

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

අති විශේෂ EXTRAORDINARY

අංක 1631/18 – 2009 දෙසැම්බර් 08 වැනි අඟහරුවාදා – 2009.12.08

No. 1631 / 18 – TUESDAY, DECEMBER 08, 2009

(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

My No.: CI/119.

THE Collective Agreement entered into between Coats, Thread Exports (Private) Ltd, No. 163, Union Place, Colombo 02 of the one part and Inter Company Employees' Union, No. 158/18, E. D. Dabare Mawatha, Colombo 05 of the other part on 29th September, 2009, 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.
13th November, 2009.

Collective Agreement No. 15 of 2009

This Collective Agreement made on this Twenty Ninth (29th) day of September Two Thousand and Nine (2009) pursuant to the Industrial Disputes Act between the Inter Company Employees Union, a Trade Union duly registered under the Trade Unions Ordinance and having its registered office at 158/18, E. D. Dabare Mawatha, Colombo 5 (hereinafter, referred to as “the Union”) and Coats Thread Exports (Private) Ltd, a duly registered Company under the Companies Act and having its registered office at 163 Union Place, Colombo 2 (hereinafter referred to as “the Employer”) witnesseth and it is hereby agreed between parties as follows:

Title: This Collective Agreement shall be known and referred to as the Coats Thread Exports Employees Collective Agreement of Two Thousand and Nine.

1. **Parties Covered and Bound.**– This Agreement shall cover and bind the Employer, the Union and the Employees to whom the Agreement shall apply.

2. **Employees Covered and Bound.**– This Agreement shall cover and bind all Employees employed by the Employer in its Factory at Moragahahena on permanent monthly contracts of employment in the categories of employment for which salaries have been spelt out in the First Schedule hereof and are members of the Union (hereinafter referred to as “Employees”).

3. **Duration of Agreement.**— This Collective Agreement shall be effective from 01st January, 2009, and shall thereafter continue to be in force unless it is terminated by either party giving one month's notice in writing to the other, subject to the proviso that one party hereto shall not give such notice to the other party to commence before the 30th November, 2011 and such notice shall not expire before 31st December, 2011. Both parties may raise issues for the revision of this Agreement at any time after the First Day of January 2011 and the both parties shall commence negotiations on such issues with a view to reaching a fresh Agreement.

4. Salaries

- (i) With effect from 01st January, 2009 the Employer agrees to increase the monthly salaries of employees by the addition of a sum of Rs. 1,000 to the salary drawn by each employee as at December, 2008.
- (ii) With effect from 01st January, 2010 the Employer agrees to increase the monthly salaries of employees by the addition of a sum of Rs. 1,100 to the salary drawn by each employee as at December, 2009.
- (iii) With effect from 01st January, 2011 the Employer agrees to increase the monthly salaries of employees by the addition of a sum of Rs. 1,100 to the salary drawn by each employee as at December, 2010.

05. Salary Scales and Annual Increments.—

- (i) With effect from 01st January, 2009, the commencement point of the salaries applicable to the respective categories of employees and the annual increments applicable to such categories will be set out in the First Schedule hereto.
- (ii) At the expiry of each twelve month period, commencing 01st January, 2009, the Employer shall add to and consolidate with the monthly salary of each Employee a sum in rupees equal to the difference in the complete points by which the Colombo Consumers' Price Index has increased over such twelve month period multiplied by two.

For example, with effect from 01st January, 2010, a sum in rupees equal to the difference in the Colombo Consumers' Price Index as at January, 2009 and December, 2009 multiplied by two, will be added to and consolidated with the salaries of each Employee and the commencing point applicable to the Employees as provided in the First Schedule hereof shall also be revised by the addition to such salary point a similar amount. Accordingly the salaries applicable to the employees shall stand revised annually.

- (iii) Apart from the annual consolidation of salaries referred to at Clause 5(i) hereof, each Employee shall be entitled to an annual increment on the grade applicable in terms of the First Schedule hereof, provided however that such increment is not suspended, stopped or deferred by the Employer on the basis of disciplinary action taken in accordance with the provision hereof.

06. **Notional Arrears.**— All employees entitled to the salary increases referred to in Clause 4 above will be paid a sum of Rs. 8,000, as notional arrears for period of 01st January, 2009 to 31st August, 2009 (Rs. 1,000 × 08). This payment shall be made by the Employer in October, 2009. The Union and the Employees agree that the said notional arrears shall not be regarded as a part of employee earnings for any purpose whatsoever and shall not attract payments such as EPF, ETF, overtime and such like.

07. **Annual Ex-gratia Payment.**— By way of an ex-gratia payment, the Employer shall pay each Employee covered and bound by this Agreement in the month of April each year, a sum equal to one month's salary of such Employee. The salary for this purpose will be the salary applicable at the time of such payment.

By way of arrears in respect of the above payment, the Company agrees to pay a sum of Rs. 1,000 to all employees who qualified to receive this payment in April, 2009, provided that such payment is subject to any proportionate deductions on account of service or absence from work. In other words if any employee received only a proportionate payment when this payment was made in April, 2009, such employee will receive the above sum also to the same proportion.

08. Bonus Based on Sales Achievement.-

- (a) In addition to the payment in terms of Clause 7 above, the Employer shall make a further bonus payment to Employees in the month of March or April each year in accordance with the formula set out in the Second Schedule hereof. This payment will be linked to the achievement of sales volumes against budgeted sales targets.
- (b) The union and the employees agree that they shall not jointly and/or severally call into question or raise any dispute with regard to the sales budget determined by the Employer annually.
- (c) The parties agree to review the formula set out in the 2nd Schedule hereof within the month of August, 2011, in relation to the payment to be made in March or April, 2012, if necessary.

