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PART III – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 22.07.2004

- * In the event of any problem in achieving the target due to reasons beyond the control of the employees, the Company and the Branch Union agree to discuss and reach agreement.

IN WITNESS HEREOF PARTIES HAVE HEREUNTO SET THEIR HAND ON THIS 19TH DAY OF MARCH TWO THOUSAND AND FOUR.

For and on behalf of
POLYTEX GARMENTS LTD.

For and on behalf of
THE CEYLON MERCANTILE, INDUSTRIAL & GENERAL WORKERS
UNION (CMU)

STANEY AMARASEKERA
General Manager (Acting)

BALA TAMPOO
General Secretary

WITNESS :

1. R. L. P. PEIRIS
Deputy Director General
EFC
2. A. P. L. D. TILAKERATNE
Human Resource Development
MANAGER

WITNESS :

1. S. SAGARIKA SAMANTHI
M. O. Branch Secretary CMU
BRANCH POLYTEX GARMENT
2. H. A. E. NILMINI HETTIARACHCHI
M. O. Branch Secretary CMU
BRANCH POLYTEX GARMENT

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My No.: CI / 154.

THE INDUSTRIAL DISPUTES ACT, (CHAPTER 131

THE Collective Agreement entered into between Perera and Sons (Bakers) Ltd. 122 - 124, M. D. H. Jayawardena Mawatha, Madinnagoda, Rajagiriya, of the one part and Food Beverage and Tobacco Industries Employees' Union, 513 – 1/2, Elvitigala Mawatha, Colombo 05 of the other part on 23rd March, 2004, is hereby published in terms of Section 6 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

MAHINDA MADIHAHEWA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
23rd June, 2004.

Collective Agreement No. 17 of 2004

THIS Collective Agreement made this Twenty Third Day of March Two Thousand and Four to take effect from the First day of January Two Thousand and Four pursuant to the Industrial Disputes Act Between –

Perera and Sons (Bakers) Ltd. (hereinafter referred to as “**the Employer**”)

of the one part

AND

The Food, Beverages and Tobacco Industries Employees' Union (hereinafter referred to as “**the Union**”) representing
its members who are employed in the aforesaid Company

of the other part.

Witnesseth and it is hereby agreed between the parties as follows:-

1. **Employers covered and bound.**- This Agreement shall bind Perera and Sons (Bakers) Ltd (hereinafter referred to as the Employer) in respect of members of the Union falling within the classes of employees covered under the Wages Boards for the Bakery Trade, Motor Transport Trade and Minor Staff employed by the Employer specifically referred to in Schedule I hereto.

2. **Employees covered and bound.**- This Agreement shall cover and bind the members of the Union falling within the classes of employees covered under this Collective Agreement and employed by the Employer on monthly contracts of employment.

3. **Earlier Agreements.**- The provisions of this Agreement shall supersede and replace the provisions of the Collective Agreement entered into between the Union and the Employer on 20th March 2001 and the parties agree that the aforementioned Collective Agreement stands terminated as from the effective date of this Agreement.

4. **Date of Operation and Duration.**- This Agreement shall be effective as from the First day of January Two Thousand and Four and shall thereafter continue in force unless it is determined by either party giving six months notice in writing to the other. Provided, however, that neither party hereto shall give such notice to the other party before the First day of July in the year Two Thousand and Six (2006).

5. **Hours of Work.**- The working hours shall be subject to the operation of a shift system according to a roster formulated by the Employer. In accordance with same the following shifts shall be operative at present.

