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## PART I : SECTION (I) – GENERAL

### Government Notifications

My No.: CI/586

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Coca-Cola Beverages Sri Lanka Limited, Tekkawatte, Biyagama of the one part and Ceylon Mercantile Industrial and General Workers' Union (CMU) No. 3, 22nd Lane, Colombo 03, of the other part on 01st November, 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.  
20th January, 2005.

### Collective Agreement No. 44 of 2004

COLLECTIVE AGREEMENT BETWEEN COCA- COLA BEVERAGES SRI LANKA LIMITED AND THE CEYLON MERCANTILE, INDUSTRIAL AND GENERAL WORKERS' UNION (CMU) OF 2004 (MANUAL WORKERS)

This *Collective Agreement* made on this *First Day of November Two Thousand and Four* pursuant to the Industrial Disputes Act between *Coca-Cola Beverages Sri Lanka Limited*, a public limited liability Company and having its registered office at Tekkawatte, Biyagama (hereinafter referred to as “*The Employer*” which term shall where the context so requires or admits mean and include the said *Coca-Cola Beverages Sri Lanka Limited* of the one part and the *Ceylon Mercantile, Industrial and General Workers' Union (CMU)* duly

registered under the Trade Unions Ordinance and having its registered office at No. 3, 22nd Lane, Colombo 03. (hereinafter called and referred to as "*The Union*") which term shall mean and include the said The Ceylon Mercantile, Industrial and General Workers' Union (CMU), of the *Other part* witnesseth and it is hereby agreed between the parties as follows: -

1. **Parties to be Covered and Bound.**- This Agreement shall cover and bind the Employer, The Union and members of the Union who are employed by the Employer on permanent monthly contracts in a Manual or Labouring capacity for whom salary scales are set out in the Salary Schedules annexed hereto.

2. **Earlier Collective Agreement.**- The provisions of this Agreement shall supersede and replace the provisions of the collective Agreement entered into between The Company and the Ceylon Mercantile, Industrial and General Workers' Union (CMU) on the 6th March, 2003 and the said Agreement shall stand terminated with effect from 30th June, 2004.

3. **Date of Operation and Duration.**- Unless otherwise expressly stated herein, this agreement shall be effective as from *the First day of July, 2004* and shall thereafter continue in force unless it is determined by either party giving one month's notice in writing to the other party, provided however, that neither party shall give such notice to the other party before the *Thirty first day of May, 2006* and the Agreement shall not terminate before the *Thirtieth day of June, 2006*.

4. **General Terms and Conditions of Employment.**- (1) The terms and conditions of this Agreement shall from the date hereof and during the continuance in force of this Agreement, be deemed to be included in all the contracts of service between the Employer bound by this Agreement and permanent employees covered and bound by this Agreement, as well as other employees who are employed by the Employer on permanent monthly contracts of service in manual or labouring capacity whether such contracts of service be written or oral which are subsisting as at the date hereof or which come into being during the continuance in force of this Agreement.

(2) Where the existing terms and conditions of employment of an employee covered and bound by this Agreement are more favourable than the terms and conditions provided for in this Agreement then nothing in this Agreement shall in any way affect or prejudice such existing terms and conditions of employment and such terms and conditions of employment shall continue to exist notwithstanding anything to the contrary contained herein.

(3) Where an employee was immediately prior to the date hereof entitled or becomes entitled on or after that date under or by virtue of any law or under any contract, agreement, award or custom to any rights or privileges more favourable than those to which he would be entitled under this Agreement, nothing in this Agreement shall be deemed or construed to authorize or permit the Employer to withhold, restrict or terminate such rights or privileges.

5. **probation.**- (1) The employer may require any employee who is engaged for employment to serve a period of probation of not more than six (6) months. Provided further that if during the said probationary period of six (6) months, the Employer is not satisfied with such employee, the Employer may extend the probationary period for a further period of not more than three (3) months, and in that event the Employer shall communicate to the employee, in writing, the reason for such extension.

(2) During the period of probation or extended probation as the case may be, where the Employer is not satisfied with the employee, the Employer may terminate the employment of the employee without notice.

(3) Where the employment of an employee is not terminated during the period of probation or extended probation, as the case may be, and the employee has not been expressly confirmed by the Employer, the employee shall be deemed to be confirmed in employment with effect from the day after the day on which the period of probation or extended probation, as the case may be, ended.

(4) On confirmation, the period of employment of an employee shall be deemed to date from the day on which such employee was initially employed in terms of *sub-paragraph (1)* hereof.

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

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

7. **Hours of Work** - The normal working hours shall be those hours which are customarily worked at a Store, Factory, Mill or job in the establishment of the Employer bound by this Agreement.

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

9. **Overtime.**— (1) Overtime work will be worked by an employee as and when and for such period as the Employer may reasonably require, provided there is no good reason for refusal by such employee.

2. Any work which is performed in excess of normal working hours shall be remunerated at one and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of *Clause 17(a)* hereof.

