) which is being published at present. Parties have agreed that the rate payable for a point of the CCPI (N) would be LKR 60/= . The calculation of overtime and statutory payments such as EPF, ETF and Gratuity will be made inclusive of this Cost of Living allowance. The Cost of Living Index (hereinafter referred to as the Index) on which the Cost of Living Allowance (COLA) for the month is based, is the CCPI (N) published at the end of the previous month. For example the Index for August would be the CCPI (N) for July published at the end of July.

The base Index for each year would be the Index of December of the previous year. The COLA payable for the month would therefore be the difference of the Index of that month compared with Index of the Previous December and this difference multiplied by LKR 60/=. Examples of the calculation of Cost of Living Allowance is given below.

Example 1 : Cost of Living Allowance payable for September 2010.–

Index of December 2009 (which is the CCPI (N) of November 2009) = 211

Index of December 2010 (which is the CCPI (N) of November 2010) = 218.6

Difference = 7.6

Cost of Living Allowance payable for September 2010 = 7.6 x 60 = LKR 456

Parties are in agreement that the increase in COLA during an year compared with that of the base figure of the previous December will be limited to LKR 1,000. At any time if the COLA in any month exceeds the COLA paid in December of the previous year by more than LKR 1,000, it will be limited to an increase of LKR 1,000 only.

This new Cost of Living Allowance payment procedure would commence from February 2010. For the year 2010 the maximum Cost of Living Allowance increase for any month in comparison with the previous December will be limited to a maximum of LKR 1,000/= by using the indices of the CCPI (N).

Example 2 : Hypothetical Cost of Living Allowance For November 2010

Index of December 2009 (which is the CCPI (N) of November 2009) = 211

Hypothetical Index of November 2010 (which is the CCPI (N) of October 2010) = 230

Difference = 19.0

Cost of Living Allowance payable for November 2010 = 19.0 x 60 = LKR 1,140

Since this is more than LKR 1,000, the payment will be limited to LKR 1,000 only.

Example 3 : Hypothetical Cost of Living Allowance For December 2010

Index of December 2009 (which is the CCPI (N) of November 2009) = 211

Hypothetical Index of December 2010 (which is the CCPI (N) of October 2010) = 227

Difference = 16.0

Cost of Living Allowance payable for November 2010 = 16.0 x 60 = LKR 960,00

For COLA payments in 2011 the base index would change to the Index of December 2010. For each month thereafter the Index of that month would be compared with the new base Index. The Total COLA payable for any month in 2011 would include the COLA paid in December 2010. This procedure would be continue in the subsequent years as well by shifting to a new base index which would be the Index of the previous December.

Example 4 : Hypothetical Cost of Living Allowance For December 2011

Hypothetical Index of December 2010 (which is the CCPI (N) of October 2010) = 227

Hypothetical Index of December 2011 (which is the CCPI (N) of December 2010) = 230

Difference = 3.0

Cost of Living Allowance payable for January 2011 = $(3.0 \times 60 = \text{LKR } 180 + \text{LKR } 960$ which is the cost of living allowance for December 2010) = LKR 1,140

Example 5 : Hypothetical Cost of Living Allowance For July 2011

Hypothetical Index of December 2010 (which is the CCPI (N) of November 2010) = 227

Hypothetical Index of July 2011 (which is the CCPI (N) of December 2011) = 247

Difference = 20.0

Cost of Living Allowance payable for January 2011 = $20.0 \times 60 = \text{LKR } 1,200$

Since July 2011 cost of living allowance is more than LKR 1,000, the payment will be limited to (LKR 1,000 + LKR 960 which is the cost of living allowance for December 2010) = LKR 1,960 only.

The parties agree that the arrears of the COLA arising by virtue of this Agreement pertaining to the period prior to the effective date of this agreement, would be paid as an ex gratia payment and that such arrears would not attack overtime, EPF, ETF, and gratuity payments etc. The total arrears per person that would be paid is LKR 1,183/=

9. Parties are in agreement and the Unions agree that their would be no further increases of a monetary nature of any kind during of this Collective Agreement.

10. Parties are in agreement that discussions in respect of a revised Collective Agreement could commence six month prior to the expiration of the time period of this Collective Agreement which is 31st day of August 2013.

11. The Unions agree that they would not dispute any of the provisions contained in this Agreement and would not initiate trade union action in respect of any matter contained herein.

12. *Disciplinary Action.*- Where the Employer proposes to proceed against an employee then

- I. Irrespective of whether an employee has been suspended under clause 13 here of or not, the employee shall be furnished with a show cause letter which shall set out the particulars of the charge or charges of misconduct averred 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.
- II. 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 the written answer or explanation to the show cause letter and where such request is made by an 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.
- III. 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 entitlement due for the period of such suspension. The employer will write to the employee informing that the explanation is accepted and that they would not be proceeding any further.

- IV. If the employer is not satisfied with the written answer or explanation of the employee to the show cause letter and such answer or explanation is rejected by the Employer, the Employer shall commence a domestic disciplinary inquiry within a reasonable time.
- V. After holding such inquiry the employer shall notify the employee of the findings and the punishment, if any, imposed by the employer within a reasonable time.
- VI. If the employee is under suspension and the employer after such inquiry makes order that-
- VII. The employee shall not be dismissed then the employee shall resume employment forthwith and shall subject to the provisions of sub-clause 13 (c) hereof paid all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the finding as to the charges in the show cause letter;
- VIII. If the employee shall be dismissed, the employee's dismissal shall take effect from the date of the employee's suspension and accordingly the employee shall not be paid for the period of such suspension;
- IX. The employer shall not be required to hold an inquiry as referred to in Sub-Clauses (iv) and (v) hereof where the Employer proposes to warn the employee or where the employee admits to the charges. Provided however that if the union disputes the warning or punishment imposed on the employee by the employer and requests the holding of an inquiry the employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply.

13. *Suspension.*- 1. An employee may be suspended without pay by his Employer-

- (a) Pending an inquiry to be held by such employer on a charge or charges of misconduct which warrants dismissal;
- (b) In order to avoid breach of the peace or damage to property or disturbance to the business of the employer;
- (c) as a punishment for misconduct for a period not exceeding fourteen (14) working days after due inquiry.

14. Parties have agreed to follow the under mentioned dispute resolution procedure in respect of any dispute which may arise ;

1. The matter in dispute should initially be discussed at Company level between the Union representatives and the management in order to resolve the matter.
2. If not resolved a discussion should be convened at the Employer's Federation of Ceylon, for the purpose of resolving the matter.
3. If the matter cannot be resolved, the matter should be referred to the Department of Labour, to initiate conciliation proceedings to resolve the matter.

The Unions agree that they should first resort to the above procedure in respect of any matter in dispute and that it is only after the above procedure is adopted and thereafter in the event of contemplation of trade union action, 7 days clear notice in writing should be given to the Employer.

15. The Union and its members agree to co-operate with the management in all endeavours to increase production and initiate any programmes in this regard.

16. During the pendency of this Collective Agreement neither party shall attempt to vary or alter any provisions contained herein.