(a)	5.00 p.m.	-	2.00 a.m.	-	Main Shift
(b)	7.00 a.m.	-	4.00 p.m.	-	Main Shift
(c)	2.00 a.m.	-	10.00 a.m.	-	Interim Shift
(d)	3.00 a.m.	-	11.00 a.m.	-	Interim Shift
(e)	12.00 m.n.	-	8.00 a.m.	-	Interim Shift
(f)	5.00 a.m.	-	2.00 p.m.	-	Interim Shift
(g)	11.00 a.m.	-	10.00 p.m.	-	Interim Shift

In accordance with the operation of the shift system the Employer agrees to pay a shift allowance on the following basis:

			1st Year	2nd Year	3rd Year
(a)	5.00 p.m. to 2.00 a.m.	-	Rs. 65/- p.s.	Rs. 70/- p.s.	Rs. 75/- p.s.
(b)	7.00 a.m. to 4.00 p.m.	-	-	-	-
(c)	2.00 a.m. to 10.00 a.m.	-	Rs. 38 p.s.	Rs. 40 p.s.	Rs. 42 p.s.
(d)	3.00 a.m. to 11.00 a.m.	-	Rs. 36 p.s.	Rs. 38 p.s.	Rs. 40 p.s.
(e)	12.00 m.n. to 8.00 a.m.	-	Rs. 48 p.s.	Rs. 51 p.s.	Rs. 54 p.s.
(f)	5.00 a.m. to 2.00 p.m.	-	Rs. 27.50 p.s.	Rs. 30 p.s.	Rs. 32.50 p.s.
(g)	11.00 a.m. to 10.00 p.m. (as and when required)	-	Rs. 30 p.s.	Rs. 32 p.s.	Rs. 34 p.s.
(h)	Workers who report to work at 7.00 a.m. and continue to work till 12.00 m.n.	-	Rs. 32.50 p.s.	Rs. 35/- p.s.	Rs. 37.50 p.s.

The employees rostered to work on a particular shift should present himself/herself for work at the particular department at the starting time of that particular shift.

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

7. **Overtime.**- (i) If required by the Employer an employee shall work reasonable overtime subject to the authorization of same by the Employer. Refusal to work reasonable overtime in the absence of a satisfactory explanation which is acceptable to the Employer, shall constitute neglect of duty for which an employee shall be liable to appropriate disciplinary action.

(ii) Overtime work (i.e. work performed in excess of normal working hours) shall be remunerated in accordance with rates stipulated under the Wages Boards for the Bakery and Motor Transport Trade, and in respect of Minor Staff in accordance with the rates stipulated in the Shop and Office Employees' Act.

(iii) Notwithstanding the operation of a shift system in accordance with Clause 5 hereof, workers who report for work in respect of the interim shifts would be offered work till 4.00 p.m. and overtime paid in respect of work done over and above the respective shift.

8. **Annual Leave.**— Annual leave shall be allowed to employees in accordance with the decisions of the Wages Boards for the Bakery and Motor Transport Trade and in respect of Minor Staff in accordance with the Shop and Office Employees' Act. Annual leave must always be with prior permission, and in no circumstances will such leave be granted subsequent to absence without prior permission. An employee who wishes to utilize his/her annual leave should tender a duly completed leave application form through his/her superior to the Bakery administration Manager and obtain approval before the utilization of such leave.

9. **Casual/Sick Leave.**— In respect of each year of employment during which any employee has been continuously in employment that employee shall be entitled to utilize 14 days leave on account of illness or sudden unforeseen circumstances. Leave other than in the case of sickness, can only be utilized 2 days at a time at most and should not precede or succeed annual leave or sick leave. Sick leave should be utilized only if an employee is unable/unfit to perform his/her duties on account of illness. In cases of absence due to illness of an employee, unless otherwise previously informed in writing the Bakery Administration Manager should be informed thereof at the earliest possible opportunity, and not later than 24 hours after the commencement of absence from duty. Further where absence on account of illness exceeds 2 days, a medical certificate from a registered medical practitioner in respect of such absence must reach the Personnel/Administration Manager not less than the third day of the absence along with an application for leave.

Any absence without leave would be regarded as unauthorized and without pay and shall amount to misconduct liable to disciplinary action.

10. **Public Holidays.**— Public holidays shall be allowed to an employee in accordance with the relevant statutory provision applicable in respect of the employees concerned.

11. **Salaries.**— The Employer agrees to revise the salaries of all employees covered and bound by this Agreement on the following basis during the pendency of this Agreement.

