

*LAND REFORM (AMENDMENT)* [Cap. 297

*Acts*

*Nos. 14 of 1981,*

*39 of 1981,*

*12 of 1983.*

**Short title.**

**Amendment of**

**section 3 of**

**Chapter 297.**

*[# 2, 39 of*

*1981.1*

**Amendment of**

**section 5 of the**

**principal**

**enactment.**

*[g 3, 39 of*

*1981.1*

**CHAPTER 297**

**LAND REFORM (AMENDMENT)**

AN ACT TO AMEND THE LAND REFORM LAW, TO MAKE SPECIAL PROVISION IN REGARD TO CERTAIN ORDERS AND DETERMINATIONS MADE UNDER SECTIONS 13, 14 AND 19 OF THAT LAW; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

*[Act No. 14 of 1981--Commencement-5th March, 1981; Operation-17th October, 1975.1*

*[Act No. 39 of 1981--Commencement and Operation-3rd June, 1981.1*

*[Act No. 12 of 1983--Commencement-18th March, 1983; Operation-31st March, 1983.1*

1. This Act may be cited as the Land Reform (Amendment) Act.

2. Section 3 of the Land Reform Law as (hereinafter referred to as the "principal enactment"), is hereby amended as follows :-

u) in subsection (4) of that section, by the addition, immediately after paragraph (b) of that subsection, of the following new paragraph :-H

(c) where any land is owned by a trustee under a private trust for the benefit of any other person, the private trust, n ; and

(6) by the addition, immediately after subsection (4) of that section, of the following new subsection :-U

(5) Notwithstanding anything in the proviso to subsection (4), where any agricultural land is leased by the Republic to any person for a project approved by the Minister, as being in the interest of agricultural development, the lessee of such agricultural land shall not be deemed, for the purposes of subsection (1), to be the owner of such land. \*

3. Section 5 of the principal enactment

is hereby amended as follows :-

u) by the renumbering of that section as

subsection (1) of that section ; and  
**(b)** by the insertion, immediately after  
subsection (1) of that section, of the  
following new subsection :-‘

(2) Where any person becomes  
by reason of marriage or by way of  
inheritance, or both, the owner of  
agricultural land in excess of the  
ceiling on any day after the date of  
enactment of this subsection (in this  
subsection referred to as the  
U relevant date “) the provisions of  
subsection (1) shall not apply, and  
accordingly such person may transfer, by way of sale or  
otherwise, such excess within a  
period of two years from the  
relevant date. Where such person  
fails to transfer such excess within  
such period, such excess shall, at  
the expiration of such period,-(u)  
be deemed to vest in the  
Commission ; and  
**(b)** be deemed to be held by that  
person under a statutory lease  
from the Commission. ‘.

4. Section 12 of the principal enactment  
is hereby amended by the addition, at the  
end of that section, of the following new  
subsection :-H

(4) In calculating the period of  
prescription for the purpose of any action  
or proceeding in a civil court in respect of  
any such mortgage, lease, usufruct or life  
interest as is referred to in subsection (1)  
the period commencing on the date on  
**Amendment of  
section 12 of  
the principal  
enactment.**

[# 4,39 of  
1981.1

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which the agricultural land (which was  
subject to the mortgage, lease, usufruct  
or life interest) was vested in the  
Commission and ending on the date on  
which the compensation payable to the  
owner of such land is determined shall be  
excluded. “.

**Amendment  
of section 14  
the principal  
enactment.**

5. Section 14 of the principal enactment  
Of is hereby amended by the insertion,  
immediately after subsection (2) of that  
section, of the following new subsection :-“

@A) From and after the date of enactment of this subsection, no statutory lessee shall be granted approval by the Commission under subsection (2) to transfer under subsection (1) any agricultural land in excess of one hundred and fifty acres in the aggregate : Provided that the preceding provisions of this subsection shall not apply in respect of any agricultural land the possession of which, notwithstanding anything in this Law, has been handed over to any declarant or any member of the family of the declarant, under this section prior to the enactment of this subsection. “.

**Amendment of 6.** Section 18 of the principal enactment section 18 of is hereby amended by the insertion, the principal enactment. immediately after subsection (4) of that

[# 6,39 of section, of the following new subsection :-1981.1

‘ (4A) Notwithstanding anything in subsection (4), any person who becomes by reason of marriage or by way of inheritance, or both, the owner of agricultural land in excess of the ceiling on any day after the date of enactment of this subsection (in this subsection referred to as the relevant date “) and who has failed to transfer by way of sale or otherwise such excess within a period of two years from the relevant date shall, within one month after the expiration of such period, make a declaration as provided for in this section. ‘.

**Amendment of 7.** Section 22 of the principal enactment section 22 of

the principal is hereby amended as follows :-enactment. rt87i.Y Of

(1) In subsection (1) of that section-(u) by the insertion, immediately after paragraph (b) of that

**(4**

subsection, of the following new paragraph :-U

**(bb)** alienation, by way of sale with the approval of the Minister, for non-agricultural purposes ; n ; and by the substitution, for paragraph v) of that subsection, of the following paragraph :-‘

v) alienation, by way of sale to any person who-(i) owned agricultural land on the day immediately

preceding the date of commencement of this Law, or  
(ii) was deemed, by reason of the operation of section 7 or section 8, to own agricultural land on the date of commencement of this Law, and who was dispossessed of such land by reason of the fact that, such person being a person under eighteen years of age at the time of the imposition of the ceiling on agricultural land, the land owned by him was included in the extent of land deemed to be owned by the head of the family, of which such person was a member.