09. Leave.-

- (a) The leave entitlement of a confirmed Employee covered and bound by this Agreement shall be as follows in respect of each year, from the 2nd year of employment:

Casual Leave	...	07	days
Medical Leave	...	14	days
Annual Leave	...	14	days

- (b) All annual leave shall be taken on dates mutually convenient to the Employer and the Employee concerned by prior arrangement and with the written approval of the Employer.

Other than due to circumstances beyond an Employee's control where prior approval of leave cannot be obtained from the Employer, all other leave must also be taken with the prior approval of the Employer. Casual leave shall not be permitted immediately preceding or succeeding a period of annual leave, except when approved by the Employer and such approval will be granted only in exceptional circumstances.

In the case of absence on account of sickness in excess of two days, a medical certificate acceptable to the Employer should be submitted by the Employee. Any period of sick leave even for a single day, immediately preceding or succeeding annual leave will be permitted only subject to a medical certificate acceptable to the Employer.

- (c) The "Year of Employment" and the "Leave Year" of an Employee for purposes of computing the leave entitlement and availment of leave, shall be the 12 month period commencing from the first date of the month in which an Employee has joined the Company. For example, in the case of an Employee who joined on 10th April, 2009, the "leave year" shall be regarded as, 01st April to 31st March in any year.

10. Purchase of Unutilized of Leave.-

- (a) At the end of the "Leave Year" of each Employee, the Employer shall make payment to each Employee in respect of unutilized of casual and sick leave in the following manner:
 - (i) up to 10 days of unutilized of leave - payment at the rate of 1 1/4 days salary for each day
 - (ii) in excess of 10 days of unutilized of leave - payment at the rate of 1 1/2 days salary for each additional day in excess of 10 days.

Provided however that an employee who does not utilize his full quota of casual and/or Sick leave may utilize in respect of an infectious disease hereunder identified, such number of days of casual and/or sick leave not utilized during the immediately preceding 2 years, regardless of such employee having obtained payment on account of such unutilized of leave. For example, if in the years 2007 and 2008 an employee has saved 10 days sick leave, he will, in addition to the payment he receives in respect of such 10 days, be permitted in 2009 to utilize 10 days leave with pay in the event of an infectious disease.

- (b) If an employee has exhausted his casual and sick leave entitlement at the time he contracts an infectious disease and has no leave saved in the two previous years, such absence will be treated as approved leave without pay.
- (c) "Infectious diseases" for the purpose of the aforesaid proviso shall mean Chicken pox, Measles and Mumps only. All leave applied for under this proviso will have to be supported by medical certificates acceptable to the Employer.

11. **Shift Allowance.**— Employees shall be paid as follows:

11.1 *2nd Shift*

For each 2nd shift worked, Rs. 20 will be paid subject to the following:

- (11.1.1) Employees should report to all 2nd shifts without absence.
- (11.1.2) This payment will be calculated on a weekly basis. 01 day's Annual (holiday) leave with prior approval during the 2nd shift in any calendar month will be allowed for this payment. No other category of leave will be considered for payment of the 2nd shift allowance.
- (11.1.3) This payment will be made monthly and will be included in the relevant months salary.

11.2 *3rd Shift*

- (11.2.1) If only 50% or less of the available night shifts are worked within any calendar month, the allowance will be Rs. 80 per shift.

E.g.— If the available night shifts are 12 days and if 6 or less days are worked in the night shift such employee's shift allowance will be calculated at the rate of Rs. 80 × number of days worked.

- (11.2.2) Every additional night shift worked will be at the rate of Rs. 120.

In addition, if all night shifts in a month are worked a night shift bonus will be paid as follows:

- (i) In a month where there are 6-9 night shifts (both days inclusive) available Rs. 300, if all night shifts are worked.
- (ii) In a month where there are 10-12 night shifts (both days inclusive) available Rs. 500, if all night shifts are worked.

12. **Production Bonus.**— Employees covered and bound by this Agreement shall be entitled to a monthly production bonus calculated in accordance with the rules laid down in the Third Schedule hereof, with effect from the date of signing hereof.

13. **Grading of Employees.**— The Employer shall carry out a re-grading exercise in respect of its maintenance employees as and when deemed necessary.

The Union may raise with the Management any dispute arising out of such re-grading and any such dispute shall be dealt with under the provisions or Clause 18 hereof.

14. **Batta Rates.**— Employees who on any day are required to leave their station on work and cannot return to station before 2.00 p.m. in the first shift, 3.00 p.m. in the general shift and 8.00 p.m. in the second shift will be paid Rs. 100 by way of batta in respect of such day.

15. **Uniforms.**— All Employees will be issued with three sets of uniforms per year and shall be required to wear them during their working hours. The Company will provide each employee a cake of soap per month for the washing of the uniforms.

16. **Meal Tokens.**— Employees who are required to work overtime for any period in excess of four hours beyond their normal shift will be entitled to receive a meal token the value of which will be determined by the management depending on the rates agreed with the service provider. The meal token value will automatically change from time to time on the rates to be agreed with the service provider. This meal token cannot be en-cashed under any circumstances.

In addition a short-eat will be provided, to the employees in the night shift at 2.00 a.m. at the discretion of the management.

17. **Levels of Production.**— It is agreed by and between the parties to this Agreement that the collective and/or individual production levels issued to employees will be achieved and maintained by employees.

The work norms in respect of employees where contracts of employment set out such norms shall however continue to apply to them.

(a) The Employer will have the right to revise the production and/or incentive targets in the context of the introduction of additional or new machinery, changes in technology and/or work procedures.