- (a) Salaries of employees will be increased by Rs. 750 with effect from 1.1.2004.
- (b) Salaries of employees will be increased by a further 5% on 1.1.2005.
- (c) Salaries of employees will be increased by a further 5% with effect from 1.1.2006.

The granting of the above salary increases is subject to the condition that during the pendency of this Agreement, if and when salaries prescribed under the Wages Board for the Bakery and Motor Transport Trade are revised, the Employer will not be bound to grant such increases determined by the Wages Boards except in so far as to conform to the minimum wages stipulated under the respective Trades.

Provided, however, that during the pendency of the Agreement, if and when the Government grants any salary increase or an interim allowance by law, applicable to the private sector and only if such salary increase/interim allowance exceeds the increases granted in 2005 and 2006 in terms of (b) and (c) above, the Employer agrees to adjust salaries in keeping with such law, if any, in respect of such year, by making payment of the difference. This would, however, be only applicable in respect of the second and 3rd years of this Agreement.

The Employer agrees to increase the annual incremental rates in respect of employees covered and graded under the Bakery Trade as follows:—

<i>Grade</i>	<i>Annual Increment</i>
A Special Grade	Rs. 135/-
A	Rs. 110/-
B	Rs. 80/-
C	Rs. 55/-

12. **Attendance Bonus.**— (i) the Employer agrees to pay an attendance bonus of one month's gross wages excluding overtime and other allowances, if any, as per the wages applicable as at December 2004, 2005 and 2006 respectively to workers under the Bakery and Motor Transport Trade and the Minor Staff, provided that a worker has worked a minimum of 150 days in the preceding year. This attendance bonus will be subject to a deduction of 12 1/2% in respect of every day of absence without pay for whatever reason. This attendance bonus will be paid on 31.01.05, 31.01.2006 and 31.01.2007 in respect of each preceding year.

13. **Bonus.**— the Employer agrees to pay an annual bonus to all employees covered and bound by this Agreement on the following basis:—

The bonus payment equivalent to 3 months' salary will be paid in each financial year during the pendency of the Agreement.

In addition the Employer agrees to make a pro rata payment of bonus in respect of employees who have commenced employment during each financial year in the following manner.

<i>Date of Appointment During the Financial Year</i>	<i>Quantum</i>	<i>Date of payment</i>
On or before 01.04.04 } On or before 01.04.05 } On or before 01.04.06 }	2 Months	{ June 2005 (04/05 Financial Year) June 2006 (05/06 Financial Year) June 2007 (06/07 Financial Year)
Between 02.04.04 and On or before 01.07.04 } Between 02.04.05 and On or before 01.07.05 } Between 02.04.06 and On or before 01.07.06 }	1 1/2 Months	{ June 2005 (04/05 Financial Year) June 2006 (05/06 Financial Year) June 2007 (05/07 Financial Year)
Between 02.07.04 and On or before 01.10.04 } Between 02.07.05 and On or before 01.10.05 } Between 02.07.06 and On or before 01.10.06 }	1 Month	{ June 2005 (04/05 Financial Year) June 2006 (05/06 Financial Year) June 2007 (06/07 Financial Year)
On or after 02.10.04 On or after 02.10.05 On or after 02.10.06	No payment	_____

Provided however the payment of bonus will be subject to proportionate deductions of one day's wage in respect of everyday of unauthorized absence over and above 8 days in the preceding calendar year. Unauthorized absence would mean everyday of absence without authority and/or everyday of absence over and above an employee's leave entitlement. In this regard the Employer will follow the definition stipulated under the Wages Board for the Bakery Trade in determining "days worked".

14. **Festival Advance.**— The Employer agrees to pay an annual festival advance on the the following basis :—

1st Year – 2004	–	Rs. 5,000/-
2nd Year – 2005	–	Rs. 6,000/-
3rd Year – 2006	–	Rs. 6,000/-

Provided however, the Employer agrees to revise the quantum of this advance, in the event recommendations are made to that effect by the EFC, in future.

