



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 1609/22 - 2009 ජූලි 10 වැනි සිකුරාදා - 2009.07.10

No. 1609/22 - FRIDAY, JULY 10, 2009

(Published by Authority)

## PART I : SECTION (I) — GENERAL

### Government Notifications

*My No. : IR/20/10/2006.*

**In the Matter of an Industrial Dispute Between :**

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

Pelwatte Sugar Industries Security Society,  
Wijaya Road,  
Buttala

Applicant Party of the First part

THE Award transmitted to me by the Arbitrator to whom the Industrial Dispute which has arisen between Pelwatte Sugar Industries Security Society, Wijaya Road, Buttala of the one part and Pelwatte Sugar Industries Ltd., No. 27, Melbourne Avenue, Colombo 04 and Pelwatte Sugar Industries Ltd., Private, Postal Bag, Buttala of the other part was referred by Order dated 08.09.2006 under Section 4(1) of the Industrial Disputes Act, Chapter 131, (as amended) for settlement by arbitration is hereby published in terms of Section 18(1) of the said Act.

*Case No.*  
A-3187

and

1. Pelwatte Sugar Industries Ltd.,  
No. 27, Melbourne Avenue,  
Colombo 04.

2. Pelwatte Sugar Industries Ltd.,  
Private, Postal Bag,  
Buttala.

Respondent Parties of the Second Part.

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

Department of Labour,  
Labour Secretariat,  
Colombo 05,  
02nd July, 2009.

On this 8th day of April, 2009.

The Honourable Minister of Labour Relations and Manpower by virtue of the powers vested in him by Section 4(1) of the Industrial Disputes Act, Chapter 131 of the Legislative Enactments of Ceylon (1956 Revised Edition) as amended by Acts, Nos. 14 of 1957, 4 of 1962 and 39 of 1968, (read with Industrial Disputes Special Provisions Act, No. 37 of 1968), has appointed me as the Arbitrator to settle the following dispute by Arbitration.

“Whether the non granting of permanency in services by Pelwatte Sugar Industries Ltd., to the employees of the Internal Security Section who are employed on contract basis is justified and if not justified, to what relief they are entitled”.

#### THE AWARD

The Applicant Party of the First Part (hereinafter called the Applicant) Appearing by their Attorney-at-Law Maithree Pitawela stated that the Internal Security Service of the Respondent Company had been formed in 1996 and consisted of ex-servicemen and Policemen. Their main duty was the protection of the property of the Respondent but though they performed an essential service they had remained as contract employees and not been awarded a permanency of service. Counsel for the Applicant contended that though the Company had 247 casual employees on the basis of a contract service, they were awarded promotions and permanency of service from time to time but the 87 employees of the Applicant had not been given this privilege. The contract of employment of all the members of the Applicant had been given extensions of Service from year to year but not given permanent status. Though the Respondent had told them that they could serve up to the age of 55 years, the fact that their service contracts were renewable from year to year made their service non permanent.

It was further contended by Attorney Maithree Pitawela that some members of the Applicant had services extending beyond 11 years, and if they were to lose their jobs, they would not find it easy to secure new jobs. He stated however these applicants were enjoying most of the privileges given to permanent employees and some of them were even given living quarters in the premises of the company. Counsel stated the prayer of the Applicant was to make them permanent in service since they are not asking for any salary increase nor any extra privileges on being made permanent in service.

The Respondent company appearing by W. D. D. Alwis, Attorney-at-Law of the Employers Federation of Ceylon

said that the company had been originally owned by a British Firm and later changed ownership to Chinese hands and later was sold again to a Sri Lankan Firm and at present is owned by Master Divers Ltd., a Sri Lankan company.

Counsel also said that they had always been having a private security service and the present Applicants are some or them. He agreed that there were 247 casual employees on Contract basis and they were on a long term contract basis and that they were eligible for absorption into the permanent cadre whenever vacancies arose, but said the 87 employees of the Applicant Party did not enjoy this privilege though they were entitled to increments and some were even provided with residential facilities. They were also entitled to EPF and ETF facilities like in the case of others.

Counsel also contended that in the present context of the manufacture of sugar which is on the downturn, the company could not provide for the absorption of the Applicant into the permanent cadre of the company, and prayed on behalf of the Respondent that no relief be granted to the Applicant Party.

#### *Proceedings*

There were over 25 hearings extending from November 2006 to February 2009 in which the Applicant and the Respondent led evidence respectively. The main thrust of the arguments of the Applicant was that there were 247 employees in other sectors of the Respondent company on Contract basis but were entitled to permanence whenever the opportunity arose, but the 87 employees of the Applicant's security service were not given this privilege. They contended in evidence that they were impermanent in service and they had a contract of service from year to year without any prospect of renewing these contracts though in fact they enjoyed the privileges given to the other employees. They contended that they were not demanding any increase in wages for the Applicants.

The Respondent argued that in the present context of business fluctuations the Respondent company was not in a position to employ the Applicant party on a permanent basis. Counsel also argued that there was no financial allocations in the present budgetary allocations of the Respondent to make the Applicant party permanent. It was however agreed that the casual employees contracted for employment on a seasonal basis were absorbed into the permanent service whenever the opportunity arose.

However, after much argument and persuasion the Respondent, on 2nd February, 2009 agreed to settle the dispute by the absorption of the 87 members of the Internal Security Service (Applicant party) to the permanent service of the company and this settlement offered to the Applicant Party is justified. It was further agreed that letters of appointment to the permanent cadre of the Internal security Service would be granted by 15th February, 2009 and all their privileges would continue as usual.

The final settlement arrived at by the two parties to the dispute is therefore justified.

AWARD

In view of the above noted settlement being reached by the two Parties no Award is made.

Dr. V. IRWIN JAYASURIYA, Ph D.,  
Attorney-at-law,  
Arbitrator.

07-749