(b) Such revisions will be done in consultation with the Union. In the event of there arising any dispute regarding the revision of minimum production levels and/or incentive targets, parties agree to have the matter in dispute referred to the Textile Training and Services Centre or any other recognised institution. The decision of such body shall be final and binding on both parties. Parties shall accordingly comply with such findings and a refusal to work accordingly by employees shall constitute misconduct.

18. **Disputes Settlement Procedure.**- It is agreed by and between parties that any industrial dispute that may occur between the Employer and the Union and/or the Employees during the pendency of this Agreement shall be dealt with in the manner set out hereunder.

(i) The Branch Union or the Employees shall at the outset raise such dispute with the Employer and both parties shall endeavour to reach a satisfactory settlement of the dispute through consultation.

(ii) In the event of there being no settlement after consultation between parties, the Union shall raise the dispute with the Employers' Federation of Ceylon of which the Employer is a member and the Union and the Federation shall through consultation with all parties attempt to reach a satisfactory settlement.

(iii) Should there be no satisfactory outcome of the attempts at settlement by the Union and the Employers' Federation of Ceylon, the Union may seek the intervention of the Commissioner of Labour to settle the dispute in accordance with the provisions of the Industrial Disputes Act.

GENERAL

19. The intervals of employees will remain unchanged.





20. The Union and the employees jointly and severally agree that they shall not, during the pendency of this Agreement, resort to any form of Trade Union action in respect or any industrial dispute whether covered by this Agreement or not and shall endeavour to settle any or all disputes that may arise in accordance with the disputes settlement procedure laid down herein.

21. It is further agreed by and between parties that neither party will, during the pendency of this Agreement, attempt in any manner to change, vary or amend in any form, any of the terms and conditions set out in this Agreement, other than by way of mutual agreement.

22. The Employer, the employees and the Union jointly and severally agree to co-operate with each other towards continuous improvement and commitment to quality through team work in the Employer's establishment.

23. In the event of an inconsistency between the English and the Sinhala texts of this Agreement, the English one will prevail.

In witness hereof parties have set their hands on this Twenty Ninth day of September Two Thousand and Nine.

			
For & on behalf of		For & on behalf of	
COATS THREAD EXPORTS (PVT) LTD		INTER COMPANIES EMPLOYEES UNION	
Name: <u>Ajith M. Fonseka</u> Director - Human Resources, Coats Thread Exports (Pvt) Ltd. No. 163, Union Place, Colombo 02.		Name: <u>සමග්ග ජයරත්න</u>	
Designation: _____		Designation: <u>සමග්ග ජයරත්න</u>	
Witnesses:			
1. 	2. 		
Name: <u>DUSHANI WICKERANASINGHE</u>		Name: <u>සමග්ග ජයරත්න</u>	
Designation: <u>LEGAL & COMPLIANCE MANAGER</u>		Designation: <u>සමග්ග ජයරත්න</u>	

First Schedule

<i>Grades</i>		<i>Starting Points</i>		<i>Annual Increment</i>	
Grade III		Rs. 10,673		Rs. 40/-	
Grade II		Rs. 10,723		Rs.50/-	
Grade IB		Rs. 10,773		Rs.55/-	
Grade IA and Spl Grade		Rs. 11,487		Rs.60/-	
<i>Step</i>	<i>Proportion of actual sales CLU volume achieved against P 15</i>	<i>Proportion of Monthly Salary Payable as Sales Bonus</i>	<i>Proportion of Monthly Salary Payable as Sales Bonus</i>	<i>Proportion of Monthly Salary Payable as Sales Bonus</i>	<i>Proportion of Monthly Salary Payable as Sales Bonus</i>
		<i>2009</i>	<i>2010</i>	<i>2011</i>	
1	70%	70.00%	-	-	
2	71%	72.00%	-	-	
3	72%	74.00%	-	-	
4	73%	76.00%	-	-	
5	74%	78.00%	-	-	
6	75%	80.00%	80.00%	75.00%	
7	76%	82.00%	80.00%	75.00%	
8	77%	84.00%	80.00%	75.00%	
9	78%	86.00%	80.00%	75.00%	
10	79%	88.00%	80.00%	75.00%	
11	80%	90.00%	82.50%	85.00%	
12	81%	92.00%	85.00%	87.10%	
13	82%	94.00%	87.50%	89.30%	
14	83%	96.00%	90.00%	91.40%	
15	84%	98.00%	92.50%	93.60%	
16	85%	100.00%	95.00%	95.70%	
17	86%	117.60%	100.00%	98.50%	
18	87%	123.52%	117.60%	100.00%	
19	88%	129.40%	123.52%	123.52%	
20	89%	135.28%	129.40%	130.10%	
21	90%	141.16%	138.08%	133.10%	
22	91%	147.04%	142.27%	137.30%	
23	92%	152.92%	146.46%	141.50%	
24	93%	158.80%	150.65%	145.70%	
25	94%	164.68%	154.84%	149.80%	
26	95%	170.56%	159.03%	154.00%	
27	96%	176.44%	173.72%	173.70%	
28	97%	182.32%	182.32%	182.30%	
29	98%	188.20%	188.20%	188.20%	
30	99%	194.08%	194.08%	194.10%	
31	100%	212.50%	212.50%	212.50%	
32	101%	220.00%	220.00%	220.00%	
33	102%	227.50%	227.50%	227.50%	
34	103%	235.00%	235.00%	235.00%	
35	104%	242.50%	242.50%	242.50%	
36	105%	250.00%	250.00%	250.00%	
37	106%	257.50%	257.50%	257.50%	
38	107%	265.00%	265.00%	265.00%	
39	108%	272.50%	272.50%	272.50%	
40	109%	280.00%	280.00%	280.00%	
41	110%	300.00%	300.00%	300.00%	

