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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2145/47 – 2019 ඔක්තෝබර් මස 16 වැනි බදාදා – 2019.10.16

No. 2145/47 – WEDNESDAY, OCTOBER 16, 2019

(Published by Authority)

PART I: SECTION (I) – GENERAL

Government Notifications

My No.: CI/1543.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Associated Ceat (Pvt) Limited, Nungamugoda, Kelaniya of the one part and the Inter Company Employees Union, No.259/9, Sethsiri Mawatha, Koswatta, Talangama of the other part on 18th September 2018 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

A.WIMALAWEERA

Commissioner General of Labour

Department of Labour,
Labour Secretariat,
Colombo 05.
03rd October 2019



Collective Agreement No.02 of 2019

COLLECTIVE AGREEMENT

between

Associated Ceat (PVT) LTD.

and

Inter Company Employees Union

18.09.2018

COLLECTIVE AGREEMENT

THE Collective Agreement entered into Associated Ceat (Pvt) Limited, a Company duly registered in Sri Lanka and having its registered office at Nungamugoda, (hereinafter referred to as “ The Employer’ or “ The Company”as the case may be) and Inter Company Employees’ Union, a Trade Union duly registered in Sri Lanka and having its office at No.259/ 9, Sethsiri Mawatha, Koswatta, Thalangama (hereinafter referred to as “ The Union”) on this 18th day of September Two Thousand and Eighteen.

WHEREAS, the Union by its letter dated March 08, 2018 submitted certain demands in respect of their members employed in the factory of the said Employer, situated at Nagoda in Kalutara, Parties have, after negotiations, agreed on the following terms as a full and final settlement.

1. **Paeties covered and Bound.-** The provisions of this Agreement shall apply to the Employer, the Union and its members in the Operative Grades engaged on Permanent basis in the Company. The Provisions of this Agreement shall not apply to trainees/ apprentices.

2. **Salaries.-** With effect from August 01,2018 the salaries of the employees covered and bound by this Agreement will be increased in the following manner. The following revisions will be strictly subject to achieving the production norms and efficiency parameters set out in schedule (01) and (02) hereof.

- 2.1. With effect from August 01,2018,the employer shall add Rs. 5,000.00 to the basic salary of each employee confirmed in service as July 31,2018
- 2.2. With effect from August 01,2019,the employer shall add Rs. 4,250/- to the basic salary of each employee confirmed in service as at July 31,2019
- 2.3. With effect from August 01,2020,the employer shall add Rs. 4,250/- to the basic salary of each employee confirmed in service as at July 31,2020

Provided that a sum equivalent to One Twenty-fifth (1 / 25th) of the aforementioned increase will be deducted on account of each day of unauthorized on pay absence recorded by an employee during leave year commencing from the leave year 2019 subject to a disciplinary inquiry and only the balance will be added to the basic salary, if any. The management will consider approving authorized no - pay on case by case basis in case of emergencies when an employee has exhausted his /her full leave quota of a particular year. In case of such authorization, approval of Division Manager, Senior Manager - Production/Head of Engineering and the Plant Head is mandatory. The first deduction will be made in the year 2020.

In addition, the employees who are on probation but being confirmed in employment during the year would be given the aforementioned salary increases applicable for the year in which the employee is confirmed on *pro rata* basis calculated from the date of confirmation and 31st day of July of the year occurring immediately after the date of confirmation. The said increase will be added to the first salary due after the confirmation.

Furthermore, in order to correct salary anomalies existed thus far, the Company agrees to make further one-time salary increase based on years of service as given below:

- 2.4. With effect from August 01, 2019, a sum of Rs. 2,000/- Will be added to the salaries of employees who have completed service of 15 years or more as at July 31, 2018 and Rs. 1,000/- will be added to the salaries of employees who have completed service of 10 years or more but less than 15 years of service as at July 31, 2018 and Rs. 800/- will be added to the salaries of employees who have completed service of 5 years or more but less than 10 years of services as at July 31, 2018.
- 2.5. With effect from August 01, 2020, a sum of Rs. 1,000/- will be added to the salaries of employees who have completed service of 15 years or more as at July 31, 2018, and Rs. 750/- will be added to the salaries of employees who have completed service of 10 years or more but less than 15 years of service as at July 31, 2018 and Rs. 300/- will be added to the salaries of employees who have completed service of 5 years or more but less than 10 years of service as at July 31, 2018.
- 2.6. In addition, as matter of goodwill, the Employer will make an *ex-gratia* payment of Rs. 10,000/= to the employees. The *ex-gratia* payment will be made in the month of September - 2018. This *ex-gratia* payment will not constitute a part of an Employee's salary for any purposes such as overtime, shift allowance, bonus or such like, except for Provident Fund and Trust Fund contributions.

3. If during the continuance in force of this agreement the Government of Sri Lanka.-

- 3.1. Prescribes in any year, increases in salary/and or any allowances by any written law applicable to categories of employees covered by this Agreement, the Employer shall be entitled to take credit for the salary increases granted to an employee in respect of such year in terms of Clause 2 hereof and determine the increase, if any, that is to be granted to an employee accordingly.
- 3.2. Recommends increases in salaries/and or any allowances, such recommendations will not be applicable to the Employer regardless of whether or not such recommendation is applicable to the categories of employees covered by this Agreement.

4. Meal Allowance.- The Employer will increase the meal allowance up to Rs. 150/- per day for every day on which such employee reports for work with effect from April 01, 2019. This meal allowance will be calculated on a daily basis and paid at the end of the month effective April 01, 2019. Furthermore, The Employer agrees to increase the meal allowance up to Rs. 165/- per day with effect from April 01, 2020.

5. Annual Increments.- Unless otherwise decided on disciplinary grounds in terms of this Agreement, an employee shall be entitled to an annual increment in the month of May each year in terms of the salary scale applicable to each employee, subject to the performance evaluation of each employee. The annual increment will be increased to Rs. 260/= with effect from 01st May 2019.

6. Probation.- Each employee recruited to the permanent cadre of the Company will be required to serve a minimum period of six months probation during which the Employer will assess the suitability for confirmation through an evaluation process and written/practical test on skills and competence. The Employer reserves the right to extend the period of probation of any employee. During the period of probation or extended period of probation, where applicable, the Employer shall have the right to terminate such probationary employment without any notice.

7. Bonus.- Provided the Company registers a profit, the employees will be paid a bonus in respect of each year in keeping with the existing practice. The payment will be made in two instalments, as follows:-

- 7.1. Advance payment in December of a particular year, subject to half-yearly performance and profits made as at 30th September in relation to that year.
- 7.2. Final payment in April of the following year, subject to the previous year's performance.

The quantum of bonus payable will be decided by the company. No bonus will be declared in case the Company register a loss in respect of any year.

8. **Hours of work and overtime.**— Subject to changes due to exigencies of work, the normal working hours during the continuance in force of this Agreement shall be those that are worked by the employees as at present, i.e. three shifts per day on 7 days of the week. The employees shall work reasonable overtime, as and when required by the Employer for which the employee shall be paid overtime as stipulated by law. The Company will arrange for a meal to be given to every employee, who is required to work more than five hours overtime beyond normal working hours.

It is compulsory for the employees in the Engineering Division to report for work on Sundays, Poya days and statutory holidays. (as per the roster or special programme) The employees of the Production Division will be required to report for work as and when called for on the days mentioned above. Any employee, who may be unable to report for work, when required on any of the days mentioned above, should inform the relevant Head of the Department, in writing, at least 48 hours in advance, setting out the reasons for such inability. The Head of the relevant Department may accept or reject such a request by an employee taking into consideration the exigencies of business and the reasons cited by the employee. The decision taken by the Manager concerned in respect of such a request shall be binding on the employee concerned.

9. **Shift Allowance.**— The Employer agrees to pay a shift allowance to employees engaged in the second and third shifts, i.e. from 2.00 p.m. to 10.00 p.m. and from 10.00 p.m. to 6.00 a.m respectively, calculated at the rate of 15% of the employee's daily basic wage in respect of each shift worked. The daily basic wage for this purpose will be ascertained by dividing the monthly salary by 30.