10. **Weekly Holidays.**— (1) In respect of each week every employee shall be allowed a holiday in that week as the weekly holiday. Provided however that if any employee has not worked for a period of at least Twenty Eight (28) hours, he shall be liable to forfeit and the Employer shall be entitled to deduct one day's wage in respect of the weekly holiday for that week computed in accordance with the provisions of *Clause 17(b)* hereof.

(2) In computing the period of Twenty Eight (28) hours referred to in *Sub-clause (1)* the Employer shall include:—

- (a) Every holiday allowed by the Employer to the Employee as annual holiday;
- (b) Every public holiday granted by the Employer in terms of *Clause 12* hereof; and
- (c) Everyday's absence on any ground approved by the Employer.

(3) The Employer may employ any employee on a weekly holiday as and when required for such period as the Employer may reasonably require provided there is no good reason for refusal by such employee subject to the following condition:—

- (i) A day within six days next succeeding such weekly holidays be allowed to that employee as a holiday with remuneration. Provided however that if any employee who is employed on his weekly holiday is liable to forfeit and the Employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in *Sub-clause (1)*, then and in such event that employee shall forfeit and the Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of *Clause 17(b)* hereof in respect of the holiday which shall be allowed to that employee within six (6) days of that weekly holiday. Provided further that in respect of not more than two (2) such weekly holidays in any one calendar month the Employer may with the consent of the employee;
  - (a) instead of allowing an alternate holiday within six (6) days of the weekly holiday in respect of which that employee shall not be liable to forfeit and the Employer shall not be entitled to deduct one day's wage as aforesaid pay him one day's wage computed in accordance with the provisions of *Clause 17(b)* hereof in lieu of such alternate holiday; or
  - (b) in case that employee is entitled to an alternate holiday within six (6) days of the weekly holiday as aforesaid in respect of which alternate holiday he shall be liable to forfeit and the Employer shall be entitled to deduct a day's wage as aforesaid employ that employee on the alternate holiday.
- (ii) That in respect of work done on such weekly holiday the employee shall be paid as remuneration:—
  - (a) One and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of *Clause 17 (a)* hereof for the number of hours work during the first nine (9) hours (inclusive of one hour for a meal); and
  - (b) At double the normal hourly rate ascertained in accordance with the provisions of *Clause 17 (a)* hereof for each subsequent hour of work.

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

11. **Annual Holidays.**— Fourteen days Annual leave shall be allowed to an employee in each year in accordance with existing practice.

12. **Public Holidays.**— (1) Public holidays shall be allowed to an employee in accordance with the decisions of the relevant Wages Board. Provided however that if an employee is not covered by the decisions of any Wages Board public holidays shall be allowed to that employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

(2) In the event of the Employer requiring an employee to work on a public holiday in which event that employee will be employed on that public holiday in accordance with the decisions of the relevant Wages Board. Provided however that if an employee is not covered by the decisions of any Wages Board public holidays shall be allowed to that employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

(3) If any public holiday to which an employee is eligible under the provisions of *sub-clause (1)* hereof falls on a weekly holiday, a day either in the six (6) days immediately preceding or in the six (6) days immediately succeeding such public holiday shall be granted to the employee as a weekly holiday in accordance with the provision of *Clause 10* hereof.

4. If any public holiday to which an employee is eligible under the provisions of *sub clause (1)* hereof falls on a short working day, the number of hours constituting the normal working day (exclusive of one hour for a meal) on the day immediately preceding such public holiday shall be five (5) hours.

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

(2) Casual Leave will normally be obtained with prior approval and will normally be granted on application without the employee being required to state the reasons for the application. Where the employer finds it difficult to grant an application for casual leave, his difficulty shall be notified to the employee as soon as possible after the application is made, and in such case the employee may be required to state the reason for the application in order that the employer may decide whether it is reasonable in the circumstances to grant casual leave.

(3) Provided further that any employee shall be entitled to casual leave on the basis of one (1) day for each completed period of two (2) months service during his probationary period. After confirmation he shall be entitled to casual leave for the remainder part of that calendar year on the following basis.

<i>Period of Service</i>		<i>Entitlement</i>
1	Month	Nil
2 to 3	Months	1 Day
4 to 5	Months	2 Days
6 to 7	Months	3 Days
8 to 9	Months	4 Days
10 to 11	Months	5 Days
12	Months	7 Days

#### 14. **Sick Leave**

In any year an employee shall be entitled to sick leave not exceeding Twenty One (21) days provided that:

- (1) His illness is supported by a certificate from a registered Medical Practitioner unless waived by the Employer, subject to existing practice.
- (2) The employee shall not be on probation within the meaning of *Clause 5* hereof provided however that an employee who has been on probation shall as from the date of confirmation in respect of the remainder of that calendar year be entitled to sick leave as shown below.