SECOND SCHEDULE (Continued)

1. The salary for the calculation of the bonus shall be the salary drawn by the respective employee in the last month of Financial Year in respect of which bonus is payable.
2. An employee who is absent in excess of his leave entitlement for a period of six (06) or more days will not be eligible to receive this bonus and it shall not be paid to such employee.
3. Subject to the number of days absent in excess of an employee's leave entitlement in any one year the employer shall be entitled to make deductions from the bonus payable to an employee in the under-noted manner:

- | | | | |
|---|------------------------------------|---|---------------------------|
| 1 | Day in excess of leave entitlement | - | 5% of declared bonus |
| 2 | Day in excess of leave entitlement | - | 12 1/2% of declared bonus |
| 3 | Day in excess of leave entitlement | - | 22 1/2% of declared bonus |
| 4 | Day in excess of leave entitlement | - | 35% of declared bonus |
| 5 | Day in excess of leave entitlement | - | 50% of declared bonus |

Any period of no pay leave of an employee with the approval of the management will not be regarded as absence for the above computation.

Incentive Scheme for Maintenance Department

Employees Covered

Maintenance workers (excluding boiler operators and Effluent plant operators)

Targets to be achieved and Incentives payable are as follows

1. A minimum of 1% of the basic salary will be payable if 48 hrs. achievement (SAP) is 90%

<i>48 Hrs. achievement</i>	<i>% Incentive of basic salary</i>
90%	1.0%
91%	2.0%
92%	3.0%
93%	4.0%
94%	5.0%
95%	6.0%
96%	6.5%
97%	7.0%
98%	7.5%
99%	8.0%
100%	8.5%

N.B.

No incentive is payable if achievement is less than 90%

2. A minimum of 2% of the basic salary will be payable if "Non RFT Break Down" % is ≤10.0% and will increase in the following manner

<i>Non RFT Break Downs</i>	<i>% Incentive of basic salary</i>
10.0%	2.0%
9.0%	4.0%
8.0%	6.0%

3. A minimum 3% of the basic salary is payable as production incentive if Down Time is equal or less than the targets below.

<i>Machine Type</i>	<i>Down Time Target (BD + PM)</i>	<i>% Incentive of basic salary</i>
RF Dryers		
40 KW	Less than or equal 2%	0.5%
25 KW	Less than or equal 2%	0.5%
Extractors		
Dettin	Less than or equal 1%	0.5%
Hydro extractor	Less than or equal 1%	0.5%
Pressure Dryer	Less than or equal 1%	1.0%

N.B.

A Maximum of 8 hours will deducted for Planned Maintenance work in respect of RF dryers, Extractors and Pressure dryer for the relevant week.

4. Additional Incentive Earnings

Maintenance workers are entitled to the following additional incentive earnings if they do not exceed the Down Time targets given below.

<i>M/c Area</i>	<i>Down Time Target (BD + PM)</i>	<i>% Incentive of basic salary</i>
Dye House (Dyeing Machines)	Less than or equal 2.2%	0.25%
	Less than or equal 1.6%	0.35%
	Less than or equal 1.0%	0.50%

Note

One or Two dyeing machines will be taken per day for planned maintenance work and a maximum of 8 hours per such machine will be added to the Down Time for this purpose.

<i>M/c Area</i>	<i>Down Time Target (BD + PM)</i>	<i>% Incentive of basic salary</i>
Finishing (Industrial winding Machines)	Less than or equal 1.5%	1.50%
	Less than or equal 1.0%	1.75%
	Less than or equal 0.75%	2.50%

<i>M/c Area</i>	<i>Down Time Target (BD + PM)</i>	<i>% Incentive of basic salary</i>
Finishing (consumer winding Machines)	Less than or equal 2%	0.50%
	Less than or equal 1.5%	0.75%
	Less than or equal 1.0%	1.00%

Engineering employees who were earlier allocated to maintain only the winding machines will be entitled to an 1/3 of avg winding operators production incentive earning in addition to the above.

N.B.

1. Performance in respect of all criteria will be evaluated weekly and incentives paid monthly.

2. Abbreviations

BD – Breakdowns

PM – Planned Maintenance

DYE HOUSE WORKERS INCENTIVE SCHEME

1.0 **Employees covered.**– Dye House Multiskilled Operators, Drug Store men, Drug Store Helpers, Sub Stores Leaders & workers, WSet Lab Helpers, Boiler Operators, Effluent Plant operators, Drying area operators. In dye House only those employees working the minimum number of machines will be entitled to earn incentives under this scheme.

2.0 Targets to be achieved and incentive payable as follows,

3.0 LpMpD will be measured daily basis after lots transferred to the finishing

48 hrs achievement (SAP)	% incentive of basic salary
90%	1.0%
91%	2.0%
92%	3.0%
93%	4.0%
94%	5.0%
95%	6.0%
96%	6.5%
97%	7.0%
98%	7.5%
99%	8.0%
100%	8.5%