10. **Production Allowance.**— The Employer will continue to pay to employees the production allowance/ bonus, calculated at Rs.25/- per day for building operators and at Rs.21/- per day for all other employees, provided the employees achieve production norms and efficiency parameters in respect of each shift on any given day as set out in Schedule (1) hereof. Employees who fail to achieve any production norms other than in a situation of machine breakdown or non-availability of raw material for reasons exclusively within the control of the management, shall forfeit this allowance/ bonus, apart from any other action the Employer may initiate as considered necessary.

11. **Production bonus.**— In addition to the production allowance/ bonus scheme set out in clause 10 above, the Company will continue to pay a production bonus scheme on the following basis:

11.1 A sum of Rs. 1,500/= per month will be made in the following month with the monthly remuneration in each month of the year.

11.2 If an employee records unauthorized no-pay absence of 5 days or more in a month including suspension on disciplinary grounds or any other reason whatsoever, such employee will not be eligible for the production bonus for the relevant month. Further, if an employee records no-pay absence of less than 5 days, the production bonus amount will be paid on the following basis:

$$\frac{\text{Production Bonus}}{\text{Number of Working Days}} \times (\text{Number of Working Days} - \text{Number of No Pay Days})$$

11.3 The production bonus payment will not attract Employees Provident Fund (EPF), Employees Trust Fund (ETF), Gratuity or any other statutory payments or allowances such as bonus, advances, overtime payments and any other consequential payments, etc.

11.4 The company has the sole discretion to withdraw, modify amend or introduce on an intermittent basis the bonus scheme according to situations that may require such changes. This will be communicated to the employees at least two days prior to such action.

12. **Production Norms.**— It is agreed between parties that the production norms and efficiency parameters in the factory shall be in accordance with Schedule (01) and (02) hereof and the employees shall maintain such norms efficiency

parameters in their day-to-day work. The norms and efficiency parameters shall be subject to change in the event of the introduction of new machinery/ technology, upgrading of existing machinery / technology or work processes geared towards improving production in the factory. The employee will strive towards controlling scrap and rejects and work towards the overall improvement of product quality. Any change in the pattern or design of the production, according to market / customer requirements, will not change the norms and efficiency parameters agreed under this paragraph.

In the event of introduction of new machineries / technology / Products / Process, and in the event that the union and the management fails to agree at a reasonable output norm within 3 months from the date of commissioning / installation / implementation, the company has the sole discretion to conduct a time and motion study / work study with the involvement of the union. Both Management and Union hereby agree to abide by the results / recommendations of such time and motion study / work study. The time and motion study / work study will be carried out by a professional body in Sri Lanka. The Union will whole heartedly and completely cooperate to make such studies complete and successful.

The recommended norms of the any work study which may be carried out in the future from time to time will be achieved within a period of 2 months from the date of officially handing over of the study report to the union.

13. **Work Assignments.**— Employees should be willing and ready to work on any machine in the factory or any work related to Production Process to which they may be assigned from time to time for which the Employer shall provide adequate training wherever necessary.

14. **Annual Picnic.**— The Company agrees to grant a sum of Rs.3,200/- per employee for 2 days on account of the annual picnic. The payment would be made by the Company upon the Union submitting a list signed by employees, indicating their desire to participate in the picnic. The Company will also provide suitable and adequate transport. The annual picnic shall not exceed two days duration and shall be organized by the Union. If due to operational exigencies of the business, it is agreed by both parties to have a one day picnic, the Company will grant a sum of Rs. 2,500/- per employee. If a one day picnic is arranged it should be either on a Sunday/statutory holiday or a Poya day.

The picnic shall be arranged to include a Sunday/ Poya day or a Statutory Holiday if it is a two-day picnic. Any week day or a Sunday on which the factory functions, if affected, should be covered either through Poya days or Statutory Holidays. The Union and employees undertake to conduct themselves in an appropriate manner during the picnic and refrain from tarnishing the image of the Company. The Company will be entitled to take disciplinary action upon inquiry against any employee or employees who resort to acts of indiscipline during the picnic. The Union undertakes to submit to the management, an accurate detailed account of the expenses of the annual picnic.

15. **Leave.**— Employees shall be entitled to a maximum of 14 days' annual leave in accordance with the provisions of the respective Wages Boards Decisions applicable to the trade. In addition to annual leave, employees will be entitled to seven days' casual leave subject to the condition that absence on account of sickness in excess of two days should be supported by a Medical Certificate from a registered Medical Practitioner and whatever rules pertaining to leave in the Company.

In view of the continuous manufacturing process that is operative in the factory, the Union and the employees agree to co-operate to curb absenteeism.

16. **Disciplinary Action.**— Where the Employer decides to proceed against an employee on disciplinary grounds, the following procedure will be adopted.

- 16.1 A show-cause notice setting out the misconduct alleged against the employee will be furnished to the employee regardless of whether the employee is suspended or not.
- 16.2 The employee shall be required to submit a written explanation to the show-cause letter within seven working days. The employee may, if he so requires, seek in writing an extension of time to submit his explanation and the Employer may, at its discretion, grant such an extension of time as being required.
- 16.3 The Employer shall conduct a domestic inquiry into the alleged misconduct on receipt of the employee's written explanation.

However, the Employer may at its discretion decide not to conduct a domestic inquiry where the employee has admitted the acts of misconduct alleged against him the employer may decide to warn him or suspend his services as a punishment without holding a domestic inquiry.

16.4 The employee shall be informed, in writing, the findings of the inquiry and any punishment that has been imposed after the conclusion of the domestic inquiry.

16.5 The services of an employee may be suspended without pay by the Employer pending disciplinary action or by way of punishment upon the findings of a domestic inquiry.

16.6 In the event of an employee being suspended without pay and the Employer is unable to conclude the domestic inquiry within a period of three months from the date of suspension, other than for reasons beyond the control of the Employer, the employee shall, pending the finalisation of the inquiry, be entitled to receive half month's wages in respect of each month in excess three months.

17. **Safety instructions / shoes.**— All employees should follow the safety instructions and safeguards. The company will provide three T shirts, three pairs of trousers and one pair of safety shoes to each workman, every year as uniform. Failure to wear uniforms / safety shoes / safety gear (Personal Protective Equipment) while on duty will result in disciplinary action being taken against such employees.

18. **Scholarship award.**— Annually, ten (10) children of the permanent employees who pass the Year 5 Scholarship exam will be awarded a sum of Rs. 15,000/= each during the month of December of that particular year, in recognition of their achievements. The awards will be made to the ten best students at the year 5 scholarship examination. Further, the children who obtains the highest grade in G.C.E. O/L for all the subjects (9As) will be awarded Rs.25,000/= in recognition of their achievements as one- time payment.

The employee should submit a written request with an application and related documents. Selection process will be done by an independent Committee consisting of management and the representative of the Union.

19. **Housing Loans through external Banks.**— To facilitate an employee's request for a housing loan through an external Bank, on the request of a permanent employee, the company will issue salary particulars and other certification for such purpose. Any instructions for remittance of the monthly installments from the monthly salary of an employee, the company will make such deductions subject to the applicable laws and only in relation to the following Banks:

- (a) Sabaragamuwa Development Bank
- (b) Co-operative Rural Bank
- (c) National Savings Bank
- (d) Bank of Ceylon
- (e) Peoples' Bank
- (f) HDFC Bank

20. **Disputes Settlement procedure.**—

20.1. In the event of any dispute that shall arise between parties during the continuance in force of this Agreement, the Branch of the Union in the Employer's Establishment shall raise such dispute with the factory Management of the Employer and parties shall take all reasonable efforts to resolve such disputes amicably.

20.2. If no settlement of the dispute can be reached between parties, the Branch of the Union may request the Union to raise the matter in dispute with the Employer and/or with The Employer's Federation of Ceylon and the Union, the Employer and the Federation shall thereafter take all reasonable possible steps to resolve the dispute.

20.3. Failing a settlement of the dispute as provided in the preceding sub - clause 21.2, the Union may raise the dispute with the Department of Labour and move to have the dispute resolved under the provisions of the Industrial Disputes Act.