In witness hereof parties have set their hands hereunto at Colombo on this 09th day of September 2010

Signature [Signature]

**For and on behalf of
Dankotuwa Porcelain PLC**

Name Sunil A. Wijesinha

Designation Chairman/MD

Witness

Signature [Signature]

Name Sudharsana Wickramaratne
Secy. - Legal - HR & Admin

Signature [Signature]

**For and on behalf of
Sri Lanka Nidahas Sevaka Sangamaya**

Name Ranjith Hettiarachchi

Designation Test Secretary

Witness

Signature [Signature]
Name Jayaka Madhusanka

Signature [Signature]

**For and on behalf of
Jathika Sevaka Sangamaya**

Name [Signature]

Designation Organizer

Witness

Signature [Signature]

Name S.A. Arith Amarasekera

[Signature]
DIRECTOR
DANKOTUWA PORCELAIN PLC

NEXIA CORPORATE CONSULTANTS (PVT) LTD.
PV 106

[Signature]
Secretaries

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Memorandum of Agreement entered into between State Bank of India, No. 16, Baron Jayathilaka Mawatha, Colombo 01, of the one part and Ceylon Bank Employees' Union, No. 20, Temple Road, Colombo 10 of the other part on 14th September, 2010 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

W.J.L.U. WIJAYAWEERA,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
29th October, 2010.

Collective Agreement No. 63 of 2010

MEMORANDUM OF AGREEMENT UNDER THE
INDUSTRIAL DISPUTES ACT (1950) AS AMENDED
BETWEEN
STATE BANK OF INDIA, COLOMBO
AND
THE CEYLON BANK EMPLOYEES' UNION

This Memorandum of Agreement between State Bank of India, Colombo having its office at No. 16, Baron Jayathilaka Mawatha, Colombo 01 (hereinafter referred to as "the bank") and the Ceylon Bank Employees' Union, Trade union duly registered and having its registered office at No. 20, Temple Road, Colombo 10 (hereinafter referred to as "the union") entered into on this 14th day of September, Two Thousand and Ten, states as follows :

1. **Effect of Memorandum.** - It is agreed by and between parties that this Agreement shall constitute a Memorandum of Agreement under Section 12 of the Industrial Disputes Act No. 43 of 1950 as amended.

2. **Employees Covered and Bound.** - The employees covered and bound by this Agreement shall be the category of employees known and referred to as Assistant Managers and Deputy Managers in the Bank and hereinafter sometimes referred to as the employees or an employee as required.

3. **Date of Operation and Duration.** - This Agreement shall be effective for a minimum period of 3 years commencing 1st April 2009. Either party is entitled to give notice in terms of the Industrial Disputes Act of one clear calendar month excluding the month in which the notice is given, but such notice shall not terminate the Agreement before the said date, i.e. 31st of March 2012. The Union however shall have the right to initiate negotiations for a revised Agreement at any time after 1st October 2011.

4. **Basic Salary.** - With effect from 1st April 2009 the salary scales applicable to Assistant Managers and Deputy Managers shall be ;

Assistant Managers	<u>Rs. 25, 210/- - Rs. 27,590/-</u> Rs. 340/- x 7	<u>Rs. 29, 745/- - Rs. 37,245/-</u> Rs. 375/- x 20
Deputy Managers	<u>Rs. 26, 950/- - Rs. 29,820/-</u> Rs. 410/- x 7	<u>Rs. 32, 455/- - Rs. 40,735/-</u> Rs. 460/- x 18

5. **Cost of Living Allowance.** - The Bank shall pay a cost of living allowance to employees with effect from 01.04.2009 at the rate of Rs. 92.125 (Rupees Ninety Two and cents one two five) per point increase in the Colombo Consumers' Price Index (new index - CCPIN) beyond the base index figure of 71 (which is the base index figure equivalent of 2400 under the old index CCPI).

6. **Immediate increase and Conversion to Salary Scales.** - Every employee in employment as at the date of this Agreement shall receive the following monetary benefits and salary increases.

- (1) A sum equal to 17% of the gross salary (salary plus cost of living allowance) payable to an employee as at March 2009 shall be added to the salary of an employee as at such time.
- (2) Every employee in employment as at the date of this Agreement shall also receive a further 3% increase calculated on the gross salary as at 31st March 2010 with effect from the 1st April 2010, and thereafter placed on the appropriate point on the

scale in the Clause (4) above at the corresponding Rupee point or if there is no such corresponding point, on the next higher point of the said scale.

(3) There shall be no revision of salary for the year commencing 1st April 2011.

7. **Honorarium.**– For successful completion of each part of the Institute of Bankers Examination, Sri Lanka or London, an employee shall receive a sum of Rs. 9,000/-.

8. **Bonus.**–

(1) (a) Without prejudice to the claim of the Bank that bonus payments are *ex-gratia*, the Bank will each year pay to every employee covered by this Agreement a bonus of three months basic salary or two months gross salary as drawn by such employee for the month of December whichever is higher in respect of one complete year of service meaning January to December.

(b) In the event of an employee retiring from his services, bonus would be paid to him on a pro-rata basis.

(2) Gross salary for this purpose shall be the basic salary, cost of living allowance and the house rent allowance referred to at Clauses 4, 5 and 15 hereof.

9. **Provident Fund.**–

(1) RATES OF CONTRIBUTION. – The rates of contribution to the Provident Fund by the Bank as from 1 st April 2009 shall be :–

Bank's contribution	-	12%
Employee's contribution	-	8%

For the purpose of Provident Fund the basic salary, cost of living allowance and the house rent allowance will be taken into account.

(2) INTEREST ON PROVIDENT FUND CONTRIBUTIONS HELD BY THE BANK.– Where Provident Fund monies are invested in the Bank, the Bank shall continue to pay the rate of interest paid of 12 months' fixed deposits for a sum of Rs. 100,000/= published in the National Savings Bank prevailing as at the 1st January for the first half of the year and on the rate prevailing on the 1st July for the second half of the year on the nett Provident Fund monies invested at the Bank.

(3) DEFICIENCY IN BANK'S CONTRIBUTION TO PROVIDENT FUND TO AN EMPLOYEE NOT ENTITLED TO A PENSION .– Where an employee shall cease to be employed by the Bank in circumstances which do not entitle him to pension or payment in lieu of pension, as the case may be, such employee shall be entitled to the difference between the Bank's contributions made to the Fund during his period of service and the Employer's minimum rate of contribution he would have been entitled to, in terms of the Employees' Provident Fund Act and its amendments from time to time, as a contribution to the Fund by the employer on behalf of such employee, such deficiency will be the difference between the following minimum rates of contribution under the Act and 10% of basic salary actually contributed by the Bank.

From 01.01.1971 to 31.12.1980	-	9% of gross salary (basic and cost of living allowance)
From 01.01.1981 to 31.12.1992	-	12% of gross salary (basic and cost of living allowance)

Prior to 31.12.1970 the Employer's minimum rate of contribution was 6% of total earnings (gross salary), which was less than 10% of basic salary and therefore no deficiency arises.