4.0 Back order tail 0 orders daily basis 3%

stage	Block A	Block B	
	RFT (All) %	PASS LOTS/MC/DAY	
		< 36 Pkg	>36 Pkg
1	94.5	9.7	6.5
2	95.0	9.9	6.7
3	95.5	10.1	6.9
4	96.0	10.3	7.1
5	96.5	10.5	7.3
6	97.0	10.7	7.5
7	97.5	10.9	7.7
8	98.0	11.1	7.9
9	98.5	11.3	8.1
10	99.0	11.5	8.3
11	99.5	11.7	8.5
12	100.0	11.9	8.7
13		12.1	8.9
14		12.3	9.1
15		12.5	9.3
16		12.7	9.5
17		12.9	9.7
18		13.1	9.9
19		13.3	10.1
20		13.5	10.3
21		13.7	10.5
22		13.9	10.7
23		14.1	10.9
24		14.3	11.1
25		14.5	11.3
26		14.7	11.5
27		14.9	11.7
28		15.1	11.9
29		15.3	12.1
30		15.5	12.3
31		15.7	12.5
32		15.9	12.7
33		16.1	12.9
34		16.3	13.1
35		16.5	13.3
36		16.7	13.5
37		16.9	13.7
38		17.1	13.9

- Note – 4.1 Pass lots/Mc/Day is SSP equivalent (COATS Group norm) at actual Utilization.
4.2 To entitle for the incentive earning Stage 1 targets should be achieved.
4.3 Performance is evaluated weekly in each block.
4.4 Orders are based on “SSP equivalent” when calculating.

10 A I කොටස : (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2009.12.08

PART I : SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 08.12.2009

Changing the above targets employees will be entitled to the following payments.

stage	RFT (All) %	Block B	
		PASS LOTS/MC/DAY <= 36 Pkg	>36 Pkg
1	450	450	855
2	550	550	940
3	645	650	1025
4	735	750	1110
5	815	850	1195
6	895	950	1280
7	975	1050	1365
8	1055	1150	1450
9	1135	1300	1535
10	1215	1450	1620
11	1295	1600	1705
12	1375	1750	1790
13	1375	1900	1875
14	1375	2050	1960
15	1375	2200	2045
16	1375	2350	2130
17	1375	2500	2215
18	1375	2650	2300
19	1375	2800	2385
20	1375	2950	2470
21	1375	3100	2555
22	1375	3250	2640
23	1375	3400	2725
24	1375	3550	2875
25	1375	3700	3025
26	1375	3850	3175
27	1375	4000	3325
28	1375	4150	3475
29	1375	4300	3625
30	1375	4450	3775
31	1375	4600	3925
32	1375	4750	4075
33	1375	4900	4225
34	1375	5050	4375
35	1375	5200	4525
36	1375	5350	4675
37	1375	5500	4825
38	1375	5650	4975

6. Key points on incentive calculations

6.1 Incentives will be calculated on weekly basis excluding holidays (i.e. Sundays & other holidays, if worked), considering the Dye House as one group.

6.2 Total incentive earning of a worker for a particular month will be proportionate to the number of days worked.

6.3 Payments will on a monthly basis.

7.0 If employees absent incentive deduction are follows in weekly basis.

<i>Absenteeism % shift wise</i>	<i>Service Incentive to be deducted SLRs</i>
10%	100
11%	300
12%	500
13%	700
14%	1000
15%	No service incentives

COP WINDING INCENTIVE SCHEME

1. *Employee covered*

Cop winding Machine Operator.

2. *Basic Targets*

Minimum Incentive earning is approximately 15% of basic salary if all basic targets are achieved.

Target to be achieved and incentives payable are as follows:

2.1 10% of the basic salary will be payable if following minimum target is achieved.

Every out put increase of 1% over the target will entitle employees for a 1% increase in incentive earnings.

Performance will be calculated daily basis

Art/Tkt	Input	Length (m)	Target (Boxes) 90%Effi	Allocation	% incentive of basic salary
6651070	1Pkg.	200	210	a4	10%
6651070	2500m	200	129	2	10%
6651070	5000m	200	129	2	10%
6652070	1Pkg	400	177	4	10%
6652070	2500m	400	117	3	10%
6652070	5000m	400	126	3	10%
6654070	1Pkg	900	163	6	10%
6654070	2500m	900	69	3	10%
6654070	5000m	900	101	4	10%

2.2 5% of the basic salary will be payable if

(Monthly domestic producing Boxes) = (Monthly dispatched number of boxes) + (Closing WIP) answer \pm 1%

3.1 Incentives will be calculated on daily basis for 2.1 and 2.2 on monthly basis excluding holidays

(i. e.- Sunday and other holidays, if worked)

3.2 Total incentive earning of a worker for a particular month will be proportionate to the number of days worked.

Note.- To earn the 2.2 (5% of the basic salary), Employees should achieve the minimum production target 2.1. And also it will be calculated for achieved days only.

COP PACKING INCENTIVE SCHEME

1. **Employee covered**

Cop Packers

2. **Basic Targets**

Minimum Incentive earning is approximately 15% of basic salary if all basic targets are achieved

Target to be achieved and incentives payable are as follows

2.1. **10% of the basic salary will be payable if following minimum target is achieved.**

Every out put increase of 1% over the target will entitle employees for a 1% increase in incentive earnings.

Performance will be calculated daily basis.

Art/Tkt	Length(m)	Target (Boxes) 90% Effi.	% incentive of basic salary
6651070	200	180	10%
6652070	400	165	10%
6654000	900	165	10%

- 2.2. 5% of the basic salary will be payable if
(Monthly domestic producing Boxes) =(Monthly dispatched number of boxes)+(Closing WIP) answer = 1%

3 Key points on incentive calculations

- 3.1 Incentives will be calculated on daily basis for 2.1 and 2.2 on Monthly basis excluding holidays
(i.e. Sunday and other holidays, if worked)
- 3.2 Total incentive earning of a worker for a particular month will be proportionate to the number of days worked.

Note

To earn the 2.2 (5% of the basic salary) Employees should achieve the minimum production target 2.1
And also it will be calculated for achieved days only.