<i>Period of Service</i>		<i>Entitlement</i>
2	Months	1 Day
3	Months	3 Days
4	Months	5 Days
5	Months	7 Days
6	Months	9 Days
7	Months	11 Days
8	Months	13 Days
9	Months	15 Days
10	Months	17 Days
11	Months	19 Days
12	Months	21 Days

15. **Monthly Consolidated Salaries.** - (i) Subject to the provisions of *Clause 17* hereof, the monthly consolidated salary of an employee in employment as at date hereof with effect from 1st July, 2004 shall be in terms of the salary scales set out in the First Schedule hereof which have been consolidated at the Colombo Consumer Price Index Figure of 3000.

(ii) If during the continuance in force of the agreement the Government of Sri Lanka:

- (a) prescribes increase in salary by any written law applicable to categories covered by this agreement legally obliging the Employer to make such payment, the Employer will pay such increase in salary in accordance with the law.

- (b) recommends increase in salary, such recommendations will not be applicable to the employer whether or not such recommendations are applicable to categories covered by this agreement.

16. **Conversion to the salary scale set out in the First Schedule with effect from 1st July 2004.** - (i) A sum equal to 10% of the salary payable to an employee as at June, 2004 shall be added to the salaries of the employees covered and bound by this Agreement with effect from 1st July, 2004.

(ii) An employee shall thereafter be placed on the corresponding point in the grade applicable to him in the salary scales set out in the 1st schedule hereof or in the event of there being no correspondition point on the next higher point in monetary terms in the said grade and the scale.

(iii) With effect from 1st July, 2005, the Employer will increase the monthly salaries of the employees covered by this Agreement by a sum equal to 5% of the monthly salary drawn by each employee as at June, 2004 and thereafter place each employee on the corresponding point, or if there is no such corresponding point on the next higher point on the salary scales given in the 2nd schedule hereof or the grade applicable to such employee.

17. **Salary for Periods Less than One Month.** - For the purpose of this Agreement the salary of any employee for periods less than one month shall be computed in the manner following:-

- |                      |  |
|----------------------|--|
| (a) For an hour      | - the monthly salary divided by Two Hundred and Forty (240)                            |
| (b) For one Day      | - the monthly salary divided by Thirty (30)  |
| (c) For one-half day | - a day's salary ascertained as above divided by two (2) (either morning or afternoon) |
| (d) For one week     | - a day's salary ascertained as above multiplied by seven (7)                          |

18. **Non-Recurring Cost of Living Gratuity.** - (1). As the scales of consolidated salaries set out in the First schedule have been determined on the basis of the Colombo Consumers' Price Index of 3000 (Base Index) with effect from 1st July, 2004, an employee in service will be entitled to receive, in keeping with existing practice, a Non-Recurring Cost of Living Gratuity in respect of each preceding (12) months (herein after referred to as the qualifying period) commencing from the First day of July, 2004 ascertained in accordance with the undermentioned formula.

THE FORMULA. - If the average of the Colombo Consumers' Price Index for the qualifying period exceeds the base index on which the salary scales have been determined a sum computed at Rupees Two and Fifty Cents (Rs. 2.50) for each complete point (i.e. 1.0) by which the average exceeds the base index in respect of each month of service during the qualifying period.

(2) The Non-Recurring Cost of Living Gratuity shall be payable by the Employer to an employee who is eligible to receive same by virtue of his service under the Employer during a part of the qualifying period by reason of the fact that he is not in the Employer's service when the Non-Recurring Cost of Living Gratuity becomes due in July of an year or he joined the Employer's service during the course of the qualifying period.

(3) The Non-Recurring Cost of Living Gratuity shall not be payable to an employee in respect of any period for which he receives no wages for whatever reason.

(4) No Provident Fund, Trust Fund, Overtime or any other payment shall be due or calculated on the non-Recurring Cost of Living Gratuity.

19. **Promotions.** - The following shall be the principles which will guide the Employer in respect of promotions.

- (1) Mere length of service shall not be the sole criterion for promotions from one grade to the next. The Employer shall be entitled to take into account skills, efficiency, performance, educational qualifications and other similar criteria and the cadre requirements in deciding on promotionns.
- (2) In case of employees who satisfactorily complete Twelve (12) years of service in Unskilled Grade of the Ice and Aerated Water Trade or the Engineering Trade however, they will if up to then otherwise not promoted, automatically be entitled to promotion to the Semi-skilled Grade II as provided in the First Schedule hereto, in the trade in which they are employed. Upon promotion to Grade II, the employee will receive a wage increase of Rs. 250/- to the monthly salary.
- (3) In case of employees who have satisfactorily completed eight (8) years service in the Semi-Skilled - II as provided in the First Schedule hereto in either of the trades mentioned at (2) above, they will if up to then otherwise not promoted, be entitled automatically to promotion to Skilled Grade I in their respective trades as provided in the First Schedule hereto. Upon promotion to Grade I, the employee will receive a wage increase of Rs. 250/- to the monthly salary.