10. **Terminal Benefits.**–

(1) PENSIONS.– An employee shall, upon reaching the age of retirement, i.e.55 years and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 year's of actual continuous service (excluding absence/ leave without pay), be entitled to a pension computed on the following basis :

Number of completed years' of Service		Monthly basic salary plus Cost of Living
$\frac{(\text{maximum 35 years}) + 5}{55}$	x	Allowance payable for the month of retirement
		plus house rent allowance

(2) COMMUTED PENSION.-

- (1) At the option of the employee at the time of retirement on or after the effective date 25% of the monthly pension \times 120 will be paid to employees who are entitled to a pension who do not opt for a lump sum payment as provided for in the settlement and who opt for such commuted pension.
- (2) Where an employee commutes his monthly pension in the manner aforesaid, the monthly pension payable to him during the first ten years of retirement will be 75% of the monthly pension he would have been entitled to at the time of retirement if he had not so commuted his pension. After the expiry of the said ten years the amount of the monthly pension so commuted will be restored and added to the monthly pension then being paid.

(3) RETIREMENT.-

- (1) The age of retirement shall be 55 years and on reaching the age of 55 and employee shall *ipso facto* retire and cease to be employed by the Bank and there shall be no obligation on the Bank to give such employee any notice of such retirement.
- (2) An employee may also be retired and be eligible for retirement benefits if he is not less than 50 years and has ten or more years of Confirmed service in the Officer Grade, subject to mutual agreement between the employee and the employer and subject to the condition that the refusal by any party to agree to such premature retirement shall not constitute an industrial dispute.

(4) PREMATURE RETIREMENT ON MEDICAL GROUNDS / DISABILITY.-

An employee who is found to be unable to continue to perform his duties as a result of infirmity/ disability, as certified by the Bank Doctor/ Medical Specialist/ Government Medical Board, and who is in the permanent employment of the Bank at such time and shall have completed not less than 10 years of actual continuous service (excluding absence/ leave without pay) shall be entitled to a pension computed on the same basis referred to at clause 10 (i) above.

Provided however that where an employee is entitled to compensation by the Bank under any laws in force at the time or an award of Court, such employee shall only be entitled to a pension or such compensation as opted by him, but not both.

Provided further that in the case of an employee whose premature retirement occurred in consequence of an accident which entitled him to compensation, the pre - acceptance of pension as provided herein will not restrict the right of such employee in subsequently claiming any balance compensation under any written law.

The entitlement to a pension under this provision shall be forfeited in the event of the employee concerned accepting employment elsewhere and the bank shall have no obligation to make any further payment to him. Before taking action to stop the payment of pension the Bank will give the Pensioner two calendar months notice to explain why the pension should not be withdrawn as a result of him obtaining employment elsewhere. The Bank's decision thereafter will be final.

11. **Lump Sum Gratuity in Lieu of Pension.** - An employee who is entitled to receive a pension in terms of 10 (i) above or 10 (ii) above may at his discretion opt for the payment of a lump sum gratuity in lieu of his pension and any other payments arising therefrom. The payment will be computed on the following basis :

Number of completed years' of Service		Monthly basic salary plus Cost of Living
(maximum 35 years) + 5	\times	Allowance payable for the month of retirement plus house rent allowance

The above payment shall constitute a settlement of full and final satisfaction of all claims against the Bank on account of the cessation of employment in respect of gratuity, pension, deficiency, if any, in the Bank's contribution to the Provident Fund to an employee not paid a pension in terms of Clause 10.

12. **Death Gratuity .-** On the death of an employee who has been confirmed and is in the permanent employment of the Bank, the Bank will make a compassionate payment of two month's gross salary for each year of completed service subject to a minimum of nine months' gross salary to the legitimate dependents of the deceased employee, as may be determined by the Bank at its sole discretion on the basis of information supplied to it. The gross salary for this purpose shall be the last drawn basic salary plus the cost of living allowance plus the house rent allowance. Provided however, that in the event of death arising out of and in the course of employment the dependents shall be entitled to and receive either the death gratuity referred to herein or payment by way of compensation under any Laws in force at the time on account of employees' compensation or under any other Law or an Award of Court, whichever is higher.

13. **Gratuity on Resignation/ Termination Prior to Retirement.**– An employee resigning from employment prior to reaching the age of retirement or his services are terminated, he would be paid gratuity as per the Payment of Gratuity Act. No. 12 of 1983. House Rent Allowance will not form part of the salary for purpose of computing gratuity.
14. **Conveyance allowance.**–The Bank agrees to pay reimbursement of conveyance to employees covered and bound by this Agreement which payment shall be subject to the prevailing practice.
- | | |
|-----------------------------|-------------|
| With effect from 01.04.2009 | Rs. 4,715/- |
| With effect from 01.04.2010 | Rs. 4,836/- |
15. **House Rent Allowance.**– To Each employee covered by this Settlement, the Bank agrees to paya House Rent Allowance of 20% of his/ her basic salary mentioned in clause 4 above subject to a maximum of the following amount during the period of the Agreement.
- | | |
|---------------------------------|-------------|
| From 01.04.2009 - to 31.03.2012 | Rs. 6,000/- |
|---------------------------------|-------------|
16. **Closing Allowance.**– The Bank shall pay Rs. 1,250/- as closing allowance to those officials connected with the annual closing work immediately after the close of the Bank's financial year.
17. **Officiating/Acting Allowance .**– A supervising official in the grade of Assistant Managers will be entitled for the payment of officiating/acting allowance at Rs. 1,200/- per mensem whenever he/she is called upon to perform duties of higher ranks/ grades. However, special allowance, if any, drawn in the lower grade will not be payable to such officials during the officiating period.
18. **Out-of-pocket Allowance / Working on Holidays.**– It was agreed between the parties that Assistant Managers and Deputy Managers in the Bank if called upon to work on holidays will be paid Rs. 900/- if they work up to 4 hours and Rs. 150/- for every additional hour.
19. **Medical Benefits.**– The existing medical benefits available to the employees of the Bank would continue subject to the following:
- All medical expenses should be supported by prescriptions by a qualified Medical practitioner and supported by bills and receipts for reimbursement.
 - SPECTACLES, DENTURES AND HEARING-AIDS.– The Bank will reimburse an employee on a non - cumulative basis up to a maximum of Rs. 7,000/ = for each of the above referred items and the facility would be available once in three years. In the case of spectacles, bills and receipts submitted for re-imbursement must be supported by prescription from a Medical Eye Specialist.
20. **Leave.**–
- ANNUAL LEAVE
 - ENTITLEMENT.**– In respect of each year of employment (which means the period January to December) during which and employee has been in continuous employment, he shall be entitled to take in the following year 21 working days paid leave, subject to the conditions in sub-clause (iii) hereof.
 - At the end of the first year of employment the employee qualifies for proportionate leave as follows :
- The full annual leave of 21 days if his employment commenced on or after 1st January but before 1st April ;
 - Leave of 15 days if his employment commenced on or after 1 st April but before 1 st July ;
 - Leave of 11 days if his employment commenced on or after 1 st July but before 1 st October ; and
 - Leave of 6 days if his employment commenced on or after 1 st October.
- AVAILMENT.**–
 - The availment of all annual leave shall be by prior authorization of the Bank upon the employee's application, giving sufficient notice to the Bank, so as to ensure availment at times mutually convenient.
 - An employee shall avail himself of not less than 14 days of his annual leave in respect of each year subject to the eligibility of leave.
 - An employee shall avail himself of at least 7 working days of the 21 days consecutively subject to the eligibility of leave.