An alienation may be made under this paragraph notwithstanding the fact that the alienee continues to be under eighteen years of age on the date of alienation and where an alienation of agricultural land is made under this paragraph to a person under eighteen years of age, such person shall, for the purposes of ownership of such land, be deemed to be a

“ person n within the meaning of this Law..*LAND REFORM (AMENDMENT) [Cap. 297*

**Insertion of new sections 21~ and 27~ in the principal enactment.**

Where land owned by a person, who was under eighteen years of age at the time of the imposition of the ceiling on agricultural land, has not, on the date of enactment of this paragraph, been alienated to any person under section 22, and no compensation has been paid under section 28 in respect of such land, the Minister may, in lieu of alienating such land under the preceding provisions of this paragraph,

by Order published in the Gazette, vest such land in such person. Such Order shall have the effect of giving such person absolute title to such land as from the date of such Order ; 1; and

(2) by the addition, at the end of that section, of the following new subsection :-“

(4) It shall be lawful for the Commission to alienate by way of lease under paragraph (b) of paragraph (bb) of subsection (1), agricultural land to any person in excess of fifty acres for such purposes as may be approved by the Minister. “.

8. The following new sections are hereby inserted immediately after section 27, and shall have effect as sections 27~ and 27~, of the principal enactment :-”

**Minister may 27~. (1) At the request of by Order vest in State the Commission, the Corporation Minister may, where he agricultural or considers it necessary in the estate land interest of the Commission to vested in the Commission. do so, subject to sections 22, 23 and 42~, b y O r d e r published in the Gazette, vest, in any State Corporation specified in the Order, with effect from a date specified in that Order, any agricultural land or estate land or any portion of the land vested in Reviyalof the Commission under this zztbranches Law, and described in the (S) I/ 165**

Order, subject to such terms and conditions relating to consideration for the vesting of that land in such Corporation as may be agreed upon between the Commission and such Corporation.

(2) An Order under subsection (1) shall have the effect of vesting in such State Corporation specified in the Order such right, title and interest to the agricultural land or estate land or portion thereof described in that

Order, as was held by the Commission on the day immediately preceding the date on which the Order takes effect.

(3) Where any agricultural land or estate land or any portion thereof is vested in a State Corporation by an Order made under subsection (1), all the rights and liabilities of the Commission under any contract or agreement, express or implied, which relate to such agricultural land or estate land or portion thereof, and which subsist on the day immediately prior to the date of such vesting, shall become the rights and liabilities of such State Corporation.

(4) Where any term or condition relating to consideration for the vesting of any agricultural land or estate land or portion thereof in any such State Corporation by an Order under subsection (1) is not complied with, the Minister may by Order published in the Gazette, revoke the Order under subsection (1) relating to that land and thereupon that land shall revert in the Commission.

27~. (1) Where any agricultural land is transferred to any person in consequence. **Cap. 2971 LAND REFORM (AMENDMENT)**

**Amendment of section 28 of the principal enactment.**

**[g 9,39 of 1981.1**

of an order under section 14 or is alienated, or vested in, any person under paragraph v) of section 22 or where any person is allowed to retain any agricultural land in consequence of a determination made under section 19, such order, alienation, vesting or determination, as the case

may be, shall have the effect of reviving, with effect from the date of such order, a l i e n a t i o n , v e s t i n g o r determination, as the case may be, any encumbrance which subsisted over that land on the day immediately preceding the date on which that land was vested in the Commission..

(2) In calculating the period of prescription for the purposes of any action or proceeding in a civil court in r e s p e c t o f a n y s u c h encumbrance as is referred to in subsection (1), the period during which the agricultural land, which was subject to that encumbrance, was vested in the Commission shall be excluded. “.

9. Section 28 of the principal enactment is hereby amended by the addition, at the end of that section, of the following new subsections :-‘

(3) (a) Where on the date of enactment of this subsection, no compensation has been paid in respect of any agricultural land vested in the Commission prior to that date, the compensation payable in respect of such agricultural land shall, notwithstanding anything in subsections (1) and (2), be computed on either of the following basis, according to the election of the person who was the owner of that agricultural land on the day immediately preceding the date on which the land was vested in the Commission :-‘

i) an amount not exceeding fifteen times the average annual profits of such agricultural land, if such land is not paddy land and ten times such average annual profit if such land is paddy land, for the accounting year immediately prior to May 29, 1971, and the four accounting years immediately preceding the fmt-mentioned accounting year ; or

(ii) (A) in the case of agricultural land planted with tea, rubber or coconut, a sum calculated on the basis of the average annual yield per acre from

the acreage in production of such agricultural land for the three accounting years immediately preceding the date on which such agricultural land vested in the Commission, so however, that where the average annual yield per acre of such agricultural land is equal to an amount specified in Column I hereto, the sum payable in respect of each acre of such agricultural land shall be equal to the sum specified in the corresponding entry in Column II hereto :-*Column*

*I*

Average annual yield per acre

*Tea*

Over 1,500 lbs. . .