15. **Promotions.**— The present system of promotions in respect of the Bakery Trade employees, viz. placement at a point on the higher grade/scale will continue to operate as hitherto practiced.

16. **Meals.**— (a) Bakery and Motor Transport workers will be provided with a rice meal on 6 days of the week. Minor Staff will be provided a rice meal on 6 days of the week or be paid the value of same in lieu.

(b) In addition to the above all workers who work on the following shifts will be provided with the following meals:

(i) 5.00 a.m. to 2.00 p.m.	–	At 6.15 a.m. one bun and one roll. At 10.00 a.m. one bun or one roll.
(ii) 7.00 a.m. to 4.00 p.m.	–	At 10.00 a.m. one bun or one roll.
(iii) 5.00 p.m. to 2.00 a.m.	–	At 10.30 p.m. one bun or one roll.

(c) Minor Staff reporting for duty at 6.30 a.m. will receive one roll and one bun and others who report for duty after 6.30 a.m. will receive one roll or one bun.

(d) All employees will be given a cup of tea/coffee at 6.40 a.m.

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

18. **Suspension.**— (i) 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 a breach of the peace or damage to property or disturbance of the business of the Employer;
- (c) as a punishment for misconduct for a period not exceeding seven (7) working days after due inquiry.

19. **Disciplinary Action.**— Where the Employer proposes to proceed against an employee then—

- (i) irrespective of whether an employee has been suspended under Clause 18 hereof or not, the employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such employee and such show cause notice shall give the employee not less than three (3) clear working days in which to give the answer or explanation to the charge or charges preferred;
- (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 notice 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 entitlements due for the period of such suspension;
- (iv) if the Employer is not satisfied with the written answer or explanation of the employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within ten (10) working days from the date of receipt by him of the written answer or explanation to the show cause notice;
- (v) after holding such inquiry the Employer shall notify the employee of the findings on each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if an Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within thirty (30) working days from the conclusion of the inquiry into such charges, the employee shall not be liable to be punished thereafter in respect of such charges and no inference adverse to the employee in respect of such charges shall be drawn from such charges;
- (vi) if the employee is under suspension and the Employer after such inquiry makes order that—
 - (a) the employee shall not be dismissed then the employee shall resume employment forthwith and shall subject to the provisions of Sub-Clause 18(i)(c) hereof be 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 findings as to the charges in the show cause notice;
 - (b) 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;
 - (c) in view of the serious or involved nature of the charges in the show cause notice against the employee, the Employer is unable to make a final order as it is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that the matter be therefore referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the employee the matter has been previously referred to the Police or other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances the employee may remain suspended without pay.

- (vii) if in any case where an employee is suspended as provided for herein an Employer fails to make an order under paragraphs (a) to (c) of the preceding Sub-Clause for any reason other than that of the employee's own seeking within thirty (30) working days from the date of the employee's suspension, the employee shall be entitled to ½ his normal remuneration for the period of thirty (30) days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date on which the Employer makes an order under paragraphs (a) to (c) of the preceding Sub-Clause, irrespective of the outcome of the inquiry;
- (viii) in any case where an employee is suspended as provided herein the Employer shall make an order under paragraphs (a) to (c) of Sub-Clause (vi) within ninety (90) days of the date of suspension of the employee unless he is prevented from so doing by reason of the employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case the period ninety (90) days be extended for such further time as may be agreed;
- (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 charge or 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 subject to the exception that the fact that the inquiry had not commenced within ten (10) working days after receipt of the employee's explanation shall not be material or relevant.

20. **Disputes Procedure.**— (i) In the first instance the Union shall submit any demand on behalf of its members to the Employer and give the Employer at least ten (10) working days time within which to reply. If in the Union's opinion the Employer's reply is unsatisfactory the Union and the Employer shall explore the possibility of reaching a settlement.