(iv) ACCUMULATION. -

Annual leave may be accumulated by an employee exclusively for the following purposes:

- (1) Of availment in full, immediately preceding retirement by mutual arrangement with the Bank.
- (2) For the purpose of attending on a family member who is seriously ill or on the occasion of death of a family member.
- (3) For travel abroad for which purpose one month's prior notice shall be given.
- (4) For marriage of the employee.
- (5) prolonged illness of the employee.
- (6) For purposes of nursing third and fourth children beyond the Maternity Leave entitlement.

Provided that in the case of (b) to (d) the approval of such leave shall be at the discretion of the management. Family member for purposes of (b) above shall mean spouse, children or parents.

- (v) An employee who has an accumulated leave of more than 90 days at present, shall bring it down to 90 days by availment of/ encashing it, within a reasonable time.

2. MEDICAL LEAVE :

(i) ENTITLEMENT :

An employee shall be entitled to not less than twenty four (24) days leave exclusive of weekly or other holidays in any one year, in case of sickness on full pay, subject to the conditions in sub-clause (ii) hereof.

(ii) AVAILMENT :

The Bank will be entitled to refuse to grant pay for any days of absence on grounds of sickness not supported by a Certificate from a Registered Medical Practitioner.

- (2) Where such period of absence exceeds two consecutive days including weekly or other holidays, or
- (3) where the number of days already allowed on full pay on grounds of sickness uncertified by a medical practitioner, is in excess of twelve (12) days in any one year.

(iii) ACCUMULATION

An employee who takes less than his entitlement in any one year as prescribed above shall be entitled to avail himself of the balance of his entitlement for such year in any succeeding year or years, subject to the following provisions:

- (1) in no case shall the entitlement to medical leave on full pay by reason of such accumulation, exceed ninety (90) days, and
- (2) the accumulated medical leave may only be availed of on account of prolonged illness, hospitalization or similar circumstances, supported by a Certificate from a Registered Medical Practitioner.
- (3) where an employee has exhausted his current year's sick leave as a result of prolonged illness such as an infectious disease or prolonged hospitalization, the employer may permit him to set off any further absence on grounds of ill health against such accumulated sick leave up to the extent of the leave taken for such earlier prolonged illness.

- (iv) The Bank will be entitled after inquiry and advising the employee concerned, to refuse to pay and/or take any action as appropriate in situations where the absence on grounds of sickness not supported by a Certificate from a registered Medical Practitioner occurs in the following circumstances.

- (a) where the Bank has reasonable cause to suspect the *bona fides* of the application and/ or reason for absence of an employee, or
- (b) Where the absence of the employee on grounds of sickness immediately follows or precedes any weekly or other holiday and the Bank has reasonable cause to suspect the *bona fides* of the application and/ or reason for absence of the employee.

3. CASUAL LEAVE

An employee shall be entitled to a maximum of seven (7) days casual leave in each year of employment whereof not more than two (2) days shall be taken at any one given time and such leave shall not precede or follow any period of annual leave. All casual leave shall be by prior approval of the Bank, unless the reason for such absence is justified to the satisfaction of the Bank as being in circumstances that could not have been foreseen by such employee.

21. **Suspension.**— (i) Where an employee is suspended pending a disciplinary inquiry on investigations, he will subject to the provisions of sub-clauses (ii) and (iii) below, receive half his salary (basic salary plus cost of living allowance plus house rent allowance) from the date of suspension up to 6 months and full pay thereafter.

(ii) Where the suspension is on account of charges involving financial dishonesty such as fraud or misappropriation, the employee will not be entitled to any salary during the period of suspension unless the inquiry is not concluded within 6 months of the date of suspension in which event he will receive half his salary (basic salary plus cost of living allowance plus house rent allowance) during his/ her suspension beyond the said 6 months period. Provided that if the delay beyond 6 months is due to the employee's own conduct or due to the employee being in custody or remand thereby making it impossible for the Bank to hold or conclude the inquiry, half such salary as aforementioned will not be payable.

(iii) In cases not involving financial dishonesty as aforementioned where the employer is prevented from concluding the inquiry within 6 months of suspension for reasons beyond the employer's control such as where the employee makes repeated requests for postponements or where he is remanded or in Police custody or where the matter is under investigation by the Police, the employee will continue to receive half his salary and will not receive full pay in these circumstances.

22. **Disciplinary Procedure.**—Where the bank proposes to take disciplinary action against an employee except, however, in the case of oral warning, letters of advice, caution or warnings for minor misconduct, the following procedure shall apply :

1. Irrespective of whether such employee has been suspended, the employee shall be furnished with a 'show cause' letter which shall set out the particulars of the charges against such employee and such 'show cause' letter shall give the employee not less than ten (10) calendar days within which to tender his explanation in writing to the charges preferred.
2. Within ten calendar days after the date of the 'show cause' letter, the employee shall tender in writing to the Bank his explanation to the aforesaid charges provided however that if in the circumstances it is reasonable, the employee may request the Bank for an extension of time within which to tender the written explanation and where such request is made, the Bank shall consider granting such request for such further period of time as is considered necessary by the Bank in the circumstances.
3. If where the employee tenders his explanation within the period of time allowed to the employee to 'show cause' and the Bank is satisfied with such explanation, the Bank shall withdraw the charge/s against the employee and if the employee is under suspension, the Bank shall forthwith reinstate the employee and shall pay to such employee his salary and entitlement in respect of the period of such suspension.
4. Where the employee tenders his explanation within the time allowed to him to show cause and the Bank is not satisfied with such explanation, the Bank shall, Subject to Sub - clause (a) hereof, hold an inquiry into the charges against such employee.
5. The Bank shall commence an inquiry as referred to in Sub-clause (d) hereof within 21 working days from the date of receipt by them of the written explanation to the 'show cause' letter unless it is not possible to do so for reason beyond the Bank's control, or by reason of the employee's own conduct or seeking, or by reason of unforeseen circumstances.
6. The Bank will permit a member of the Branch Union of the same Grade or of a Higher Grade than the accused employee or an office bearer of the Branch Union irrespective of grade (in which case the Bank reserves to itself the right to object to the person concerned which decision shall be final) to defend the accused employee at a domestic inquiry provided the defending employee has not obtained a legal qualification. The defendant employee will not suffer any loss of salary for absence from work on this account. The Bank will further allow another member of the Branch Union to be present at the inquiry as an Observer without loss of salary for absence from work. The accused employee shall submit to the Bank in writing the name of the Defending Employee and Observer not less than 48 hours before the time appointed for the commencement of the inquiry. The Defending Employee shall be entitled to examine the witnesses for the accused employee and cross examine witnesses for the Bank. The inquiring Officer will be entitled to require a Defending Employee or Observer who obstructs the inquiry to withdraw there from and the Defending Employee or Observer shall forthwith comply with such requirement. The absence of a Defending Employee or Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings thereat, nor the findings pursuant thereto. The Observer shall not be entitled to participate in the proceedings but he may answer any question which the inquiring Officer may ask him.