Over 1,000 lbs. but not exceeding

1,000 lbs. . . . .

Over 750 lbs. but not exceeding

1,000 lbs. . . . .

750 lbs. and under . .

*Column II*

Amount of Compensation per- .L Rs.

2,500

*Rubber*

Over 1,000 lbs.

Over 750 lbs. but not exceedii

2,500

1,000 lbs. . . . .

Over 500 lbs. but not exceeding

2,000

750 lbs. 1,500

500lbs.andunder ‘ - :: 1,000

*Coconut*

Over 3,000 nuts

Over 2,000 nuta but not exceediig

2,500

3,ti nuta

2,000nutsandunder ”

. . zoo0

. . 1,500 ; or

(B) in the case of agricultural land planted with cocoa, cinnamon, pepper, paddy or any other agricultural product, a sum calculated at the rate of Rs. 2,000 for each acre of such agricultural

land in production..*LAND REFORM (AMENDMENT)* [Cap. 291

(b) There shall be deducted from any amount computed in accordance with subparagraph (i) of paragraph (a) as the compensation payable in respect of any agricultural land, every sum paid as subsidy for replanting, factory modernization, tea chests and fertilizer

by the Government or any State Corporation in respect of that agricultural land during the five accounting years immediately prior to May 29, 1971.

In this subsection U annual profits n in relation to any agricultural land for an accounting year means the aggregate of-(  
i) the profits and income, within the meaning of the Inland Revenue Act, No. 4 of 1963, from such land for that year as assessed by an Assessor or as agreed to with an Assessor by the former owner or where not so assessed or agreed to, as declared to the Assessor by such former owner ; and

*Column I Column II*

*Rr.*

Tea . . . .

Rubber . . . . ;Si

coconut . . . .

Paddy . . . . iSi

Cocoa . . . .

ciio11 . . . . Ei

**Any other agricultural crop . . 21000.**

(4) Notwithstanding anything in subsections (1), (2) and (3) the compensation payable in respect of any agricultural land vested in the Commission after the date of enactment of this subsection shall be an amount equal to the price which in the opinion of the Chief Valuer that land would have fetched if sold in the open market on March 31, 1977, increased by an amount equal to the cost of improvements, if any, made to such land after March 31, 1977.

(ii) any sum claimed as a deduction for the purposes of ascertaining the profits and income, within the meaning of the Inland Revenue Act, No. 4 of 1963, of the former owner for that year, under paragraph (a) or paragraph (h) or paragraph (i) of section 10 or section 53 or section 53A of that Act.

(5) Notwithstanding any other provision in this Law the Commission may pay to any person entitled to compensation in respect of any agricultural land vested in the Commission under this Law, such amount and in such manner or mode as the Minister may in consultation with the Minister in charge of the subject of

Finance direct the Commission to pay, pursuant to any agreement or negotiated settlement reached between the Commission and such person, in respect of the amount of compensation for such agricultural land vested and the manner and mode of payment thereof. ‘.

(c) Where any person is entitled to compensation computed in accordance with the provisions of sub-paragraph (i) of paragraph (a) in respect of any agricultural land, and such agricultural land has, within the seven years immediately preceding the date on which such land vested in the Commission, been planted or replanted with any agricultural crop specified in Column I hereto, such person shall be entitled, in addition to the compensation so computed, to the payment of a sum equal to the sum specified in the corresponding entry in Column II hereto for each acre of agricultural land so planted or replanted :-

10. The following new section is hereby inserted immediately after section 28, and shall have effect as section 28~, of the principal enactment :-u

**Provision 28~.** (1) Where the any person who has been paid any refund of compensation under this Law maintain taxes. in respect of any agricultural land vested in the Commission is noticed to pay any income tax, wealth tax or gifts tax for any year of assessment under the Inland Revenue Act, No. 4 of 1963, or any capital levy under the Capital Levy Act, No. 51 of 1971\*, or any estate

\* See List of Enactments omitted from the Revised Edition.

(S) I/ 167

**Insertion of**

**new section**

**28AinthC**

**principal**

**enactment.**

**lg 10,39 of**

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duty under the Estate Duty Ordinance on profits or value, as the case may be, of such land which exceeds the profits or value, as the case may be, on which the compensation payable in respect of such

land was computed, such person shall be entitled to have the assessment in respect of such tax, levy or duty, as the case may be, revised and to have such part of such tax, levy or duty as is attributable to such excess waived.

(2) Where any person who has been paid any compensation under this Law in respect of any agricultural land vested in the Commission, has paid any income tax, wealth tax or gifts tax for any year of assessment under the Inland Revenue Act, No. 4 of 1963, or any capital levy under the Capital Levy Act, No. 51 of 1971\*, or any estate duty under the Estate Duty Ordinance on the profits or value, as the case may be, of such land which exceeds the profits or value as the case may be, on which the compensation payable in respect of such land was computed, such person shall be entitled to have such part of such tax, levy, or duty as is attributed to such excess refunded to him.