TRANSIT STORES INCENTIVE SCHEME

1. Employees covered

All workers involved in Transit Stores
Targets are achieved and incentive payable are as follows.

- 2.1. **A Minimum of 5% of the basic salary will be payable if “Sales” achievement is 100% and every sales increase of 1% over the 100% will entitle employees for a 1% increase in incentive.**

<u>Sales achievement</u>	<u>% incentive of basic salary</u>
100%	5%
101%	6%
102%	7%
103%	8%
104%	9%
105%	10%
106%	11%
107%	12%
108%	13%
109%	14%
110%	15%

Note

No incentives is payable if achievement is <100%
Performance will be evaluated monthly.

- 2.2. **A Minimum of 1% of the basic salary will be payable if 48 hrs achievement is 90% and increase in the following manner.**

<u>48 hrs achievement (SAP)</u>	<u>% incentive of basic salary</u>
90%	1.0%
91%	2.0%
92%	3.0%
93%	4.0%
94%	5.0%
95%	6.0%
96%	6.5%
97%	7.0%
98%	7.5%
99%	8.0%
100%	8.5%

Note

No incentives is payable if achievement is <90%
Performance will be evaluated weekly.

- 2.3. **6% of the basic salary will be payable if there is no internal customer complaints**

<u>No. of internal customer complaints</u>	<u>% incentive of basic salary</u>
0	6%
max 4	5%

Note

Performance will be evaluated monthly.

Internal customer complaints – lorry delay 2 (max) delivery mistake 2 (max) per month

3. Key points on incentive calculations

3. 1. Incentive will be calculated on monthly basis 2.2 on weekly basis excluding holidays (i.e. Sundays and other holidays if work)
- 3.2. Total incentive earning of a worker for a particular month will be proportionate to the number of days worked.

RAW MATERIAL STORES INCENTIVE SCHEME

Employees Covered –

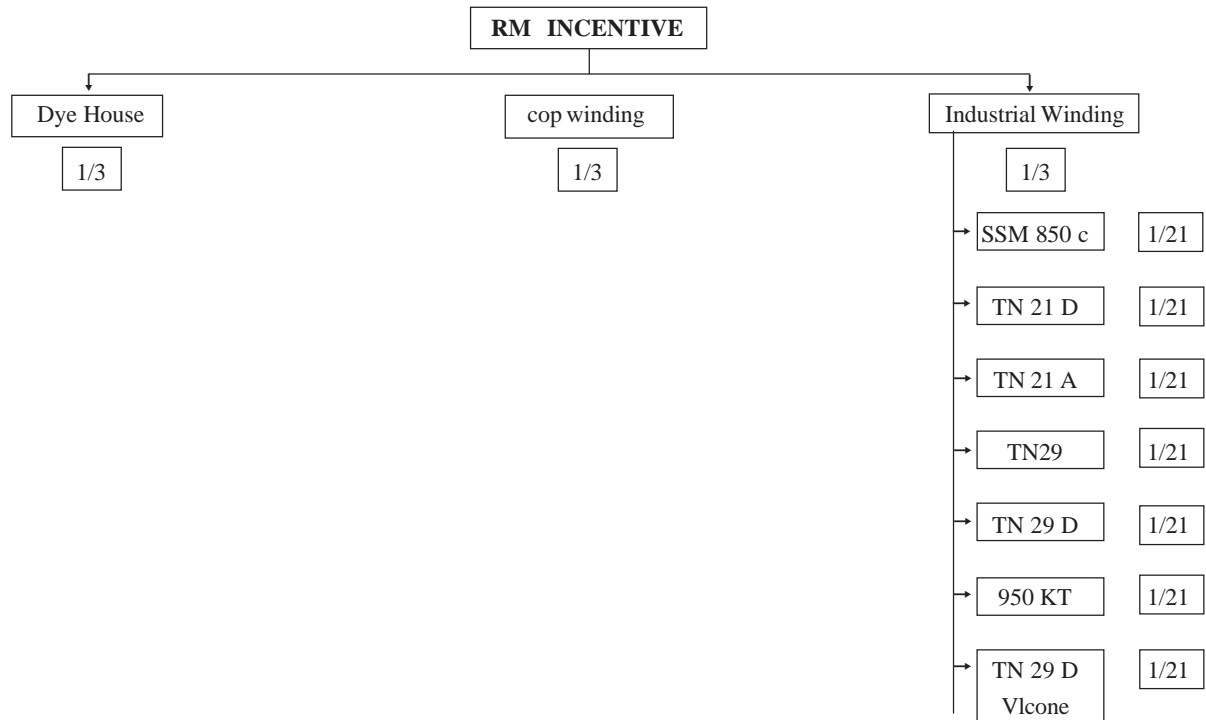
All workers involved in the Raw Material Stores (excluding sub stores)

Incentive will be payable on the following basis.

1. A minimum of 1.% of the basic salary will be payable if 48 hrs Achievement (SAP) is 90%

<i>48 Hrs achievement</i>	<i>% Incentive of basic salary</i>
90%	1.0%
91%	2.0%
92%	3.0%
93%	4.0%
94%	5.0%
95%	6.0%
96%	6.5%
97%	7.0%
98%	7.5%
99%	8.0%
100%	8.5%

2. A proportion of Dyeing, Cop winding and Industrial winding incentive earning is paid as follows.



3. Key points on incentive calculations

- 3.1 Incentive will be calculated on monthly basis excluding holidays
(i. e. Sundays and other holidays if work)
- 3.2 Total incentive earning of a worker for a particular month will be proportionate to the number of days worked.
- 3.3 48 hrs achievement will be calculated on a weekly basis and paid monthly.