21. **Trade union action.**— The employees and the Union agree that they shall not, during the continuance in force of this Agreement, resort to Trade Union action of any form in respect of any dispute that may arise between parties which is covered by this agreement. Any such dispute may be settled in the manner provided herein.

The employees and the union further agree that, in relation to any dispute which is not covered by this collective agreement, they shall strictly abide by the dispute settlement procedure set out herein (in clause 21) and shall give at least 14 days notice to the Employer, in the event a decision is made to take trade union action, thereafter.

22. **Variation of terms and conditions.**— During the continuance in force of this Agreement, neither party shall seek or attempt to vary, alter or change any of the terms and conditions contained herein and/ or terms and conditions or other benefits which are applicable to employees as at the date of signing this Agreement, other than by way of mutual agreement between parties.

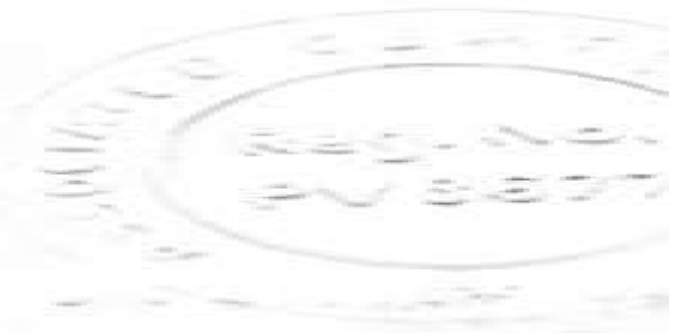
23. **Date of operation and duration.**— Subject to the payment of salaries in accordance with Clause 2 above, this Agreement shall take effect from the date hereof and shall remain in force unless terminated by either party, in writing with three months' notice to the other, subject to the condition that neither party shall give such notice prior to May 01, 2021 and this Agreement shall not stand terminated prior to the 01st day of August 2021.

24. **Compliance.**— If workmen fail to achieve any of the norms agreed in this collective agreement and / or violate any clause of this agreement, Management will have the prerogative not to implement the annual increase of compensation described under clause 2 of this agreement.

In witness hereof the pa
day of September Two

For and on behalf of
ASSOCIATED CEAT (

Name: Ravi Dadlani
Designation: Managin



Witnesses:**1. Name: Asitha Gunawardena****Designation: Deputy****2. Name: Adhil Khasir****Designation: Senior
Relations Adviser**

Schedule 01

Page 01

EFFICIENCY & PRODUCTIVITY INCREASE FOR THE YRS 2018-2021

Final

DEPARTMENT	ACTIVITY AREA	PLCS (CONTROL) CYCLE	OPERATION/REMARKS	CURRENT OPTIMUM OUT PUT	WORKERS FOLLOWED BY (SAFETY/SHIFT)	AGREED NEW WORKERS BY UNION	EXISTING MANNING /SHIFT (WORKERS)	AGREED MANNING/SHIFT (NEW WORKERS)	PRODUCTIVITY INCREASE WITH NEW WORKERS	DIFFEREN / CATEGORICAL PRODUCTIVITY INCREASE	PLANT PRODUCTIVITY INCREASE
IN BUILDING	300-30 (1000/1000)	2	Two workers	250	100	150	1	1	100	1.25	
	400-10	4	Two workers	90	75	75		1	100		
	400-4	4	Two workers	114	100	114			120		
IN BUILDING NEW	300-30 (1000/1000)	2	Two workers	250	250	250			100	4.00	
	400-10	2	Two workers	100	250	250			100		
	300-100-10	2	Two workers	350	350	350			100		
	300-10	2	Two workers	250	250	250			100		
	400-4	4	Two workers	250	250	250			100		
	600-14 (1000/1000)	4	One worker	70	50	50			100		
	650-14 (1000/1000)	4	One worker	10	54	54			120		

[illegible]

Schedule 01		
Engineering Dept. Agree		
Efficiency	Task	
	3W	01
	LT	02
	TT	03
	B3 & B4	04
	B7	05
Mould Change Time	3W (1/2/3)	06
	3W BMC 4 & 5	07
	LT	08
	TT	09
Drum Change Time	3W (1/2/3)	10
	3W BMC 4 & 5	11
	LT	12
	TT	13

Bladder Change Times for ass	
Type of Bladder	Current Norms
3W (one side)	15 min
3W (both side)	25 min
3W (one side 450-10)	
3W (both side 450-10)	
2W (one Side)	
2W (both Side)	
LT (one side)	15 min
LT (both side)	30 min
TT (one side)	25 min
TT (both side)	45 min

SCHEDULE - 2

1. All operators and helpers need to take required paint solution from solution making room in every shifts.
2. Curing output will depend on curing cycle time made with technical changes.
3. Norms of quality and quantity of 3W common press must be equivalent to that of a normal press.
4. For delivery of full norms of 59J Truck Tyre machine, Bead/ tread/ Sidewall/ Chafers/ Benzoline will be provided close to machine area.
5. At the end of each shift, all relevant machine and press operators are required to clean their machine and surrounding area before handing over to the next shift operation.
6. Extruder output is measured for quality approved products only.
7. Norms of Bead Section is computed for nominal product mix.
8. Employees in Engineering Division who are on the roster in A and B and General shifts should continue to work 8/8.5 hours on days on which production work only for 5 hours. Three Technicians, Forklift Driver along with the Officer who are normally on duty in the C shift also should continue to work for 8 hours.
9. No annual increment will be granted for any employee who attend less than 75% of his arranged and allocated maintenance programs on Holidays (Poya Days/ Sundays/ Statutory Holidays). Company agrees to increase the weight given to Maintenance program attendance in Annual Appraisal.
10. Training period of employees who joined the company at the initial stage as National Apprenticeship Board Trainees and has been in continuous service to date will be added to service period upon submitting required details considering their long standing service.
11. The payment overtime for working on Poya days will be 1.5 times the hourly wage for the first eight hours and 2 times hourly wage for working beyond eight hours.\
12. In case of work arranged on Vesak Poya Day and Poson Poya Days an additional off day in lieu will be granted for each employee in addition to the aforementioned overtime payments.
13. If maintenance work is arranged on Sinhala/Tamil New year period during which the Company is closed for vacation (other than the statutory holidays), the employees will be paid an additional payment at a rate of 1.5 times the hourly wage in addition to granting an extra off day in lieu if covering work has been done.
14. The Current Factory opening allowance paid to Engineering/ production employees will be increased from Rs.375/- to Rs.500.00 under the existing terms and conditions.
15. In the event that an employee meets with an accident within the Company the company, in addition to paying the normal basic wage will pay attendance allowance, meal allowance, production bonus specified in clause eleven and Boiler Allowance (if applicable).
16. Until B2 press is replaced with new one, relevant B2 press operators in Truck Tyre Curing Section to do trimming activity with following quantity of tyres per shift with the proper documentation:

<i>Tyre Category</i>	<i>Number of Tyres</i>
3 W	25
LT	05
TT	10

17. Norms of 3W Building Machines in the of one operator being allocated are as follows:

<i>Size</i>	<i>Machine</i>	<i>Norms Two Operators</i>	<i>Norms One Operator + One helper</i>	<i>Norms One Operator Only (No Helper)</i>
350-10	Old	159	108	79
450-10	Old	75	45	37
4.00-8	Old	112	76	56
90/90-12	New	265		132
90/90-10	New	265		132
90/100-10	New	265		132
300-10	New	265		132
4.00-8	New	239		119

18. "No helper" norms in Bias Cutter are as follows:

<i>Bias cutter</i>	<i>Agreed norms 2018-21</i>
Full crew	4500
Operator/ 3 Splicer / No helper	2900
Operator/ 2 Splicer / No helper	1900

11 - 100

My No: CI / 1603.

THE INDUSTRIAL DISPUTES ACT CHAPTER 131

The Collective Agreement entered into between Ceat Kelani International Tyres (Pvt) Limited, Nungamugoda, Kelaniya of the one part and the Inter Company Employees Union, No. 259/ 9, Sethsiri Mawatha, Koswatte, Talangama of the other part on 04th September 2018 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956)

A.WIMALAWEERA
Commissioner General of Labour

Department of Labour,
Labour Secretariat,
Colombo 05.
03rd October 2019.