7. The Bank as hitherto shall appoint a member of the Supervisory Staff of the Branch of the same or higher grade (local - based or India - based Officer) than the accused, as Prosecuting Officer other than the Inquiry Officer to present the case of the Bank at Domestic Inquiry. The Prosecuting Officer shall function as such and be entitled to present the Bank's case, examine the Bank's witnesses and cross-examine the accused employee and his witness/ es.
 8. The Union will be entitled to a copy of the proceedings of the inquiry conducted subject to the Observer and the accused employee signing proceedings as a correct record. After the proceedings have been certified and a copy issued to the accused employee for all purposes thereafter the proceedings shall be taken as a true copy of such proceedings before the inquiry Officer.
 9. Within thirty (30) working days after the conclusion of the inquiry the Bank shall inform the employee, in writing, of the findings in respect of the charges and of the punishment, if any, imposed by the Employer.
 10. Where the Bank fails to inform the employee as aforesaid within the said period of thirty (30) working days except for reasons beyond the control of the Bank or by reason of the conduct of the employee, such employee shall not be punished thereafter in respect of such charges and no inference adverse to the employee shall be drawn in respect of such charges.
 11. Notwithstanding the preceding provisions, the Bank shall not be required to hold a domestic inquiry on any of the following circumstances :
 - (i) Where the employee fails to tender his written explanation before the expiry of the time allowed to 'show cause' in which event the Bank shall be entitled to take disciplinary action on the basis that such employee had no cause to show.
 - (ii) Where the employee makes a written admission of the charges against him.
 - (iii) Where the Bank proposes to warn an employee, but without prejudice to the Union's right to request the Employer thereafter to hold an inquiry, in which event the fact that the inquiry did not commence within twenty one (21) working days after receipt of the employee's explanation shall not be material or relevant.
 12. The findings of the domestic inquiry and the punishment if any imposed by the Bank shall be final and binding on the Bank, and the employee and the Union, unless the employee or the Union shall within three (3) months from the date on which such Bank had notified such employee of the findings or punishment, raises a dispute in respect of such findings and/or punishment.
 13. Where an employee is under suspension and the Bank makes order that -
 - (a) the employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of suspension or such later date as the Bank may determine ; provided further that the Bank shall not be entitled to recover from the employee any payment made in respect of salary to the employee in respect of such period of suspension, if any such payment has been made.
 - (b) the employment of the employee shall not be terminated, then the employee shall be employed forthwith and shall be paid the entirety of his salary in respect of the period of suspension without prejudice to the right of the Bank to impose such other punishment other than termination, which may include the whole or part of the salary for the period of suspension pending inquiry, on the basis of the findings of the inquiry.
 14. The observance by the Bank of Sub-clauses (e), (i) and (j) shall not be necessary where an inquiry is not held in view of the fact that the matter under inquiry is being referred, or has been referred, to the Police or other authorities for investigation or inquiries or in view of the fact that criminal charges are pending against the employee.
 15. The above provisions shall only apply in respect of inquiries that commenced after the date of signing of this Agreement.
23. **Trade Union Action.** – MATTERS RELATED AND COVERED IN THIS AGREEMENT .– The Union and its members covered and bound by this Agreement jointly and severally agree with the Bank that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action including go-slow, boycott or demonstrations or picketing or any form of collective action against the Bank in respect of any dispute related to any matter covered by this Agreement.



12-212

My No.: CI/1039.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Memorandum of Agreement entered into between Indian Bank, No 57, Sir Baron Jayathilaka Mawatha, Colombo 01 of the one part and Ceylon Bank Employee's Union, No. 20, Temple Road, Colombo 10, of the other part on 17th September, 2010 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131 of the, Legislative Enactments of Ceylon (Revised Edition 1956).

W.J.L.U. WIJAYAWEERA,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
29th October, 2010.

Memorandum of Agreement No. 64 of 2010

MEMORANDUM OF AGREEMENT UNDER THE INDUSTRIAL DISPUTES ACT (1950) AS AMENDED
BETWEEN
INDIAN BANK, COLOMBO
AND
THE CEYLON BANK EMPLOYEES' UNION

THIS Memorandum of Agreement between Indian Bank, Colombo having its office at No. 57, Sir Baron Jayathilake Mawatha, Colombo 1 (hereinafter referred to as "the Bank") and the Ceylon Bank Employees' Union, a Trade Union duly registered and having its registered office at No. 20, Temple Road, Colombo 10, (hereinafter referred to as "the Union") entered into on this 17th day of September, Two Thousand and Ten, states as follows :

1. **Effect of Memorandum** -. It is agreed by and between parties that this Agreement shall constitute a Memorandum of Agreement under Section 12 of the Industrial Disputes Act, No. 43 of 1950 as amended.

2. **Employees Covered and Bound**-. The employees covered and bound by this Agreement shall be the category of employees known and referred to as Assistant Managers and Managers in the Bank and hereinafter sometimes referred to as the employees or an employee as required.

3. **Date of Operation and Duration**-. This Agreement is effective for a minimum period of 3 years commencing 1 st April 2009. Either party is entitled to give notice in terms of the Industrial Disputes Act of one clear calendar month excluding the month in which the notice is given, but such notice shall not terminate the Agreement before the said date, i.e. 31st of March 2012. The Union however shall have the right to initiate negotiations for a revised Agreement at any time after 1st October 2011.

4. **Basic Salary**-. With effect from 1st April 2009 the salary scales applicable to Assistant Managers and Managers shall be -

Assistant Managers	$\text{Rs. } 26,940 - 29,775$ $\text{Rs. } 405 \times 7$	$\text{Rs. } 32,390 - 42,855$ $\text{Rs. } 455 \times 23$
Managers	$\text{Rs. } 32,390 - \text{Rs. } 35,020 - \text{Rs. } 46,395$ $\text{Rs. } 525 \times 5 + \text{Rs. } 630 \times 18$	

5. **Cost of Living Allowance**-. The Bank shall pay a cost of living allowance to employees with effect from 01.04.2009 at the rate of Rs. 92.125 (Rupees Ninety Two and Cents one two Five) per point increase in Colombo Consumers' Price Index (new index - CCPIN) beyond the base index figure of 71 (which is the base index figure equivalent of 2400 under the old index CCPI).

6. **Immediate increase and Conversion to Salary Scales**-. Every employee in employment as at the date of this Agreement shall receive the following monetary benefits and salary increases.

- (i) A sum equal to 17% of the gross salary (salary plus cost of living allowance) payable to an employee as at March 2009 shall be added to the salary of an employee as at such time.
- (ii) Every employee in employment as at the date of this Agreement shall also receive a further 3% increase calculated on the gross salary as at 31st March 2009 with effect from the 1st April 2010, and thereafter placed on the appropriate point on the scale in the Clause (4) above at the corresponding Rupee point or if there is no such corresponding point, on the next higher point of the said scale.
- (ii) There shall be no revision of salaries for the year 2011.