(3) A revision of an assessment under subsection (1) or a refund under subsection (2) shall be made only on a claim made by the person on whom the assessment is made or who has paid the tax, levy or duty, as the case may be, by notice in writing addressed to the Commissioner-General of Inland Revenue, within one year of the date of payment of compensation to such person under section 28 or within one year of the date of enactment of this section, whichever is the later date.

(4) Where a claim is made under this section for the revision of any assessment of income tax, wealth tax, gifts

tax, capital levy or estate duty or for the refund of any such tax, levy or duty, such assessment may be revised and such refund made notwithstanding anything to the contrary in any other law. “.

**11.** (I) Section 32 of the principal enactment is hereby amended-(u) in subsection (2) of that section, by the addition, at the end of that subsection, of the following :-“

Provided, however, that where any such claimant supports his claim to the compensation by a final decree of a competent court or by such evidence as the Commission may consider sufficient, the Chairman of the Commission may cause the compensation to be apportioned and paid according to the terms of that decree or the evidence adduced, notwithstanding the fact that the former owner does not agree in writing as to the persons entitled to the compensation and the apportionment of the compensation among them. ” ;

(b) by the insertion, immediately after subsection (2) thereof, of the following new subsections :-“

(3) Where a person is entitled to compensation under subsection (1) in respect of any agricultural land vested in the Commission, the Chairman of the Commission shall, after reasonable notice to such person pay from the amount of such compensation, to the Commissioner of Labour, any sum certified under the hand of the Commissioner of Labour to the

**Amendment of section 32 of the principal enactment.**

[#11,39of 1981.]

[g 18, 12 of 1983.1

\* See List of Enactments omitted from the Revised Edition.

(S) I/ 168.[g 18, 12 of 1983.1

[§ 18, 12 of 1983.1

**LAND REFORM (AMENDMENT) [Cap. 297**

Commission, to be due from such person section, of the following new as arrears of salary, provident fund subsections :-contributions, gratuity or other monetary

benefits to any person employed on such ‘@A) (a) Where on the date of

land. enactment of this subsection, no compensation has been paid in

For the purpose of this subsection the respect of any estate land vested in expression “ compensation ” includes any the Commission under this Part of interest which has accrued due on such this Law, the compensation payable compensation. in respect of such estate land shall, notwithstanding anything in the

(4) The sum paid by the Chairman of preceding provisions of this section, the Commission on the certificate issued be computed on either of the by the Commissioner shall be a first following basis, according to the charge on the compensation payable to election of the person in possession the employer. ‘ . of the estate land on the date immediately preceding the date on

(2) New subsections (3) and (4) inserted which such estate land vested in the in section 32 of the principal enactment by Commission-subsection

(I) of this section shall be

deemed to have come into operation on (i) a sum equal to fifteen times the August 26, 1972. average annual profits from . such estate land for the five Replacement 12. Section 35 of the principal of section 35 of

the principal enactment is hereby repealed and the enactment. following new section substituted

[§ 12,39 of 1981.1

therefor :-“

Compensa- 35. The compensation tion and

interest payable in respect of any payable. agricultural land vested in the Commission under this Law shall be considered as

accruing due from the date on which possession of that land was taken by the Commission after it was vested in the Commission and interest at the rate of ten *per centum* per annum shall be payable on the amount of such compensation from the date it accrues due to the date of payment. “.

Amendment of 13. Section 42 of the principal section 42 of

the principal enactment is hereby amended in paragraph enactment. (a) of that section by the substitution for the

[§ 13,39 of words “ seven *per centum* per annum. “, of 1981.1 the words “ ten *per centum* per annum from the date on which such land was vested to the date of payment. “.

accounting years immediately preceding the date on which such estate land vested in the Commission ; or

(ii) (A) in the case of estate land planted with tea, rubber or coconut, a sum calculated on

the basis of the average annual yield per acre of such estate land for the three accounting years immediately preceding the date on which such estate land vested in the Commission, so however, that where the average annual yield per acre of such estate land is equal to an amount specified in Column I hereto, the sum payable in respect of each acre of such estate land shall be equal to the sum specified in the corresponding entry in Column II hereto :-*Column*

*I*  
Average annual  
yield per acre

*Column II*  
Amount of  
compensation  
per acre  
Rs

**14. Section**

*T e a* Amendment of 42~ of the principal . . . 2,500 section 42~ of Over 1,500 lbs.  
the principal enactment is hereby amended as follows :- Over 1,000 lbs. but not exceeding  
1,500 lbs. . . . w33 enactment.  
[§ 14,39 of (a) by the insertion, immediately Over 750 lbs. but not exceeding  
1981.1 after subsection (2) of that 1,000 lbs. . . . 1,500  
750 lbs. and under . . . 1,000

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*Column I*  
Average annual  
yield per acre

*Column II*  
Amount of  
compensation  
per acre  
RT.