Collective Agreement No.01 of 2019

COLLECTIVE AGREEMENT

between

Ceat Kelani International Tyres (Pvt) Ltd.

and

Inter Company Employees' Union

04.09.2018

COLLECTIVE AGREEMENT

THIS Collective Agreement entered into on this Fourth Day of September Two Thousand Eighteen (September 04, 2018) between Ceat Kelani International Tyres (Pvt) Limited, a Company duly incorporated in Sri Lanka and having its registered office at Nungamugoda, Kelaniya, (hereinafter referred to as "the Employer") and Inter Company Employees' Union, a Trade Union duly registered in Sri Lanka under the trade Unions Ordinance and having its registered office at No.259/ 9, Sethsiri Mawatha, Koswatta, Thalangama (hereinafter referred to as "The Union").

WHEREAS the Employer and the said Union have discussed and come to a settlement with regard to certain demands regarding revision of salaries and other terms and conditions of employment, and having arrived at a negotiated settlement wish to agree on the following terms and conditions as a full and final settlement thereto :-

1. **Parties Covered and Bound.**- The provisions of this Agreement shall apply to the Employer, the Union and its members in the Operative Grades engaged on permanent basis in the Company. The provisions of this Agreement shall not apply to trainees / apprentices.

2. **Date of Operation and Duration.**- This Agreement shall come into force on the First day of August Two Thousand Eighteen (August 01, 2018) and shall remain in force unless terminated by either party, with three months' notice, in writing, to the other, subject to the condition that neither party shall give such notice prior to the Thirtieth April Two Thousand and Eighteen (April 30, 2021).

3. **Salaries.**- With effect from August 01, 2018, the salaries of the employees covered and bound by this Agreement will be increased in the following manner. The revisions will be subject to the achievement of revised production norms and efficiency parameters set out in schedule A- Annexure i, Schedule A- Annexure ii, and Schedule A- Annexure iii, hereof.

3.1 With effect from August 01, 2018, the employer shall add Rs. 5,000/- to the basic salary of each employee confirmed in service as at July 31, 2019.

3.2 With effect from August 01, 2019, the employer shall add Rs. 4,500/- to the basic salary of each employee confirmed in service as at July 31, 2019.

3.3 With effect from August 01, 2020, the employer shall add Rs.4,500/- to the basic salary of each employee confirmed in service as at July 31, 2020.

Provided that a sum equivalent to One Twenty-fifth (1 / 25th) of the aforementioned increase will be deducted on account of each day of unauthorized no pay absence recorded by an employee during his leave year commencing from the leave year 2019 subject to a disciplinary inquiry and only the balance will be added to the basic salary, if any. The management will consider approving authorized no-pay on case by case basis in case of emergencies when an employee has exhausted his/ her full leave quota of a particular year. In case of such authorization, approval of Division Manager, Senior Manager- Production / Head of Engineering and the Plant Head is mandatory. The first deduction will be made in the year 2020.

In addition, the employees who are on probation but being confirmed in employment during the year would be given the aforementioned salary increases applicable for the year in which the employee is confirmed on *pro rata* basis calculated from the date of confirmation and 31st day of July of the year occurring immediately after the date of confirmation. The said increase will be added to the first salary due after the confirmation.

Furthermore, in order to correct salary anomalies existed thus far, the Company agrees to make further one-time salary increase based on years of service as given below:

3.4. With effect from August 01, 2019, a sum of Rs. 2,000/- will be added to the salaries of employees who have completed service of 15 years or more as at July 31, 2018, and Rs. 1,200/- will be added to the salaries of employees who have completed service of 10 years or more but less than 15 years of service as at 31st July, 2018 and Rs.800/- will be added to the salaries of employees who have completed Service of 5 years or more but less than 10 years of service as at 31st July, 2018.

- 3.5 With effect from August 01, 2020, a sum of Rs. 1,000/- will be added to the salaries of employees who have completed service of 15 years or more as at July 31, 2018, and Rs.750/- will be added to the salaries of employees who have completed service of 10 years or more but less than 15 years of service as at July 31, 2018 and Rs.400/- will be added to the salaries of employees who have completed service of 5 years or more but less than 10 years of service as at July 31, 2018.

4. If during the continuance of this Agreement, the Government of Sri Lanka.-

- (a) prescribes in any year, increases in salary/ and or any allowances by any written law applicable to categories of employees covered by this Agreement, the Employer shall be entitled to take credit for the salary increases granted to an employee in respect of such year in terms of Clause 3 hereof and determine the increase, if any, that is to be granted to an employee accordingly.
- (b) Recommends increases in salaries / and or any allowances, such recommendations will not be applicable to the Employer regardless of whether or not such recommendation is applicable to the categories of employees covered by his Agreement or not.

5. Meal Allowance.- The Employer will increase the meal allowance up to Rs.175/- per day for every day on which such employee reports for work with effect from April 01, 2019. This meal allowance will be calculated on a daily basis and paid at the end of the month effective April 01, 2019. Furthermore, The Employer agrees to increase the meal allowance up to Rs.190/- per day with effect from April 01, 2020. In case, an employee continues to work for more than 5 hours on continuous basis after the normal shift hours he/she will be entitled for a meal allowance.

6. Annual Increments.- Unless otherwise decided on disciplinary grounds, in terms of this Agreement, an employee shall be entitled to an annual increment in the month of April of each year, subject to the performance evaluation of each employee on the basis of the following:

Grades	New Incremental Rates
Production & all other categories of Employees except Engineering divisions	Rs.250.00
Employees of Engineering Sections	Rs.275.00
Team Leader	Rs.300.00

Employees may be given up to three (03) such increments based on the aforementioned performance evaluation.

- 6.1 Probation:** Each employee recruited to the permanent cadre of the Company will be required to serve a minimum period of six months' probation during which the Employer will assess the suitability for confirmation through an evaluation process to ascertain his/her competence and suitability. The Employer reserves the right to extend the period of probation of any employee. During the period of probation or extended period of probation, where applicable, the Employer shall have the right to terminate such probationary employment without any notice.

7. Bonus.- Provided the Company registers a profit, the employees will be paid a bonus in respect of each year in keeping with the existing practice. The payment will be made in two instalments, as follows:-

- (a) Advance payment in December of a particular year, subject to half-yearly performance and profits made as at 30th September in relation to that year.
- (b) Final payment in April of the following year, subject to the previous year's performance.

The quantum of bonus payable will be decided by company. No bonus will be declared in case the Company registers a loss in respect of any year.

8. Hours of Work and Overtime.- Subject to changes due to exigencies of work the normal working hours during the continuance in force of this Agreement shall be those that are worked by the employees as at present. The employees shall

work reasonable overtime as and when required by the Employer for which the employees shall be paid overtime as stipulated by the law.

Employees in the Engineering Division, will be required to report for work as and when required (as per the roster or special programme), including statutory holidays. They will be required to work on all Sundays as at present, and will be entitled to 1 1/2 times' wages and lieu leave as per the law. Also Saturday payments shall be made as per the law. Any employee who may be unable to report for work when required on any of the days mentioned above, should inform the relevant Head of the Department/Human Resource Division, in writing, at least 24 hours in advance setting out the reasons for such inability. The Head of the into relevant Department may accept or reject such a request by an employee taking consideration the exigencies of business and the reasons cited by the employee. The decision taken by the Manager concerned in respect of such requirement shall be binding on the employee concerned.

9. **Shift Allowance.**— The Employer shall continue to pay a shift allowance to employees engaged in the 2nd and 3rd shift, i.e. from 2.00 p.m to 10.00 p.m. and from 10.00 p.m. to 6.00 a.m. following day respectively, calculated at the rates and subject to the terms and conditions currently applicable.

10. **Attendance Incentive for Attending the night shift (i.e. from 10.00 p.m. to 6.00 a.m.).**— The Employer will continue to pay to employees an attendance incentive for attending work on the third shift at the same rates and on the same terms and conditions as at present.