(ii) When the Union concludes that negotiations with the Employer have been abortive it shall ask the Department of Labour to intervene and give the Department not less than ten (10) working days to arrange conferences and/or discussions with a view to a settlement of the dispute. Negotiations under the aegis of the Department of Labour shall then proceed until the Department of Labour reports failure.

(iii) Subject to the provisions of Clause 22 hereof all disputes between the Union and the Employer shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made thereunder.

(iv) Any party to this Agreement shall not instigate support or engage in any unfair labour practice during the pendency of this Agreement.

21. **Trade Union Action.**— The Union and its members and the employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action against the Employer in respect of any dispute between the Employer on the one hand and the Union and/or its members and/or any employees covered and bound by this Agreement on the other hand whether or not such dispute is related to this Agreement, except where such dispute has been caused by an act of an Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence or the legitimate activities of that Union and/or its members or is grossly unfair or seriously detrimental to the interests of the Union and/or its members. Provided however that at least seven (7) days notice in writing shall be given by the Union to the Employer concerned, the Federation and the Commissioner of Labour before the date of action consequent to an act of an Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence or the legitimate activities of the Union and/or its members or is grossly unfair or seriously detrimental to the interests of that Union and/or its members.

22. **Variations of Terms and Conditions of Employment, Benefits.**— (i) The Union and its members and the employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they will not seek to vary, alter or add to all or any of the terms and conditions of employment presently applicable to any of the employees covered and bound by this Agreement as amended or altered in terms of this Agreement, or all or any of the benefits presently enjoyed by any of the employees covered and bound by this Agreement other than by mutual agreement.

(ii) The Employer agrees with the Union and its members and the employees covered and bound by this Agreement that it shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the employees covered and bound by this Agreement other than by mutual agreement.

23. **Domestic Inquiries.**— If an employee who is furnished with a show cause notice in terms of Clause 19 is member of the Union, the following provisions shall apply to the inquiry held by the Employer pursuant to such show cause notice -

- (a) the Employer will, subject as hereinafter provided, allow a member of such Union (hereinafter referred to as “Observer”) to be present as an Observer without loss of wages for absence from work,
- (b) if the employee who is served with a show cause notice desires and Observer to be present at the inquiry to be held pursuant to such show cause notice, he shall, forty eight (48) hours at least before the time appointed for the commencement of the inquiry submit to the Employer the name of such Observer.
- (c) an Observer may answer any question which the person who conducts the inquiry may ask him, but an Observer shall not be entitled to represent the employee who is served with a show cause notice or otherwise partake in the inquiry,
- (d) the person who conducts an inquiry shall be entitled to require an Observer who obstructs such inquiry in any manner whatsoever to withdraw therefrom and an Observer shall forthwith comply with such requirement,
- (e) the absence of an Observer from the whole or part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings thereat, nor the findings pursuant thereto.

SCHEDULE I

Categories of employees covered and bound by this Collective Agreement -

- (a) all employees covered under the Wages Board for the Bakery Trade on monthly contracts of employment;
- (b) all employees covered under the Wages Board for the Motor Transport Trade on monthly contracts of employment;
- (c) Minor Staff on monthly contracts of employment.

IN WITNESS HEREOF PARTIES HEREUNTO HAVE SET THEIR HANDS ON THIS TWENTY THIRD DAY OF MARCH TWO THOUSAND AND FOUR AT COLOMBO.

For and on behalf of

PERERA & SONS (BAKERS)LTD

GIHAN PERERA
Managing Director

For and on behalf of

PERERA & SONS (BAKERS)LTD

PARAKRAMA DASSANAYAKE
Director/General Manager

For and on behalf of

THE FOOD, BEVERAGES & TOBACCO
INDUSTRIES EMPLOYEES' UNION

D. MALAVISURIYA
Secretary

For and on behalf of

THE FOOD, BEVERAGES & TOBACCO
INDUSTRIES EMPLOYEES' UNION

M. L. LEELARATNA
Branch Chairman

WITNESSES:

R. L. P. PEIRIS
Deputy Director General
E.F.C.

S. RATNAYAKE
Branch Secretary

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