*Rubber*  
Over 1,000 lbs. . . . 2,500  
Over 750 lbs. but not exceeding  
1,000 lbs. . . . 2,000@3  
Over 500 lbs. but not exceeding  
750 lb% . . . 1,500  
MOlbs.andunder . . . 1,000  
*coconut*  
Over 3,000nuts . . . 2,500  
Over 2,000 nuts but not exceeding  
3,000 nuts . . . 2,000  
2,000 nuts and under . . . 1,500; or

(B) in the case of estate land  
p l a n t e d w i t h c o c o a ,  
cinnamon, pepper, paddy or  
any other agricultural  
product, a sum calculated at  
the rate of Rs. 2,000 for each  
acre of such estate land in  
production.

(b) where any person is entitled

to compensation computed in accordance with sub-paragraph (i) of paragraph (a) of this subsection in respect of any estate land, and such estate land has, within the seven years immediately preceding the date on which such land vested in the Commission, been planted or replanted with any agricultural crop specified in the Column I hereto, such person shall be entitled, in addition to the compensation so computed, to the payment of a sum equal to the sum specified in the corresponding entry in Column II hereto for each acre of estate land so planted or replanted :-*Column*

*I Column II*

Tea . . . . Rs. 3,000

Rubber . . . . Rs. 2,500

Coconut . . . . Rs. 2,500

Paddy . . . . Rs. 2,000

Cocoa . . . . Rs. 2,000

Cinnamon . . . . Rs. 2,000.

In this subsection U annual profits ” in relation to an estate land for an accounting year means the aggregate of-(

i) the profits and income, within the meaning of the Inland (S) I/ 170

Revenue Act, No. 4 of 1963, from such estate land for that year as assessed by an Assessor or as agreed to with an Assessor by the person who was the owner of such estate land on the day immediately preceding the date on which such estate land vested in the Commission (in this definition referred to as “ the former owner “) or where not assessed or agreed to, as declared to the Assessor in respect of that year by former owner ; and

(ii) any sum deducted under-4 paragraph \_ <(r! \_ such or

p a r a g r a p h (It) o r p a r a g r a p h (i ) o f subsection (1) of section 10; or

(b) section 53 ; or

(c) section 53A,  
of the Inland Revenue Act,  
No. 4 of 1963, for the  
purposes of ascertaining the  
profits and income, within the  
meaning of that Act, of the  
former owner from that estate  
land for that year.

(c) There shall be deducted from  
any amount computed in  
accordance with sub-paragraph (i)  
of paragraph (a) as the  
compensation payable in respect of  
any estate land, every sum paid as  
subsidy for replanting, factory  
modernization, tea chests and  
fertilizer by the Government or any  
State Corporation in respect of that  
estate land during the five  
accounting years immediately  
preceding the date on which such  
estate land vested in the  
Government.

No amount computed in  
accordance with sub-paragraph (i) of  
paragraph (a) as the compensation  
payable in respect of any estate land. *LAND REFORM (AMENDMENT) [Cap. 29*  
shall exceed two thousand five  
hundred rupees for each acre of  
such estate land.

(2B) Where on the date of  
enactment of this subsection, no  
compensation has been paid in  
respect of any estate land vested in  
the Commission under this Part of  
this Law and on the date of vesting  
there were net current assets on  
such estate lands which were taken  
over by the Commission, the  
compensation payable under  
subsection (A) shall be increased  
by an amount equal to the book  
value of such net current assets.  
In this section “ net current  
assets shall mean stock in trade,  
unsold produce, cash, fixed  
deposits, debts due and any other  
receivables.

(2C) Nothing in subsections (A)  
and (2B) shall apply to the  
computation of the amount of  
compensation payable to any  
company incorporated in the  
United Kingdom which has not  
entered into any agreement or

negotiated settlement at the date of enactment of this subsection in respect of the amount of compensation payable in respect of such estate land, and compensation in respect of such estate land shall be payable in terms of subsection (2).

**(2D)** (1) Where any public company receives any amount as compensation computed in accordance with the provisions of subsection (2) or subsection **(2A)** or subsection **(2B)** it shall be the duty of such company, notwithstanding anything in the Companies Ordinance\*, or any other law, to distribute such compensation, after meeting its liabilities as allowed by the Commission, to the shareholders of such company within six months from the date of receipt of the compensation or where such compensation is received in instalments, within six months from the receipt of each instalment.

(2) Where the share capital of any such company as is referred to in subsection (1) is divided into different classes of shares the distribution of the compensation shall be in accordance with the rights attached to each class of shares.

**(2E)** Where public company which has distributed, in accordance with the provisions of subsection **(2D)**, any amount received by it as compensation resolves that it is not possible in consequence of such distribution, to carry on business, it may apply to the Registrar of Companies to have its name struck off the register of companies.

The Registrar on being satisfied that -

- (a) all the liabilities of such company have been paid,
- (b) the compensation received by the company has been distributed in accordance with subsection **(2D)**, and
- (c) it is not possible for the company to carry on business,

shall, notwithstanding any provision in the Companies Ordinance\* relating to the winding up or dissolution of companies, strike off the name of that company from that register. ’ ; and (b) by the repeal of subsection (4) of that section and the substitution therefor of the following subsection :-“ (4) The compensation payable, less any deductions that may be made from such compensation under this Part of this Law, shall carry interest, at the rate of ten *per* centt(M per annum, as from the date on which possession of the estate land in respect to which compensation is payable was taken by the Commission until payment. -.