7. **Honorarium**-. For successful completion of each part of the Institute of Bankers Examination, Sri Lanka or London, an employee shall receive a sum of Rs. 9,000/-.

8. **Bonus**-.

- (i) (a) Without prejudice to the claim of the Bank that bonus payments are *ex-gratia*, the Bank will each year pay to every employee covered by this Agreement a bonus of three months basic salary or two months gross salary as drawn by such employee for the month of December whichever is higher in respect of one complete year of service meaning January to December.
- (b) In the event of an employee retiring from his services, bonus would be paid to him on a pro-rata basis.
- (ii) Gross salary for this purpose shall be the basic salary, cost of living allowance and the house rent allowance referred to at Clauses 4, 5 and 15 hereof.

9. **Provident Fund**-.

- (i) **RATES OF CONTRIBUTION**. - The rates of contribution to the Provident Fund by the Bank as from 1 st April 2010 shall be :-

Bank's contribution	-	12%
Employee's contribution	-	8%

For the purpose of Provident Fund the basic salary, cost of living allowance and the house rent allowance will be taken into account.

(ii) INTEREST ON PROVIDENT FUND CONTRIBUTIONS HELD BY THE BANK.- Where Provident Fund monies are invested in the Bank, the Bank shall continue to pay the rate of interest paid of 12 months' fixed deposits for a sum of Rs. 100,000/= published by the National Savings Bank prevailing as at 1st January in the first half of each year, on the rate prevailing on the 1st July for the Second half of the year on the net Provident Fund monies invested at the Bank.

(iii) DEFICIENCY IN BANK'S CONTRIBUTION TO PROVIDENT FUND TO AN EMPLOYEE NOT ENTITLED TO A PENSION .- Where an employee shall cease to be employed by the Bank in circumstances which do not entitle him to pension or payment in lieu of pension, as the case may be, such employee shall be entitled to the difference between the Bank's contributions made to the Fund during his period of service and the Employer's minimum rate of contribution he would have been entitled to, in terms of the Employees' Provident Fund Act and its amendments from time to time, as a contribution to the Fund by the employer on behalf of such employee, such deficiency will be the difference between the following minimum rates of contribution under the Act and 10% of basic salary actually contributed by the Bank.

From 01.01.1971 to 31.12.1980	- 9% of gross salary (basic and cost of living allowance)
From 01.01.1981 to 31.12.1992	- 12% of gross salary (basic and cost of living allowance)

Prior to 31.12.1970 the Employer's minimum rate of contribution was 6% of total earnings (gross salary), which was less than 10% of basic salary, and therefore no deficiency arises.

10. **Terminal Benefits.-**

(i) PENSIONS.- An employee shall, upon reaching the age of retirement, i.e.55 years and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 years' of actual continuous service (excluding absence/ leave without pay), be entitled to a pension computed on the following basis :

Number of completed years' of Service		Monthly basic salary plus Cost of Living
$\frac{(\text{maximum 35 years}) + 5}{55}$	×	Allowance payable for the month of retirement
		plus house rent allowance.

(ii) COMMUTED PENSION.-

(a) At the option of the employee at the time of retirement on or after the effective date 25% of the monthly pension 120 will be paid to employees who are entitled to a pension who do not opt for a lump sum payments as provided for in the agreement and who opt for such commuted pension.

(b) Where an employee commutes his monthly pension in the manner aforesaid, the monthly pension payable to him during the first ten years of retirement will be 75% of the monthly pension he would have been entitled to at the time of retirement if he had not so commuted his pension. After the expiry of the said ten years the amount of the monthly pension so commuted will be restored and added to the monthly pension then being paid.

(c) **RETIREMENT.-**

(a) The age of retirement shall be 55 years and on reaching the age of 55 and employee shall *ipso facto* retire and cease to be employed by the Bank and there shall be no obligation on the Bank to give such employee any notice of such retirement.

(b) An employee may also be retired and be eligible for retirement benefits if he is not less than 50 years and has ten or more years of Confirmed service in the Officer Grade, subject to mutual agreement between the employee and the employer and subject to the condition that the refusal by any party to agree to such premature retirement shall not constitute an industrial dispute.

(iii) PREMATURE RETIREMENT ON MEDICAL GROUNDS / DISABILITY.- An employee who is found to be unable to continue to perform his duties as a result of infirmity/ disability, as certified by the Bank Doctor/ Medical Specialist/ Government Medical Board, and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 years of actual continuous service (excluding absence/ leave without pay) shall be entitled to a pension computed on the same basis referred to at clause 10 (i) above.

Provided however, that where an employee is entitled to compensation by the Bank under any laws in force at the time or an award of Court, such employee shall only be entitled to a pension or such compensation as opted by him, but not both. Provided further that in the case of an employee whose premature retirement occurred in consequence of an accident which

entitled him to compensation, the pre - acceptance of pension as provided herein will not restrict the right of such employee in subsequently claiming any balance compensation under any written law the entitlement to a pension under this provision shall be forfeited in the event of the employee concerned accepting employment elsewhere and the bank shall have no obligation to make any further payment to him. Before taking action to stop the payment of pension the Bank will give the Pensioner two calendar months notice to explain why the pension should not be withdrawn as a result of him obtaining employment elsewhere. The Bank's decision thereafter will be final.

11. **Lump Sum Gratuity in Lieu of Pension.** – An employee who is entitled to receive a pension in terms of 10 (i) above or 10 (ii) above may at his discretion opt for the payment of a lump sum gratuity in lieu of his pension and any other payments arising therefrom. The payment will be computed on the following basis :

$$\frac{\text{Number of completed years' of Service}}{(\text{maximum 35 years}) + 5} \times \begin{array}{l} \text{Monthly basic salary plus Cost of Living} \\ \text{Allowance payable for the month of retirement} \\ \text{plus house rent allowance} \end{array}$$

The above payment shall constitute a settlement of full and final satisfaction of all claims against the Bank on account of the cessation of employment in respect of gratuity, pension, deficiency, if any, in the Bank's contribution to the Provident Fund to an employee not paid a pension in terms of Clause 10.

12. **Death Gratuity .** – On the death of an employee who has been confirmed and is in the permanent employment of the Bank, the Bank will make a compassionate payment of two month's gross salary for each year of completed service subject to a minimum of nine month's gross salary to the legitimate dependents of the deceased employee, as may be determined by the Bank at its sole discretion on the basis of information supplied to it. The gross salary for this purpose shall be the last drawn basic salary plus the cost of living allowance plus the house rent allowance. Provided however, that in the event of death arising out of and in the course of employment the dependents shall be entitled to and receive either the death gratuity referred to herein or payment by way of compensation under any Laws in force at the time on account of employees' compensation or under any other Law or an Award of Court, whichever is higher.
13. **Gratuity on Resignation/ Termination Prior to Retirement.** – An employee resigning from employment prior to reaching the age of retirement or his services are terminated, he would be paid gratuity as per the Payment of Gratuity Act. No. 12 of 1983 . House Rent Allowance will not form part of the salary for purpose of computing gratuity.
14. **Conveyance Allowance.** – The Bank agrees to pay reimbursement of conveyance to employees covered and bound by this Agreement which payment shall be subject to the prevailing practice.