- (i) Provided also that the allowance of Rs.500/- payable on account of attending the night shift, for a minimum of six per mensem, would be deducted on a pro rata basis as below, on account of approved leave availed of -
 - (a) More than 1 day of approved annual leave - deduction of Rs. 150/-
 - (b) More than 2 days of approved annual leave - deduction of Rs. 300/-
 - (c) More than 3 days of approved annual leave or above - Incentive will not be paid.
- (ii) Two mutual shift change would be allowed per employee per mensem. Provided however, the allowance shall not be paid to the employee, originally scheduled to work the night shift, if the covering employee does not report to work on the said night shift.

11. **Norms.**— It is agreed between parties that the production norms / efficiency parameters/ departmental requirements in the factory shall be in accordance with the revised norms agreed to between parties and as set out in Schedule A – Annexure i, Schedule A-Annexure ii and Schedule A-Annexure iii hereof and the employees shall maintain such norms in their day-to-day work. The norms shall be subject to change in the event of the introduction of new machinery/technology, upgrading of existing machinery/technology or work processes geared towards improving production in the factory. The employees will strive towards controlling scarp and rejects and work towards the overall improvement of product quality.

It is also agreed that any change in the pattern or design of production, according to market/customer requirements, will not have any effect on the norms and efficiency parameters (vide Schedule A – Annexure I & II), and Departmental requirements (vide Schedule A - Annexure iii) that have been agreed to by parties. In the event of introducing new sizes specified in the Schedules and Annexures, the management agrees to discuss and agree with the Unions new tyre building norms.

In the event of introduction of new machinery/technology, and in the event that the union and the management fails to agree at a reasonable output norms within 3 months from the date of commissioning/installation/implementation, the company has the sole discretion to conduct a time and motion study/work study with the involvement of the union. Both management and union hereby agree to abide by the results/recommendations of such time and motion study/work study. The time and motion study/work study will be carried out by a professional body in Sri Lanka. The union will whole-heartedly and completely cooperate to make such studies complete and successful. The company agrees to allocate two union representative as an observer during the period of time & motion work study.

The recommended norms of any work study which may be carried out in the future from time to time will be achieved within a period of 2 months from the date of officially handing over of the study report to the union.

12. Production Bonus (i & ii) and productivity bonus.-

- (i) The Employer shall continue to pay a production bonus of Rs.300.00 per mensem (hereinafter referred to as production Bonus I), subject to employees achieving the production bonus payment criteria (vide Schedule B). Provided also, however, that such production bonus shall only be payable upon achieving production norms as set out in Schedule A- Annexure I and efficiency parameters in Schedule A - Annexure II as agreed to by parties. As such the production bonus scheme shall be continued and payments made as done in the past.
- (ii) In addition to the payment of production bonus I, as set out in clause (i) above, the company shall continue to pay production bonus scheme, hereinafter referred to as Production Bonus II which has been already in place.
- If the monthly ticket is not sufficient to achieve the monthly average target of 19.5 metric tons per day, this scheme will not be applicable for such months.
 - To be eligible for the payment under the production bonus scheme, the Company should achieve a minimum average of 19.5 metric tons per day as per the available working days for that particular month. If the planned working days are not covered due to any reason or unavoidable circumstances, the average production tonnage will be calculated as per the planned working days.
 - The payment for the production bonus will be calculated on a daily basis as per the production bonus scheme. If the production tonnage in any particular day is below 19.5 metric tons, the said amount/s will be taken for the calculation on monthly average basis.
 - The company does not hold any liability for machine breakdown, material shortages, power failure, lack of semi products, lack of supply of material from the Kelaniya/Kalutara plants or from suppliers, absenteeism or any other reason which will have an impact on achieving the monthly average target.
 - The company does not agree to extend the working hours of employees or to introduce any other systems to achieve the average target which will have a negative impact and/or financial implications for the Company.
 - Any scrap/defect tyres if produced will not be accounted under this production bonus scheme and the employees are required to maintain the highest quality of product as per the specifications.
 - With the introduction of new technology, machinery, curing presses and increase of manpower, the monthly average and daily average production targets will also be proportionately increased and a new production bonus scheme will be introduced.
 - The company has the sole discretion to withdraw, modify, amend or introduce on an intermittent basis the bonus scheme according to situations that may require such changes. This will be communicated to the employees at least two days prior to such actions.
 - If an employee absents himself from work for more than 5 days in a month due to any reason either by way of utilizing his leave entitlement, suspension on disciplinary grounds or any other reason whatsoever, such employee will not be eligible for the production bonus for the relevant month.
 - The production bonus earned in a particular month will be paid in the following month along with the salary and the production bonus will not be considered for Employees provident Fund (EPF), Employees Trust Fund (ETF), Gratuity or any other statutory payments or allowances such as bonus, advances, overtime payments, etc.

Production levels and payments in terms of Production Bonus II are set out as follows:

An average of 19.5 metric tons and above per day/ month	-	Rs.750/-
An average of 20.0 metric tons and above per day/ month	-	Rs.1,250/-
An average of 20.5 metric tons and above per day/ month	-	Rs.1,750/-

An average of 21.0 metric tons and above per day/ month	-	Rs.2,000/-
An average of 21.5 metric tons and above per day/ month	-	Rs.2,500/-
An average of 22.0 metric tons and above per day/ month	-	Rs.3,000/-
An average of 23.0 metric tons and above per day/ month	-	Rs.3,500/-

- The payment under the production bonus II scheme shall be subject to the number of days an employee presents himself for work. If an employee absents himself from work, due to any reason, the payment will be made on a pro rata basis.

<i>Eg:</i> The number of days work planned in the month	-	25
Daily average of production per month	-	21.0 MT
Production bonus entitlement per month	-	Rs. 2000/-
No.of days present for work	-	20
Production bonus per month	-	Rs.2000/25 x 20 days
	-	Rs1,600/-

Production for the purpose of calculation of Production Bonus II shall include total weight of output of Bias Curing Section and TBR Section of CEAT Kelani International Tyres (Pvt) Limited and Total Weight of Two Wheel Section of Asian Tyres (Pvt) Limited.

- (iii) Apart from the production bonus schemes set out above, all permanent employees covered and bound by this agreement shall be paid a productivity bonus, on a monthly basis, considering their contribution towards the production of 'semi - products' that are supplied from the CKITL Plant to the Radial and ACPL Plants as well as production levels achieved by the Radial and ACPL plants, respective.

ACPL Plant Achievement

Average of 21.5 Metric Tons per day for a month	-	Rs. 200/-
Average of 22.5 Metric Tons per day for a month	-	Rs. 250/-
Average of 23.5 Metric Tons per day for a month	-	Rs. 300/-
Average of 24.5 Metric Tons per day for a month	-	Rs. 350/-
Average of 25.5 Metric Tons per day for a month	-	Rs. 400/-

Radial Plant Achievement

Achievement of average of 600 Tyres per day for a month	-	Rs. 300/-
Achievement of average of 650 Tyres per day for a month	-	Rs. 350/-
Achievement of average of 700 Tyres per day for a month	-	Rs. 400/-
Achievement of average of 750 Tyres per day for a month	-	Rs. 450/-
Achievement of over average of over 800 Tyres per day for a month	-	Rs. 500/-

The payment under the above scheme will also be subject to the number of days present at work. If an employee is absent from work due to any reason, the payment will be made on a pro rata basis.

13. **Work Assignments.**— Employees should be willing and ready to work on any machine in the factory or any work related to Production Process to which they may be assigned, for which the Company shall provide adequate training wherever necessary.

14. **Annual Picnic.**— The company agrees to make payment of Rs.3,200/- per employee on account of the annual picnic. The payment would be made by the Company upon the Union submitting a list signed by employees indicating the desire to participate in the picnic. The Company will also provide suitable and adequate transport. The annual picnic shall not exceed two days' duration and shall be organized by the Union consultation with the Management.

The picnic shall be arranged on a holiday in order to avoid disruption to production and may be curtailed to one day on account of operational exigencies. In the event the picnic is limited to one day on account of operational exigencies, the Company would make a payment of Rs. 2,500/- per employee.