PROPOSED SOFT WINDING INCENTIVE SCHEME

Employees Covered
Soft winding Machine Operators

Scheme Summary

8% of basic salary will be payable if minimum production target is achieved.

Cones to Pkgs

<i>d'Tex* Ply</i>	<i>Substrate</i>	<i>Target (Kg)</i>	<i>Allocation</i>	<i>Incentive of basic salary</i>
095/2	SSP	44.5	10	8%
095/3	SSP	55.8	8	8%
132/3	SSP	72.1	8	8%
205/3	SSP	66.2	6	8%
275/3	SSP	93.3	6	8%
125/2	PPC	44.3	11	8%
096/2	PPC	53	13	8%
167/1	TXP	37.4	20	8%
167/2	TXP	66.6	17	8%

Pkgs to Pkgs

<i>d'Tex* Ply</i>	<i>Substrate</i>	<i>Target (Kg)</i>	<i>Allocation</i>	<i>Incentive of basic salary</i>
095/2	SSP	118.8	24	8%
095/3	SSP	116.9	15	8%
132/3	SSP	140.3	14	8%
205/3	SSP	141.8	11	8%
275/3	SSP	142.9	8	8%
125/2	PPC	105.8	24	8%
096/2	PPC	105.1	24	8%
167/1	TXP	47.4	24	8%
167/2	TXP	99.3	24	8%

Part Cones to Pkgs (Dormant)

<i>d'Tex* Ply</i>	<i>Substrate</i>	<i>Target (Kg)</i>	<i>Allocation</i>	<i>Incentive of basic salary</i>
095/2	SSP	22.6	6	8%
095/3	SSP	28.5	6	8%
132/3	SSP	39.8	6	8%
205/3	SSP	64.4	6	8%
275/3	SSP	85.5	6	8%
125/2	PPC	28.7	6	8%
096/2	PPC	26.3	7	8%
167/1	TXP	19.2	8	8%
167/2	TXP	38.7	8	8%

Every out put increase of 1% over the target will entitle employee's for a 1% increase in incentive earning

Additional earnings available for 48 hours Achievement, Saving on waste.

Detail of Scheme except Half pkgs

machine Operator Target	Additional information	Minimum Target	Incentive as a proportion of salary
Production Target	Efficiency Utilization	Refer schedule (a)	8%
48Hrs achievement (SAP)		90%	1.0%
		91%	2.0%
		92%	3.0%
		93%	4.0%
		94%	5.0%
		95%	6.0%
		96%	6.5%
		97%	7.0%
		98%	7.5%
		99%	8.0%
		100%	8.5%
Waste against total production in SW		<0.30%	2%
		<0.25%	3%
		<0.20%	4%
Total Earning			20.50%

Detail of scheme for Half pkgs machine Operator

Target	Additional information	Minimum Target	Incentive as a proportion of salary
48Hrs achievement (SAP)		90%	1.0%
		91%	2.0%
		92%	3.0%
		93%	4.0%
		94%	5.0%
		95%	6.0%
		96%	6.5%
		97%	7.0%
		98%	7.5%
		99%	8.0%
		100%	8.5%
Waste against total production in SW		<0.30%	2%
		<0.25%	3%
		<0.20%	4%
RFT ALL substrate % (Only Quarter dye machines)	Greater than	93.0%	4%
LpMpD (Only Quarter dye Machines)	Greater than	12.0%	4%
Total Earning			20.50%

N.B.

Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis.
All payments will be made on a monthly basis.

Incentive scheme for Winding machine Operators

Scheme Summary

1. 10% of basic salary will be payable if minimum production target is achieved.
2. Every out put increase of 1% over the target will entitle employees for a 1% increase in incentive earnings up to maximum 25%
3. Additional earnings available for 48 hours Achievement, Savings on Waste, Manufacturing Lead Time (MLT).
4. In addition there is available, additional earnings through zero complaints but there also penalties if there are complaints.

Details of scheme

Target	Additional information	Target	Incentive as a proportion of salary
Production Target	Efficiency	90%	10%
	Utilization	95%	
48Hrs achievement (SAP)		90%	1.0%
		91%	2.0%
		92%	3.0%
		93%	4.0%
		94%	5.0%
		95%	6.0%
		96%	6.5%
		97%	7.0%
		98%	7.5%
		99%	8.0%
		100%	8.5%
Back order tail	daily	0 orders	3.0%
Waste	Skein waste fini (Spring waste)	<0.05%	2%
MLT over 3 days achievement	less than	1.0%	2%
Total Earning			25.5%

N.B.

Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis

Complaints: An additional 25% of the total incentive earning will be payable if there is no justified customer complaint related to finishing (external or internal), inclusive of short packing.

However if there are justified customer complaints 25% reduction will apply as follows:

Applicable payment basis Bonus or Penalty	No. of customer complaints	Addition or Deduction	% from total incentive earning
Bonus	0	Addition	+25%
Penalty	1	Deduction	-3%
Penalty	2	Deduction	-5%
Penalty	3	Deduction	-8%
Penalty	4	Deduction	-10%
Penalty	5	Deduction	-13%
Penalty	above 5	Deduction	-25%

Payments: All payments will be made on a monthly basis

5 If employees absent incentive deduction are follows in weekly basis

<u>Absenteeism % shift wise</u>	<u>Service Incentive to be deducted SLRs</u>
10%	100
11%	300
12%	500
13%	700
14%	1000
15%	No incentives for service

Incentive Scheme for less than 6 pkgs orders Winding Machine Operators

Scheme Summary -

1. 10% of basic salary will be payable if 48 hours achievement is achieved.
2. Every out put increase of 1% over the target will entitle employees for a 1% increase in incentive earnings up to maximum 25%
3. Additional earnings available for, Savings on Waste, Manufacturing Lead Time (MLT),
4. In addition there is available, additional earnings through zero complaints but there are also penalties if there are complaints
5. 4% of basic salary will be payable if production target is achieved.