\* The Companies Ordinance has been repealed and replaced by the Companies Act, No. 17 of 1982.

(S) I/ 171. **Cap. 2971 LAND REFORM (AMENDMENT)**

**Insertion of  
neti section  
42~~ in the  
principal  
enactment.  
[g 2, 14 of  
1981.1**

15. (1) The following new section is hereby inserted immediately after section 42~, and shall have effect as section 42~~ of the principal enactment :-‘

**Certain estate 42~~ . Notwithstanding  
lands deemed  
to be estate anything to the contrary in  
lands owned by section 5 of the Companies  
a public  
company on  
(Special Provisions) Law or in  
the date of the preceding provisions of  
coming into this Law, every estate land  
operation of owned or possessed by a  
F;wPart of this company (whether such  
company is a public or a  
private company) on the date  
on which this Part of this Law  
comes into operation, being  
estate land which was  
transferred, on or after Jun:  
19, 1974, to such company or  
to a company recognized as  
a n “ existing. company ” for  
t h e p u r p o s e s o f t h e  
[Cap. 177.1 C o m p a n i e s ( S p e c i a l  
Provisions) Law or to a  
company incorporated under**

the Companies Ordinance,\*  
by a company registered or  
incorporated outside Sri  
Lanka shall be deemed, for  
the purposes of this Part of  
this Law, to be estate land  
owned or possessed by a  
public company on the date of  
coming into operation of this  
Part of this Law, and  
accordingly, every such estate  
land shall vest in the  
commission on the date of  
coming into operation of this  
Part of this Law. ‘.

Section 42~~ (2) Section 42~~, inserted by subsection  
to have

retrospective (1) of this section shall be deemed for all  
effect. purposes to have come into force on the  
[# 3, 14 of seventeenth day of October, 1975, and  
1981.1 accordingly, where at the hearing in any  
Court or tribunal, of any appeal, action,  
application or other proceeding (whether  
such appeal, action, application or  
proceeding was preferred or instituted  
before or after the 5th day of March, 1981,) any  
question arises as to whether any estate  
land is vested in the Commission or any  
other matter arises in relation to estate land,  
such question or matter shall be determined  
in accordance with the provisions of section  
42~~ inserted by subsection (1) of this  
section.

(3) Where any estate land is vested in the  
Commission by reason of the operation of  
this section, and the person who was the  
owner of that estate land prior to its vesting  
in the Commission has received or  
appropriated any moneys which the  
Commission is entitled, under the provisions  
of the principal enactment as amended by  
this section, to receive or appropriate in  
respect of such estate land, such moneys  
shall, notwithstanding anything to the  
contrary in the principal enactment as  
amended by this section, be deducted from  
the compensation payable in respect of such  
estate land.

16. Section 66 of the principal  
enactment is hereby amended in the  
definition of the expression “ person “, by  
the insertion, immediately after paragraph  
(b) thereof, of the following new  
paragraph :-

**Amendment of**

section 66 of  
the principal  
enactment.  
[# 15,39 of  
1981.1

“ (bb) a private trust ; or \*.

17. The amendments made to the principal enactment by sections 2 (a), 12 and 15 of Act No. 39 of 1981 shall be deemed for all purposes to have come into operation on the date of commencement of the principal enactment..

**Retrospective  
operation of  
sections 2 (a),  
12 and 15.  
[# 16,39 of  
1981.1**

18. (1) Where prior to the 3rd day of June, 1981, the Commission has made an order under subsection (2) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard, such order shall be deemed not to have been, or

**Special  
provisions  
relating to  
certain orders  
made by the  
Land Reform  
Commission  
under section  
13 of the Land  
Reform Law.**

E&j 17,39 of to be, invalid by reason only of the fact that 1981.1 such opportunity was not afforded if-(  
u) any compensation has been paid under section 28 of the Land Reform Law in respect of such land ; or

(b) such land has been alienated to any person under section 22 of that Law,  
prior to the 3rd day of June, 1981.

≡≡ **Repealed and replaced by the Companies Act, No. 17 of 1982.**

**(S) I/ 172.LAND REFORM (AMENDMENT) [Cap. 29**

(2) Where prior to the 3rd day of June, 1981, the Minister has made an order under subsection (3) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard, such order shall be deemed not to have been, or to be, invalid by reason only of the fact that such opportunity was not afforded if-(  
u) any compensation has been paid under section 28 of the Land

Reform Law in respect of such land ; or

(b) such land has been alienated to any person under section 22 of that Law,

prior to the 3rd day of June, 1981.

(3) Where prior to the 3rd day of June, 1981, the Commission has made an order under subsection (2) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard, and if on the 3rd day of June, 1981,-

u) no compensation has been paid under section 28 of the Land Reform Law in respect of that land ; and

(b) that land has not been alienated to any person under section 22 of that Law,

such order shall be deemed to have been, and to be, null and void.