The Union and employees undertake to conduct themselves in an appropriate manner during the picnic and refrain from tarnishing the image of the company. The Company will be entitled to take disciplinary action upon inquiry against any employee or employees, who resort to acts of indiscipline during the picnic. In such instances, the Company will not bear any liability, financial or otherwise, arising out of the misconduct of any employee.

15. **Leave.**— Employees shall be entitled to a maximum of 14 days annual leave in accordance with the Provisions of the respective Wages Boards' Decisions applicable to the trade. In addition to annual leave, employees will be entitled to 7 days casual leave, subject to the condition that absence on account of sickness in excess of two days should be supported by a medical certificate from the registered Medical Practitioner and whatever rules pertaining to leave in the Company.

16. **Facilities for the trade union.**— The Employer agrees to permit the Branch to conduct an Executive Committee Meeting once in a month, for which the Management would provide a suitable location within the administration building of the Company. The Employer also agrees to permit a designated member of the Parent Union to attend these Committee Meetings, after obtaining prior permission to do so from the Employer. Permission to hold such meetings shall be made in writing by the designated Branch Committee Member to the Factory Manager and the date on which such meeting would be held shall be communicated to him, at least five working days prior to the date of the intended meeting. The Employer also agrees to release ten Committee Members of the Branch who are on duty for a duration of not more than two hours to attend these meetings.

It is also agreed by the Employer to make a payment of Rs.40,000.00 plus transport allowance of Rs. 20,000/- for holding Annual General Meetings of the Branch. It is agreed by the Union and its employees that the AGM of the Branch shall be held outside the Company premises on a holiday, in a manner that would not disrupt production at the factory at Kelaniya. It is also agreed by the Employer to make a payment of Rs.20,000/- for transport and Rs.10,000/- for meals for union employees to take part in International Labour Day Celebrations and a further sum of Rs.25,000/- per annum for branch union activities.

In addition, the Company Will allow any three persons of the Branch Union nominated by the Parent union to attend meetings/training programs organized by the Parent union and required transport and meals will be provided by the Company.

17. **Disciplinary Action.**— When the Company decides to proceed against an employee on disciplinary grounds, the following procedure will be adopted:

- (a) A show-cause notice setting out the misconduct alleged against the employee will be furnished to the employee regardless of whether the employee is suspended or not.
- (b) The employee shall be required to submit a written explanation to the show-cause letter within seven working days. The employee may, if he so requires, seek an extension of time to submit his explanation and the Company may at its discretion grant such an extension of time as being required.
- (c) The Company shall conduct a domestic inquiry into the alleged misconduct on receipt of the employee's written explanation.
- (d) The accused employee has the right to retain a defending officer on his behalf during the inquiry provided such defending officer is an employee of the company and a member of the union of which the accused employee belongs to at the time of issuing the show cause letter. The accused employee should inform the company at least 5 working days prior to the inquiry the name of the defending officer. The company should grant permission to such nominated employee to take part in the inquiry with pay.

- (e) The employee shall be informed, in writing, of the findings of the inquiry and any punishment that has been imposed after the conclusion of the domestic inquiry.
- (f) The company may not be required to conduct a domestic inquiry in terms of sub- clause (c) above in case where the employee has admitted the acts of misconduct alleged against him. In such an event, the employee may be warned or suspended as a punishment in respect of such acts of misconduct.
- (g) The services of an employee may be suspended without pay by the Company pending disciplinary action or by way of punishment upon the findings of a domestic inquiry.
- (h) In the event of an employee being suspended without pay and the employer is unable to conclude the domestic inquiry within a period of three months from the date of suspension other than for reasons beyond the control of the employer, the employee shall, pending the finalization of the inquiry, be entitled to receive half month's wages in respect of each month in excess of such three months.

18. **Variation of terms and conditions.**— During the continuance in force of this Agreement, neither party shall seek or attempt to vary, alter or change any of the terms and conditions contained herein and/or terms and conditions or other benefits, which are applicable to employees as at the date of signing this Agreement other than by way of mutual agreement between parties.

The Union and the Employees also agree that they shall not, raise any new demand or resort to any form of Trade Union action, whatsoever, in relation to any matter covered by the Agreement.

19. **Disputes settlement procedure.**—

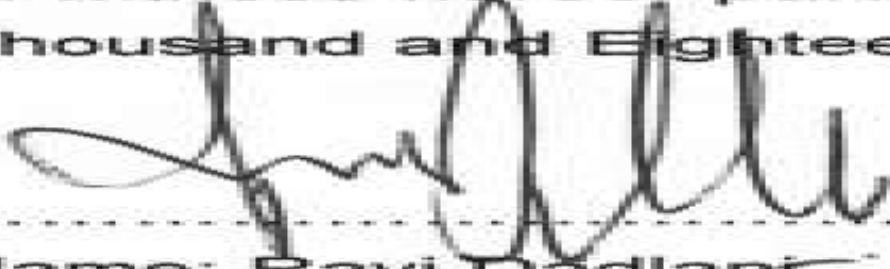
- (a) In the event of any dispute that shall arise between parties during the continuance in force of this Agreement, the Branch of the Union in the Employer's Establishment shall raise such dispute with the factory management of the Employer and parties shall take all efforts to resolve such disputes amicably.
- (b) If no settlement of the dispute can be reached between parties, the Branch of the Union may request the Union to raise the matter in dispute with the company.
- (c) Failing a settlement of the dispute as provided in the preceding sub- clauses, the Union may raise the dispute with the Department of Labour and move to have the dispute resolved under the provisions of the Industrial Disputes Act.

20. **Trade union action.**— The employees and the Union agree that they shall not, during the continuance in force of this Agreement, resort to Trade Union action of any form in respect of any dispute that may arise between parties which is covered by this agreement. Any such dispute may be settled in the manner provided herein.

The employees and the union further agree that, in relation to any dispute which is not covered by this collective agreement, they shall strictly abide by the dispute settlement procedure set out herein (in clause 19) and shall give at least 14 days notice to the Employer, in the event a decision is made to take trade union action, thereafter.

21. **Compliance.**—If workmen fail to achieve any of the norms agreed in this collective agreement and/or violate any clause of this agreement, Management will have the prerogative not to implement the annual increase of compensation described under clause 3 of this agreement.

In witness hereof parties ha
Thousand and Eighteen (Se



Name: Ravi Dadlanir

Designation: M.D./CEO

on behalf of

CEAT-KELANI INTERNATIC
TYRES (PVT) LTD.

Witnesses:

1.



Name: Priyantha Liyanagan

Designation: D.G.M- Kelani

2.



Name: Adhil Khasim

Designation: Senior Industri
Relations Advisor

Date: September 04, 2018

POTENTIAL PRODUCTIVITY INCREASE BASED ON CURRENT OPTIMUM WORKING POINT 1.1%

PRODUCTIVITY NORMS

MIXING DEPARTMENT

[illegible]

POTENTIAL PRODUCTIVITY INCREASE BASED ON CURRENT SEMI PRODUCT DEPARTMENTS

Section	Machines/Operation	Remarks
Bead	Winding	(Compiled sheet for Blue 24x50x10)
	Filtering	Mixed/Sheet
	Flapping	Mixed/Sheet
	Filter Extruder	Kg/hr
Collecting		100 cut lines cut rolls
Blue Cutter No1	24x5 & Blue ply roll per plan if 24x less than 50%	(Cuts Per splicing Tail
	24x5 & Blue ply roll per plan if 24x MORE than 50%	(Cuts Per splicing Tail
Blue Cutter No2	Blue ply	(Cuts Per splicing Tail
	Radial ply	(Cuts Per splicing Tail
	24x ply	(Cuts Per splicing Tail
Squeeze Calendar	24x5 & Blue Ply	10 cut rolls/24x
	Radial inner frame & ply	32 cut rolls/24x
4 Roll Calendar	Rubbering (milling)	Run the calendar as per specified which could be in time to time based on tech improvement machine; total out put will be based capacity.
Dual Extruder	Tread & Side wall Extrusion	Run the Extruder Line as specified which could be in time to time based on tech improvement machine; total out put will be based capacity.
Cold Feed Extruder	Tread & Side wall Extrusion	Run the Extruder Line as specified which could be in time to time based on tech improvement machine; total out put will be based capacity.