	Assistant Manager	Managers
With effect from 01.04.2009	Rs 4,715/- p.m	Rs. 5,894
With effect from 01.04.2010	Rs 4,836/- p.m	Rs. 6,045

15. **House Rent Allowance.** – Each employee covered by this Settlement shall receive 20% of his basic salary mentioned in clause (4) above by way of House Rent Allowance subject to a maximum of the following amounts during the period of the Agreement.

From 01.04.2009 - 31.03.2012 Assistant Managers Rs. 6,000/- Managers Rs. 6300/-

16. **Closing Allowance.** – The Bank shall pay Rs. 1,250/- as closing allowance to those officials connected with the annual closing work immediately after the close of the Bank's financial year.
17. **Officiating/Acting Allowance .** – A supervising official in the grade of Assistant Managers will be entitled for the payment of officiating/acting allowance at Rs. 1,200/- per mensem whenever he/she is called upon to perform duties of higher ranks/grades. However, special allowance, if any, drawn in the lower grade will not be payable to such officials during the officiating period.
18. **Out-of-pocket Allowance / Working on Holidays.** – It was agreed between the parties that Assistant Managers in the Bank if called upon to work on holidays will be paid Rs. 900/- if they work up to 4 hours and Rs. 150/- for every additional hour.

19. **Medical Benefits.**– The existing medical benefits available to the employees of the Bank would continue subject to the following:

- (a) All medical expenses should be supported by prescriptions by a qualified Medical practitioner and supported by bills and receipts for reimbursement.
- (b) SPECTACLES, DENTURES AND HEARING-AIDS.– The Bank will reimburse an employee on a non - cumulative basis up to a maximum of Rs. 7,000/= for each of the above referred items and the facility would be available once in three years. In the case of spectacles, the expenditure on account of the spectacle frame shall not exceed Rs. 3,500/- . In any event all receipts submitted for reimbursement shall be supported by prescription from a Medical Eye Specialist.

20. **Leave.**–

A. ANNUAL LEAVE

(i) **ENTITLEMENT.**– In respect of each year of employment (which means the period January to December) during which and employee has been in continuous employment, he shall be entitled to take in the following year 30 Calendar days paid leave, subject to the conditions in sub-clause (iii) hereof.

(ii) At the end of the first year of employment the employee qualifies for proportionate leave as follows :

- (a) The full annual leave of 30 Calendar days if his employment commenced on or after 1st January but before 1st April;
- (b) Leave of 21 Calendar days if his employment commenced on or after 1 st April but before 1 st July ;
- (c) Leave of 15 Calendar days if his employment commenced on or after 1 st July but before 1 st October ; and
- (d) Leave of 8 Calendar days if his employment commenced on or after 1 st October.

(iii) **AVAILMENT.**–

- (a) The availment of all annual leave shall be by prior authorization of the Bank upon the employee's application, giving sufficient notice to the Bank, so as to ensure availment at times mutually convenient.
- (b) An employee shall avail himself of not less than 20 days of his annual leave in respect of each year subject to the eligibility of leave.
- (c) An employee shall avail himself of at least 10 days of the 30 days consecutively subject to the eligibility of leave.

(iv) **ACCUMULATION.**–

Annual leave may be accumulated up to a ceiling of 180 days by an employee exclusively for the following purposes:

- (a) Of availment in full, immediately preceding retirement by mutual arrangement with the Bank.
- (b) For the purpose of attending on a family member who is seriously ill or on the occasion of death of a family member.
- (c) For travel abroad for which purpose one month's prior notice shall be given.
- (d) For marriage of the employee.
- (e) prolonged illness of the employee.
- (f) For purposes of nursing third and fourth children beyond the Maternity Leave entitlement.

Provided that in the case of (b) to (d) the approval of such leave shall be at the discretion of the management. Family member for purposes of (b) above shall mean spouse, children or parents.

(v) An employee who has an accumulated leave of more than 180 days as on 2006.04.01 Shall be permitted to encash the leave in excess of 180 days as on 2006.04.01 as a one time measure.

B. MEDICAL LEAVE :

(i) **ENTITLEMENT :**

An employee shall be entitled to not less than thirty calendar (30) days leave exclusive of weekly or other holidays in any one year, in case of sickness on full pay, subject to the conditions in sub-clause (ii) hereof.

(ii) AVAILMENT :

The Bank will be entitled to refuse to grant pay for any days of absence on grounds of sickness not supported by a Certificate from a Registered Medical Practitioner.

(a) Where such period of absence exceeds two consecutive days including weekly or other holidays, or

(b) where the number of days already allowed on full pay on grounds of sickness uncertified by a medical practitioner, is in excess of twelve (12) days in any one year subject to the eligibility of leave.

(iii) ACCUMULATION

An employee who takes less than his entitlement in any one year as prescribed above shall be entitled to avail himself of the balance of his entitlement for such year in any succeeding year or years, subject to the following provisions:

(a) in no case shall the entitlement to medical leave on full pay by reason of such accumulation, exceed ninety (90) days, and

(b) the accumulated medical leave may only be availed of on account of prolonged illness, hospitalization or similar circumstances, supported by a Certificate from a Registered Medical Practitioner.

(c) where an employee has exhausted his current year's sick leave as a result of prolonged illness such as an infectious disease or prolonged hospitalization, the employer may permit him to set off any further absence on grounds of ill health against such accumulated sick leave up to the extent of the leave taken for such earlier prolonged illness.

(iv) The Bank will be entitled after inquiry and advising the employee concerned, to refuse to pay and/or take any action as appropriate in situations where the absence on grounds of sickness not supported by a Certificate from a registered Medical Practitioner occurs in the following circumstances.

(a) where the Bank has reasonable cause to suspect the *bona fides* of the application and/ or reason for absence of an employee, or

(b) Where the absence of the employee on grounds of sickness immediately follow or precedes any weekly or other holiday and the Bank has reasonable cause to suspect the *bona fides* of the application and/ or reason for absence of the employee.

(c) CASUAL LEAVE

An employee shall be entitled to a maximum of seven (7) days casual leave in each year of employment whereof not more than two (2) days shall be taken at any one given time and such leave shall not precede or follow any period of annual leave. All casual leave shall be by prior approval of the Bank, unless the reason for such absence is justified to the satisfaction of the Bank as being in circumstances that could not have been foreseen by such employee.

21. **Suspension.** - (i) Where an employee is suspended pending a disciplinary inquiry on investigations, he will be subject to the provisions of sub-clauses (ii) and (iii) below, receive half his salary (basic salary plus cost of living allowance plus house rent allowance) from the date of suspension up to 6 months and full pay thereafter.

(ii) Where the suspension is on account of charges involving financial dishonesty such as fraud or misappropriation, the employee will not be entitled to any salary during the period of suspension unless the inquiry is not concluded within 6 months of the date of suspension in which event he will receive half his salary (basic salary plus cost of living allowance plus house rent allowance) during his/ her suspension beyond the said 6 months period. Provided that if the delay beyond 6 months is due to the employee's own conduct or due to the employee being in custody or remand thereby making it impossible for the Bank to hold or conclude the inquiry, half such salary as aforementioned will not be payable.