(4) Where prior to the 3rd day of June, 1981, the Minister has made an order under subsection (3) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard and if on the 3rd day of June, 1981,-

a) no compensation has been paid under section 28 of that Law in respect of that land ; and

(b) that land has not been alienated to any person under section 22 of that Law,

such order shall be deemed to have been, and to be null and void.

(5) Where by reason of the operation of the provisions of subsection (3) or subsection (4), an order, as the case may be, of the Commission or of the Minister declaring an alienation of agricultural land to be null and void is deemed under this Part to be null and void, the alienor or alienee shall, within three months of the 3rd day of June, 1981, report such alienation to the Commission.

(6) Where, upon a report made to it under subsection (5), the Commission finds, after affording the alienor and alienee an opportunity of being heard, that the alienation referred to in such report has been calculated to defeat the purposes of the Land Reform Law the Commission may, by

order under its hand, declare such alienation to be null and void. Every such order shall be sent by registered post to the alienor and alienee to whom that order relates.

(7) The provisions of subsections (3), (4), (5) and (6) of section 13 of the Land Reform Law shall, *mutatis mutandis*, apply to every order made by the Commission under subsection (6) of this section.

(8) A failure to comply with the provisions of subsection (5) shall be deemed to be a failure to comply with a provision of the Land Reform Law, and shall be punishable accordingly.

19. (1) Any person who was entitled, on special the date of commencement of the Land provisions Reform Law, to make an application under zrtitgt& section 14 of that Law but has failed to do madeunder so within the time specified in subsection (1) zif;’ Of of that section may, within three months ReformLaw, of the 3rd day of June, 1981, and .[369;;I39of notwithstanding-(

a) the fact that such person is, at the 3rd day of June, 1981, not the statutory lessee of the agricultural land of which he was the owner on the day immediately preceding the date of commencement of the Land Reform Law (in this subsection referred to as u the relevant date “), and

**(S) I/ 173. Cap. 2971 LAND REFORM (AMENDMENT)**

(6) anything in the aforesaid section 14, make an application to the Commission under subsection (1) of that section for the transfer, by way of sale, gift or otherwise of the entirety or a -portion of such land to any child of such person who was eighteen years or over on the relevant date or to the parent of such person, as if such person were, on the 3rd day of June, 1981, the statutory lessee of such land.

(2) The Commission may, upon receipt of an application as aforesaid, make an order under subsection (2) of section 14 of the Land Reform Law granting approval for such transfer, if and only if-(

u) no compensation has been paid under section 28 of the Land Reform Law in respect of the land specified in the application ; and

(b) that land has not been alienated to any person under section 22 of that Law,

on the 3rd day of June, 198 1.

(3) Where prior to the 3rd day of June, 1981, the Commission has made an order under subsection (2) of section 14 refusing to grant approval for the transfer of any agricultural land and the person applying to make such transfer has failed to appeal to the Minister against such order within the period specified in that subsection, such person may, within three months of the 3rd day of June, 1981, and notwithstanding anything in that section, appeal to the Minister against such order.

(4) Where prior to the 3rd day of June, 1981, a person has appealed to the Minister under subsection (2) of section 14 of the Land Reform Law against an order made by the Commission under that subsection and the Minister has rejected such appeal, such person may, within three months of the 3rd day of June, 1981, and notwithstanding anything in that aforesaid section 14, make a further appeal to the Minister against such order.

(5) The Minister may, on an appeal made to him under subsection (3) or subsection (4) and notwithstanding anything in section 14 of the Land Reform Law, amend, vary or modify the order against which the appeal is made, if and only if-(  
u) no compensation has been paid under section 28 of the Land Reform Law in respect of the land which is referred to in the appeal ; and  
(b) that land has not been alienated to any person, under section 22 of that Law,  
on the 3rd day of June, 1981, and if the Minister considers that such amendment, variation or modification is just and equitable in all the circumstances of the case.

**(6)** Where-(

u) an order is made by the Commission under section 14 of the Land Reform Law in pursuance of an application made under subsection (1) of that section read with subsection (1) of this section ; or  
(b) an order made by the Commission under section 14 of that Law is varied, modified or amended by the Minister under subsection (5) of this section,  
and the effect of such order, or such order as varied, modified or amended is to grant

approval for the transfer by any person (in this subsection referred to as u transferor “) of any agricultural land to a child or parent of the transferor (in this subsection referred to as u the transferee”) and such land is on the date of such order or the date on which such order is so varied, modified or amended, vested in the Commission, the Commission shall forthwith transfer such land to the transferee.

(7) Subsections (3) and (4) of section 14 of the Land Reform Law shall, *mututis mutundis*, apply to every order made by the Commission under section 14 of that Law-(*u*) in pursuance of an application made under that section read with subsection (1) of this section ; or (**b**) as varied, modified or amended by the Minister under subsection (5) of this section.

(S) I/ 174.*LAND REFORM (AMENDMENT) [Cap. 297*

**Special provisions relating to certain determinations made under section 19 of the Land Reform Law. [§ 19,39 of 1981.1**

20. (1) Any person dissatisfied with a determination made by the Commission, prior to the 3rd day of June, 1981, under section 19 of the Land Reform Law specifying the portion or portions of agricultural land which such person shall be allowed to retain may, within three months of the 3rd day of June, 1981, and notwithstanding anything in the aforesaid section 19, appeal to the Commission against such determination.