Productivity increased base on the possible reduction in man power

Manpower will be changed in the following machines as follows:

Bead winding machine (approx 4, 8, 24)

Operation	Existing man power	Agreed man power
Winding operator	1	1
Holder	1	2
Total	2	3

Squeeze Calendar

Operation	Existing man power	Agreed man power
Mill man	2	2
Calendar Operator	1	1
Cut-off Operator	2	2
Winder	2	2
Total	7	7

4 Roll Calendar

Operation	Existing man power	Agreed man power
Mill man	2	2
Calendar Operator	2	2
Cut-off Operator	2	2
Winder	2	2
Total	8	8

Extruder Line (approx 4, 12, 18)

Operation	Existing man power	Agreed man power
Mill man	1	1
Extruder Operator	1	1
Holder (Thickness & Book ing)	1	1
Total	3	3

POTENTIAL PRODUCTIVITY INCREASE BASED ON CURRENT PRODUCTIVITY NORMS:

TYRE BUILDING DEPARTMENT

[illegible]

Three Southwestern universities awarded the first Ph.D.s in 1900.

Tonne handling equipment allocation with the proposed no. of tonnes		
Operation	Current personnel/Machines/shift (2015-16)	
Light Truck Type	1	
Light Truck Type	1	
Building Hoilger	1	
Truck Type Building	1	
Truck Type Building Hoilger	1	
Traction Type Building	2	
Oil Building	2	
Oil Hoilgers	1	
Total broken & Hoilgers		
Grand Building	1	
GT Hoilgers	1	
Total personnel		

* Two persons will be provided for tractor near tyre building and

POTENTIAL PRODUCTIVITY INCREASE BASED ON CURRENT OPTIMUM NORMS-2010-21 LTS
PRODUCTIVITY NORMS
CURING DEPARTMENT

Page 04

Schedule A
Annexure I

Machine / Operation	Type sizes	Existing Normal Loading & Unloading Time (2015- 2016)	Current Optimum Normal Loading & Unloading Time	Agreed Normal Loading & Unloading Time (2018- 21)	No of Machines as built	Existing man power/Shift	Current optimum man power/Shift	Existing man/Day power/Day	Current man/Day power/Day	Productivity Increment Base on norms	Net Curing on Productivity
Light Truck Presses (Below BCM 50")	Light truck sizes (Without inspection)	3.5	2.5	3.5	7	4	4	12	12	0.00	
Truck Presses (above BCM 50")	Truck sizes & Light truck sizes (With 100 tyres inspection)	6	3.5	6	6	6	4	18	12	0.00	
Agri Front Tyres (Below BCM 42")	Agri front tyres (With inspection)	6	3	6	2	2	2	6	6	0.00	

Schedule A: Architecture I

POTENTIAL PRODUCTIVITY INCREASE BASED ON CURRENT OPTIMUM NORMS-2010-21 LTR

CKITL PLANT - ENGINEERING DEPARTMENT

Engineering Department

Section	Sub version	Activity	Existing change over times (min) (2015-2018)	Current optimum change over times (min)	Agreed over times (min) (2018-21)	Existing Manpower/ Day	Current Optimum Manpower/ Day	Norm Base Productivity Increment %	Norm base Weighted Productivity Increment %	Net Engineering Productivity
Depart	Division A					7	7	0	0	
	Type Building	UT	Only Drum	30	30	30		0.00		
			Only segment	60	40	45		10.00		
			Drum & Segment	70	60	65		7.14		
			Only Drum	45	35	40	7	11.11		

CHITL PLANT - KELANIYA

DEPARTMENT / OPERATION	ACTIVITY	
TYRE BUILDING	Tyre Building (Aggl)	
	Tyre Building LT	
	Material Change Over Time LT During Drums Change	minutes/
	Tyre Building TT	
	Material Change Over Time TT During Drums Change	minutes/
	SDU Tyre Building:	
	Stand. Building (non-shift/person)	
	Green tyre painting & packing Light Truck	
	Green tyre painting & packing Truck & Aggl	
SDAC	Winding (HOS)	
	Filtering (HOS)	
	Flapping (HOS)	
	Filter Extrusion (Aggl)	
SUTTERING	Suturing (HOS)	14
SEAS CUTTER	Seas cutter no.1	24hr & 24hr
	Seas cutter no.1	24hr & 24hr
	Seas cutter no.2	24hr & 24hr
	Seas cutter no.2	24hr & 24hr
	Seas cutter no.2	24hr & 24hr
SQUEEGEE	Seas ply roll (HOS)	14
4 ROLL CALENDAR	Roller casting (HOS)	Line roller
EXTRUDER	Tread & Side wall Extrusion	Extruder Pre-former Compressor
CURING	DOM 50" & above	
	DOM 50" & below	
	Shoe Strip Operation 42" & below	Loading/
	Shoe Strip Operation 42" & above	unloading/
TYRE INSPECTION	NonPerson/Shift	
TYRE REPR		
TRIMMING/FRESHER	NonPerson/Shift	
MIXING	Sanitary No 03	Final
		Repair
	Sanitary no 01	Repair
ENGINEERING		Other
TYRE TESTING		
LABORATORY		
TOTAL MAN POWER IN THE PLANT		

COLLECTIVE AGREEMENT PRODUCTIVITY NORMS

Machine/ Operation	
Light Truck Presses (BOM 50" & below)	6.00-12 (4PR) K20
	5.60-15 (4PR) K51
	5.50-13 (6PR) K23
	5TR 12 (4PR) K33
	6TR 12 (4PR) TF K
	6.00-14 (6/8) SUPP
	6.00-14 (6/8) ACE
	6.50-14 (8) FM
	6.50-15 (8) K231
	7.00-15 (6/8/10) SL
	7.00-15 (10/12) FM
	6.00-16 EG
	6.00-16 (6/8) SAM
	6.50-16 (6/8) FM
	7.00-16 (6/8/10) SL
	7.00-16 (10) T2001
	7.50-15 (6/8) SUPP
	7.50-16 (6/8) SUPP
	7.50-16 (10/12/14/16)
	7.50-16 (14/16) FM
	7.50-16 (14/16) RIE
	7.50-16 (14/16) RIE
	7.50-16 (14/16) HIL
	7.50-16 (14/16) HIL
	7.50-16 (16) LUG P
	8.25-16 (16) STAM
Truck Presses (BOM 50" & above)	7.50-16 (14/16) FM
	8.25-16 (16) STAM
	8.25-20 (14) TR
	9.00-20 (14/16) FM
	9.00-20 (14/16) TR
	9.00-20 (14) SILVE
	9.00-20 (14/16) HTS
	9.00-20 (14/16) CLT
	9.00-20 (16) XL SU
	9.00-20 (14/16) RIB
	9.00-20 (14/16) MIL
	10.00-20 (16) TR/XI
	10.00-20 (16/18) XL
	10.00-20 (16) INFIN
	10.00-20 (16) L40
	10.00-20 (14/16) TR
	10.00-20 (16/18) RI
	10.00-20 (16/18) MI
	11.00-20 (16/18) F
	12.00-20 (18) FM/H
Tractor	6.00-16 (6/8) SAM
	11.00-28 (6/12) OD
	11.00-28 (6/12) ND
	12.4-28 (12) SAM

Schedule A - Annexure II

Machine / Operation	Agreed norms/Shift (Nos of Presses/Person)	Agreed manpower /shift	No of Machines
BOM 50" & above (press/person)	1.5	4.0	6
BOM 50" & below (BOM 6, 7, 8 & 9) (Presses/person)	2.0	2.0	4
BOM 50" & below (BOM 10, 11 & 14) (Presses/person)	1.5	2.0	3
Shear Strip Operation 42" & below (Presses/person)	1.0	2.0	2
Tyre Inspection LT Nos	180 Tyres	1	
Trimming / Finishing (Mixed) Nos	140 Tyres		

1. Extruder.-

- (a) Efficiency of the machine/ process is based on the number of hours operated and the effective output generated during the particular time of the operation.
- (b) The line speed of the machine will be decided based on the technically specified speed based on the specification.
- (c) During continuous shift operation the machine should handover to the next shift as an on line running condition uninterruptedly.
- (d) The entire crew is responsible for extruder operating efficiencies for rework/ scrap and proper utilization of material as per the SOP providing by the management.
- (e) The union and employees agreed to reduce one employee from the extruder mill operation per shift immediately after the repositioning of 60" mill setup in the same side of 84" mill operation and thereby operated the both mills with 5 employees per shift.
- (f) The management is already in the process of repairing the tread leaf trucks for easy pulling movement. 5 nos already completed as on 4th September, 2018. Upon completion of repairing others and the repairing of floor damages related to extruder area the union agreed to reduce one employee per shift from tread booking area.
- (g) After completion of e & f above the total no of employee in extruder operation would be 12 employees per shift.
- (h) As on 4th September 2018 the newly procured cold feed extruder is in trail stage. Upon completion there will be change of operation shift pattern in extruder section and will be discuss the matter with the union in due course.