(iii) In cases not involving financial dishonesty as aforementioned where the employer is prevented from concluding the inquiry within 6 months of suspension for reasons beyond the employer's control such as where the employee makes repeated requests for postponements or where he is remanded or in Police custody or where the matter is under investigation by the Police, the employee will continue to receive half his salary and will not receive full pay in these circumstances.

22. **Disciplinary Procedure** - Where the bank proposes to take disciplinary action against an employee except, however, in the case of oral warning, letters of advice, caution or warning for minor misconduct, the following procedure shall apply :

- (a) Irrespective of whether such employee has been suspended, the employee shall be furnished with a 'show cause' letter which shall set out the particulars of the charges againsts such employee and such 'show cause' letter shall give the employee not less than ten (10) calendar days within which to tender his explanation in writing to the charges preferred.
- (b) Within ten calendar days after the date of the 'show cause' letter, the employee shall tender in writing to the Bank his explanation to the aforesaid charges provided however that if in the circumstances it is reasonable, the employee may request the Bank for an extension of time within which to tender the written explanation and where such request is made, the Bank shall consider granting such request for such further period of time as is considered necessary by the Bank in the circumstances.
- (c) If where the employee tenders his explanation within the period of time allowed to the employee to 'show cause' and the Bank is satisfied with such explanation, the Bank shall withdraw the charge/s against the employee and if the employee is under suspension, the Bank shall forthwith reinstate the employee and shall pay to such employee his salary and entitlement in respect of the period of such suspension.
- (d) Where the employee tenders his explanation within the time allowed to him to show cause and the Bank is not satisfied with such explanation, the Bank shall, Subject to Sub - clause (a) hereof, hold an inquiry into the charges against such employee.
- (e) The Bank shall commence an inquiry as referred to in Sub-clause (d) hereof within 21 working days from the date of receipt by them of the written explanation to the 'show cause' letter unless it is not possible to do so for reasons beyond the Bank's control, or by reason of the employee's own conduct or seeking, or by reason of unforeseen circumstances.
- (f) The Bank will permit a member of the Branch Union of the same Grade or of a Higher Grade than the accused employee or an office bearer of the Branch Union irrespective of grade (in which case the Bank reserves to itself the right to object to the person concerned which decision shall be final) to defend the accused employee at a domestic inquiry provided the defending employee has not obtained a legal qualification. The defendant employee will not suffer any loss of salary for absence from work on this account. The Bank will further allow another member of the Branch Union to be present at the inquiry as an Observer without loss of salary for absence from work. The accused employee shall submit to the Bank in writing the name of the Defending Employee and Observer not less than 48 hours before the time appointed for the commencement of the inquiry. The Defending Employee shall be entitled to examine the witnesses for the accused employee and cross examine witnesses for the Bank. The inquiring Officer will be entitled to require a Defending Employee or Observer who obstructs the inquiry to withdraw therefrom and the Defending Employee or Observer shall forthwith comply with such requirement.
- (g) The absence of a Defending Employee or Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings thereat, nor the findings pursuant thereto. The Observer shall not be entitled to participate in the proceedings but he may answer any question which the inquiring Officer may ask him.
- (h) The Bank as hitherto shall appoint a member of the Supervisory Staff of the Branch of the same or higher grade (local - based or India - based Officer) than the accused, as Prosecuting Officer other than the Inquiry Officer to present the case of the Bank at Domestic Inquiry. The Prosecuting Officer shall function as such and be entitled to present the Bank's case, examine the Bank's witnesses and cross-examine the accused employee and his witness/ es.
- (i) The Union will be entitled to a copy of the proceedings of the inquiry conducted subject to the Observer and the accused employee signing proceedings as a correct record. After the proceedings have been certified and a copy issued to the accused employee for all purposes thereafter the proceedings shall be taken as a true copy of such proceedings before the inquiry Officer.
- (j) Within thirty (30) working days after the conclusion of the inquiry the Bank shall inform the employee, in writing, of the findings in respect of the charges and of the punishment, if any, imposed by the Employer.
- (k) Where the Bank fails to inform the employee as aforesaid within the said period of thirty (30) working days except for reasons beyond the control of the Bank or by reason of the conduct of the employee, such employee shall not be punished thereafter in respect of such charges and no inference adverse to the employee shall be drawn in respect of such charges.
- (l) Notwithstanding the preceding provision, the Banks shall not be required to hold a domestic inquiry on any of the following circumstances :
 - (i) Where the employee fails to tender his written explanation before the expiry of the time allowed to 'show cause' in which event the Banks shall be entitled to take disciplinary action on the basis that such employee had no cause to show.

- (ii) Where the employee makes a written admission of the charges against him.
- (iii) Where the Bank proposes to warn an employee, but without prejudice to the Union's right to request the Employer thereafter to hold an inquiry, in which event the fact that the inquiry did not commence within twenty one (21) working days after receipt of the employee's explanation shall not be material or relevant.
- (m) The findings of the domestic inquiry and the punishment if any imposed by the Bank shall be final and binding on the Bank, and the employee and the Union, unless the employee or the Union shall within three (3) months from the date on which such Bank had notified such employee of the findings or punishment, raises a dispute in respect of such findings and/or punishment.
- (n) Where an employee is under suspension and the Bank makes order that -
- (i) the employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of suspension or such later date as the Banks may determine ; provided further that the Banks shall not be entitled to recover from the employee any payment made in respect of salary to the employee in respect of such period of suspension, if any such payment has been made.
- (ii) the employment of the employee shall not be terminated, then the employee shall be employed forthwith and shall be paid the entirety of his salary in respect of the period of suspension without prejudice to the right of the Banks to impose such other punishment other than termination, which may include the whole or part of the salary for the period of suspension pending inquiry, on the basis of the findings of the inquiry.
- (o) The observance by the Banks of Sub-clauses (e), (i) and (j) shall not be necessary where an inquiry is not held in view of the fact that the matter under inquiry is being referred, or has been referred, to the Police or other authorities for investigation or inquiries or in view of the fact that criminal charges are pending against the employee.
- (p) The above provisions shall only apply in respect of inquiries that commenced after the date of signing of this Agreement.

23. Trade Union Action. - (A) MATTERS RELATED AND COVERED IN THIS AGREEMENT :- The Union and there members covered and bound by this Agreement jointly and severally agree with the Banks that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action including go-slow, boycott or demonstrations or picketing or any form of collective action against the Banks in respect of any dispute related to any matter covered by this Agreement.

In witness hereof the parties have hereunto set their hands on this 17th day of September, Two Thousand and Ten, at Colombo.


For and on behalf of:
Indian Bank

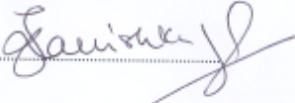


Name: A. Dhandapani
Designation: Chief Executive Officer


For and On behalf of:
Ceylon Bank Employees' Union

Name: Asoka Dharmasiri
Designation: Acting President,
Ceylon Bank Employees' Union.

WITNESSES:

1. 

Name: K. Weerasinghe
Designation: Deputy Director-General, EFC

2. 

Name: Bandula Perera
Designation: Executive Committee Member