Details of Scheme

<i>Target</i>	<i>Additional Information</i>	<i>Target</i>	<i>Incentive as a proportion of salary</i>
Production target	Efficiency Utilization	90% 95%	4%
48hrs achievement (SAP)	less than 6 pkgs orders	91% 92% 93% 94% 95% 96% 97% 98% 99% 100%	2% 4% 6% 8% 10% 11% 12% 13% 14% 15%
Back order tail	daily	0 orders	3.0%
Waste	Skein waste CTE (spring waste)	<0.05%	2%
MLT over 3 days achievement	less than	1.0%	2%
	Total Earning		26%

N. B.

Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis

Complaints : An additional 25% of the total incentive earning will be payable if there is no justified customer complaint related to finishing (external or internal), inclusive of short packing.
However if there are justified customer complaints 25% reduction will apply as follows :

<i>Applicable payment basis Bonus or Penalty</i>	<i>No. of customer complaints</i>	<i>Addition or Deduction</i>	<i>%from total incentive earning</i>
Bonus	0	Addition	+25%
Penalty	1	Deduction	-3%
Penalty	2	Deduction	-5%
Penalty	3	Deduction	-8%
Penalty	4	Deduction	-10%
Penalty	5	Deduction	-13%
Penalty	above 5	Deduction	-25%

Payments : All payments will be made on a monthly basis

6 If employees absent incentive deduction are follows in weekly basis

Absenteeism % shift wise

Service Incentive to be deducted SL Rs.

10%	100
11%	300
12%	500
13%	700
14%	1000
15%	No incentives for service

Incentive scheme for Material Handlers / CQC Checkers / Sticker Printers / Tenter

Scheme Summary –

- An equal proportion of incentives will be payable based on the incentive earnings of 0° Vi-cone, 2° Vi-cone and 2° Cone Machine operators' average.
- Additional earnings available for 48 hours Achievement, Savings on Waste and Manufacturing Lead Time (MLT) achievement

Details of Scheme

<i>Machine Type</i>	<i>Target</i>	<i>Incentive Payment</i>
0° Vi-cone		1/3 of average production incentive earnings% of 0° Vi-cone machine operators
2° Vi-cone		1/3 of average production incentive earnings% of 2° Vi-cone machine operators
2° Cone		1/3 of average production incentive earnings% of 2° Cone machine operators
48hrs achievement (SAP)	90%	1.0%
	91%	2.0%
	92%	3.0%
	93%	4.0%
	94%	5.0%
	95%	6.0%
	96%	6.5%
	97%	7.0%
	98%	7.5%
	99%	8.0%
	100%	8.5%
Back order tail daily	0 orders	3.0%
Waste	< 0.05% of skein waste	2% of basic salary
MLT over 3 day achievement	Less than 1.00%	2% of basic salary

N. B.

- Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis.
- All payment will be made on a monthly basis
- Customer complaints are not related for them
- If employees absent incentive deduction are follows in weekly basis

<i>Absenteeism % shift wise</i>	<i>Service Incentive to be deducted SL Rs.</i>
10%	100
11%	300
12%	500
13%	700
14%	1000
15%	No incentives for service

Incentive scheme for carton packers

Scheme Summary

- (a) An equal proportion of incentives will be payable based on the incentive earning of 0° Vi-cone, 2° Vi-cone and 2° cone Machine operators' average.
- (b) Additional earnings available for 48 hours Achievement, Savings on Waste and Manufacturing Lead Time (MLT) achievement.

Details of Scheme

<i>Machine Type</i>	<i>Target</i>	<i>Incentive Payment</i>
0° Vi-cone		1/3 of average production incentive earnings% of 0° Vi-cone machine operators
2° Vi-cone		1/3 of average production incentive earnings% of 2° Vi-cone machine operators
2° cone		1/3 of average production incentive earnings% of 2° Cone machine operators
48hrs achievement (SAP)	90%	1.0%
	91%	2.0%
	92%	3.0%
	93%	4.0%
	94%	5.0%
	95%	6.0%
	96%	6.5%
	97%	7.0%
	98%	7.5%
	99%	8.0%
	100%	8.5%
Back order tail daily	0 orders	3.0%
Waste	<0.05% Of skein waste	2% of basic salary
MLT over 3 day achievement	Less than 1.00%	2% of basic salary

N.B.

Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis

Complaints : An additional 25% of the total incentive earning will be payable if there is no justified customer complaint related to finishing (external or internal), inclusive of short packing.

However if there are justified customer complaints 25% reduction will apply as follows :

<i>Applicable payment basis Bonus or Penalty</i>	<i>No. of customer complaints</i>	<i>Addition or Deduction</i>	<i>%from total</i>
Bonus	0	Addition	+25%
Penalty	1	Deduction	- 3%
Penalty	2	Deduction	- 5%
Penalty	3	Deduction	- 8%
Penalty	4	Deduction	-10%
Penalty	5	Deduction	-13%
Penalty	above 5	Deduction	-25%

Payments : All payments will be made on a monthly basis

if employees absent incentive deduction are follows in weekly basis

Absenteeism % shift wise

Service Incentive to be deducted SL Rs.

10%	100
11%	300
12%	500
13%	700
14%	1000
15%	No incentives for service