2. Calender section.-

- (a) Efficiency of the machine/process is based on the number of hours operated and the effective output generated during the particular time of the operation.
- (b) Rubberizing calender fabric (m/min) as per the speed specified which could be increased from current speed of 25m/min time to time based on technological improvements/machine upgrade and employees agree to run at the increased speed.
- (c) The entire calender operating crew is responsible for calendar operating efficiencies for rework / scrap and proper utilization of material as per the SOP providing by the management.

3. Bias cutter.-

- (a) Efficiency of the machine / process is based on the number cuts made.
- (b) In case of providing fully auto function automation along with encoder for operator position, cutting norm should be increased and the cutter operator should be able to work as additional splicer.
- (c) The norm should be delivered on proportionate basis in the occasion of unavailability of fully defined manpower.

Bias cutter 1

- | | |
|--|---------------------|
| (i) When 4 people available with 2w plan less than 50% | - 2100 cuts / shift |
| (ii) When 3 people available with 2w plan less than 50% | - 1050 cuts / shift |
| (iii) When 4 people available with 2w plan more than 50% | - 2164 cuts / shift |
| (iv) When 3 people available with 2w plan more than 50% | - 1082 cuts / shift |

Bias cutter 2

- | | |
|---|---------------------|
| (i) When 4 people available with total bias plan | - 2070 cuts / shift |
| (ii) When 3 people available with total bias plan | - 1035 cuts / shift |
| (iii) When 4 people available with total 2w plan | - 1470 cuts / shift |
| (iv) When 3 people available with total 2w plan | - 735 cuts / shift |
| (v) When 4 people available with total Radial plan | - 1300 cuts / shift |
| (vi) When 3 people available with total radial plan | - 650 cuts / shift |

Note - In bias cutter no 2 on combination basis the no of cuts will be decide based on proportionate value.

- (d) The entire bias cutter operating crew is responsible for unit operating efficiencies for rework / scrap and proper utilization of material as per the SOP providing by the management.
- (e) The organization is already in the process of fixing new auto splicing bias cutter for the purpose of Radial production. Upon completion there will be change of operation shift pattern in bias cutter and will be discuss the matter with the union in due course.

4. Squeegee calendar.-

- (a) Efficiency of the machine / process is based on the number 16 cuts rolls made
- (b) The norm should be delivered on proportionate basis in the occasion of unavailability of fully defined manpower.
 - (i) When 8 people available - 133 rolls / shift
 - (ii) When 7 people available - 92 rolls / shift
- (c) The entire squeegee calendar operating crew is responsible for unit operating efficiencies for rework / scrap and proper utilization of material as per the SOP providing by the management.

5. Tyre building.-

- (a) Efficiency of the machine / process is based on the number of tyres made and the output generated during the particular time of the operation.
- (b) Band building and tractor rear tyre building will be considered as two separated operations. Tractor tyre building will be operated with one builder and one helper. They are responsible to get all material for the tractor tyre building operation.
- (c) During the size change over times the material loading times will be as follows.
 - (i) When the servicer is empty
 1. For LT machine servicer loading 60 minutes
 2. For Truck machine servicer loading 6+2B 60 minutes
 3. For Truck machine servicer loading 8+2B 75minutes
 - (ii) When the material is available in the servicer the operator has to unload the existing and to be reload the new size related material. In this situation
 1. For LT machine servicer loading 6+2B 75 minutes
 2. For TT machine servicer loading 6+2B 75 minutes
 3. For TT machine servicer loading 6+2B to 8+2B 75 minutes
 4. For TT machine servicer loading 8+2B to 6+2B 75 minutes
 5. For TT machine servicer loading 8+2B to 8+2B 90 minutes

- (d) All green tyres should be build as per the specification and follow the SOP provided by the technical department in order to maintain the quality.
- (e) The green tyre should be inspected after the building (assembling) to ensure the tyre is free from building defects. (Eg. The tyre should free of blisters, open chafers, open tread joints, loosen cords etc)
- (f) The operator should deliver the agreed full norms with the helper.
- (g) The operator should stick the builder number in the center of the green tyre.

6. *Bead Winding.*—

- (a) Efficiency of the machine/ process is based on the number of beads made and the output generated during the particular time of the operation.
- (b) The management agreed to modify the bead winding station as mentioned below.
 - (i) Modification of the extruder with Auto TCU function with proper extruder control mechanism.
 - (ii) Modifying the compensator with higher capacity with proper auto breaking system.
 - (iii) Facility to make one tape cutting mechanism.
 - (iv) Technical solution for lose winding matter by improving the tackiness level.
 - (v) Resolving the problems in winding chucks.
- (c) The union agreed to discuss and reduce one manpower after completing the above modifications.

7. *Bead filler extrusion.*—

- (a) Efficiency of the machine / process is based on filler kg pulled out and the output generated during the particular time of the operation.
- (b) The existing machine is equipped with only one die opening. Upon completion the opening for two slots and technologically confirmation the union and employed are agreed to provide the agreed output.

8. *HF mixer.*—

- (a) Efficiency of the machine/ process is based on the number of batches made and the output generated during the particular time of the operation.
- (b) The process is automated. The batch cycle time is vary due to the behavior of the material and the equipment. Hence the batch cycle time is not defined under the Annexure 1, page 1.
- (c) The loading unloading time, drop door open close time and the batch change over times are the only definable factors.
- (d) The shift plan / no of batches will be provided by the department considering the average cycle time achieved and the addition of above c motioned timings as applicable.
- (e) In the event that semi / Auto carbon system is implementing the loading and unloading time mentioned in annexure 1 page 1 will be reduced after the discussion and the agreement with union.

9. *Mixer No. 3.-*

- (a) The variety of batches should be less than or equal to 13 to deliver the agreed norm. If more it will be limited to 145 batches / shift.
- (b) The management agreed to provide one additional manpower during the tread rework operation due to manage the handling difficulty.
- (c) The management agreed to provide one semi/ electric operated pallet jack as same operating now for easy handling of the loading and unloading.

10. *Curing.-*

- (a) The entire crew has to be worked on rotation basis in all sections.

Production Bonus Payment Criteria

- (a) Production bonus will be payable only on achievement of 100% agreed norms as per Schedule A-Annexure i & Schedule A-Annexure ii.
- (b) When there is a part completion of norms, and the full achievement has not been possible due to justified reasons, the full amount will be paid on Management discretion.
- (c) If there is non achievement of norms due to an unjustified reason no production allowance will be paid.
- (d) For employees in the engineering division the amount will be paid subject to achievement of norms being achieved in respect of drum change, mould change and bladder change overtime as per Schedule A-Annexure iii.
- (e) Person - wise, Sector - wise, Shift- wise details will be maintained to document actual output and reasons for the shortfall if any, and such record will form the basis for payment of production bonus.
- (f) The above will be calculated on a monthly basis.
- (g) Production bonus shall not be paid if production is curtailed due to reasons beyond the control of the Management. However 80% of the Production Bonus (Rs.300/= per month) will be decided by the management considering the prevailing situation.