(2) Where the Commission is satisfied, on an appeal made to it under subsection (1),-(*u*) that the appellant has been discriminated against as regards the extent of the portion or portions of agricultural land which he has been allowed to retain by the determination made in respect of him under section 19 of the Land Reform Law ; or

(b) that in making such determination, the Commission has not taken into consideration the preferences expressed by the appellant in the

declaration made by him under section 18 of that Law, the Commission may, notwithstanding anything in the aforesaid section 19, cancel the determination made in respect of the appellant under section 19 and make a fresh determination in respect of him under that section, if and only if,-  
(u) no compensation has been paid under section 28 of the Land Reform Law in respect of the entirety of the agricultural land specified as owned by the appellant in the declaration made by him under section 18 of the Land Reform Law (excluding such part of such land as is specified in the determination made in respect of him under section 19) ;  
and  
(b) the entirety of such land (excluding such part of such land as is specified in the determination made in respect of him under section 19) has not been alienated to any person under section 22 of that Law,  
on the 3rd day of June, 1981.

(3) Where the Commission cancels, under subsection (2), a determination made under section 19 of the Land Reform Law, such cancellation shall be published in the Gazette, shall come into effect on the date of such publication and shall have the effect or re-vesting in the Commission as from the date of such publication, the right, title and interest in the agricultural land specified in such determination.

(4) Where the Commission cancels a determination made by it under section 19 of the Land Reform Law and makes a fresh determination under that section, such determination shall specify the portion or portions of the agricultural land specified as owned by the applicant in the declaration made by him under section 18 of that Law which he shall be allowed to retain, so however, that the portion or portions so specified shall be from such part of that land as has not been alienated, on the 3rd day of June, 1981, to any person under section 22 of that Law, or in respect of which no compensation has been paid under section 28 of that Law. A determination may be made as aforesaid notwithstanding the fact that such person is not, on the date

of the determination, the statutory lessee of such land and the provisions of sections 19 (1) (b), 19 (2), 20 and 21 of the Land Reform Law shall, *mutatis mutandis*, apply to every such determination.

(5) Notwithstanding anything in this Act or in any other law, it shall not be lawful for any person who becomes in consequence of an order or determination made under section 14 or section 19 or section 22 of the Land Reform Law, the owner of any agricultural land over twenty-five acres in extent, to sell otherwise than under the provisions of the Tea and Rubber Estates [Cap. 257.1 (Control of Fragmentation) Act or the Estates (Control of Transfer and Acquisition) Act, No. 2 of 1972\*, such land in a manner that may result in the fragmentation of such land.

\* See List of Enactments omitted from the Revised Edition.

(S) I/ 175. **Cap. 2971 LAND REFORM (AMENDMENT)**

SpCCid  
provision  
relating to  
certain  
alienations  
under section  
22 of the Land  
Reform Law.  
~%39 Of  
Provision  
regarding  
certain lands  
vested under  
the Land  
Acquisition  
p2i,39 of  
1981.1

21. Where, prior to the 3rd day of June, 1981, any steps have been taken by the Commission under paragraph v) of subsection (1) of section 22 of the Land Reform Law (repealed by Act No. 39 of 1981) to alienate any agricultural land to any person under the provisions of that paragraph, then, notwithstanding the repeal of that paragraph by Act No. 39 of 1981, an alienation by way of sale to such person may be made as though such paragraph were in force.

22. (1) Where lands have been acquired under the Land Acquisition Act on or after May 29, 1971, and no compensation has been paid in respect of such lands, on the 3rd day of June, 1981, notwithstanding anything in Act No. 39 of 1981, or any other law, such lands shall be deemed to have been vested in the Commission under the Land Reform Law and accordingly, the

owners of such lands shall be entitled to the rights of a statutory lessee under section 14 and section 18 of that Law and may, within three months of the 3rd day of June, 1981, make a statutory declaration to the Commission.

(2) Where it is not practicable for the Commission to make a statutory determination under section 19 of the Land Reform Law in respect of any land vested in the Commission by virtue of subsection (1), specifying the portion or portions of the agricultural land owned by the statutory lessee which he shall be allowed to retain, the Commission shall alienate to such statutory lessee, the maximum extent of agricultural land which may be owned by any person under the Land Reform Law or the extent of the land acquired from such statutory lessee under the Land Acquisition [Cap. 295.1 Act, whichever is less.

(3) Where it is not practicable for the Commission to grant approval for the transfer by the statutory lessee of any agricultural land under subsection (2) of section 14 of the Land Reform Law, the Commission shall alienate land to the extent of the land acquired from such statutory lessee under the Land Acquisition Act, to [Cap. 295.1 any child or to a parent of such statutory lessee.

(4) Where no compensation has been paid for the lands acquired under the Land Acquisition Act deemed to be vested in the Commission under subsection (1) and where no determination is made under subsection (2) or where no approval is granted under subsection (3), the statutory lessee shall be entitled to receive compensation for such lands under Act No. 39 of 1981.

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