

Tea Shakthi Fund Act, No. 47 of 2000

[Certified on 18th August, 2000]

L.D.—O. 19/98.

AN **ACT** TO PROVIDE FOR THE ESTABLISHMENT OF A FUND CALLED
TEA SHAKTHI FUND ; TO SPECIFY ~~ITS~~ OBJECTS AND POWERS ;
AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR
INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist
Republic of Sri Lanka as follows :—

1. This Act may be cited as the Tea Shakthi Fund Act,
No. **47** of 2000. Short title.

2. (1) There shall be established a fund which shall be
called the Tea Shakthi Fund (hereinafter referred to as “the
Fund”). Establishment of
Tea Shakthi Fund.

(2) The Fund shall, by the name assigned to it by subsection
(1), be a body corporate and shall have perpetual succession
and a common seal and may sue and be sued in such name.

3. (1) The administration, management and control, of
the Fund shall be vested in a Board of Management,
(hereinafter referred to as the “Board”), constituted as
hereinafter provided. Constitution of the
Board of
Management of
the Fund.

(2) The Board shall consist of the following members
appointed by the Minister—

(i) the Chairman of the Tea Small Holdings Authority
(hereinafter referred to as the “Authority”)
established by the Tea Small Holdings Development
Law, No. **35** of 1975 ;

(ii) the General Manager of the Authority ;

(iii) the Deputy General Manager (Finance) of the
Authority ;

- (iv) a representative of the Ministry of the Minister in charge of the subject of Finance nominated by that Minister ;
- (v) a representative of the Ministry of the Minister in charge of the subject of Plantation Industry nominated by that Minister ;
- (vi) The President of every Regional Registered Society namely, Kalutara, Galle, Matara, Ratnapura, Kegalle, Kandy, Nuwara Eliya and Uva ;
- (vii) The President of the Sri Lanka Federation of Tea Small Holdings Development Societies who shall be a member of the Board notwithstanding the fact that he is also the President of a Regional Registered society.

(3) The Minister may, for reasons assigned, remove from office any member of the Board.

Meetings of the Board.

4. (1) Chairman of the Authority shall preside at meetings of the Board. In the absence of the Chairman from any meeting, a member elected from among the members present, shall preside at such meeting.

(2) The quorum for any meeting of the Board shall be seven members, including the three *ex-officio* members referred to in paragraphs (i), (ii) and (iii) of subsection (2) of section 3.

(3) Subject to the provisions of subsections (1) and (2) the Board may regulate the procedure in regard to the meetings of the Board, and the transaction of business of such meetings.

(4) No act or proceeding of the Board shall be deemed to be invalid by reason only of the existence of a vacancy among its members or any defect in the appointment of a member.

(5) A member of the Board may be paid such remuneration as may be determined by the Board, with the concurrence of the Minister and the Minister in charge of the subject of Finance.

5. The following persons shall be entitled to hold shares in the Fund—

Membership of the Fund.

(a) tea small holders who are members of registered Societies and members of their families, who contribute to the Fund ;

(b) employees of the Authority or the Fund, who contribute to the Fund.

6. (1) The Deputy General Manager of the Authority, in charge of development shall act as the Secretary to the Board.

The Secretary to the Board.

(2) The Secretary to the Board shall convene all the meetings of the Board and shall maintain records of such meetings but shall not be entitled to vote at the meetings of the Board.

7. The objects of the Fund shall be—

Objects of the Fund.

(a) to inculcate and promote the savings habit in, and to improve the economic and social status of, tea small holders ;

(b) to promote necessary investments related to the tea industry ;

(c) to acquire and to develop tea factories and to provide other facilities necessary for the manufacture of the produce of tea small holders ;

(d) to promote and to develop the marketing of the produce of such tea factories ;

- (e) to take such steps as may be necessary for the improvement of well being of those who are engaged in the production of tea as small holders.

Powers of the Fund.

8. (1) The Board shall, in the name of the Fund, have the power to do all things necessary for or conducive or incidental to the carrying out of the objects of the Fund.

(2) Without prejudice to the generality of the powers conferred by subsection (1) the Board shall have the following powers :—

- (a) to acquire in any manner whatsoever and to hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property ;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in writing in that behalf by the Board, all such contracts or agreements as are necessary for the carrying out of the objects of the Fund ;
- (c) to construct, maintain and repair buildings owned by the Fund ;
- (d) to purchase, transport, store, supply and maintain, any commodity, equipment, machinery, or service necessary for the carrying out of the objects of the Fund ;
- (e) to appoint, employ, remunerate and exercise disciplinary control over, such officers, servants and agents as may be necessary for carrying out of the objects of the Fund ;
- (f) to establish and maintain pension schemes, for the benefit of tea small holders and to insure tea small holdings against risks ;

- (g) to train, officers and servants of the Fund and create awareness among tea small holders about the objects of the Fund ;
- (h) to establish and maintain welfare and recreational facilities, hostels and other like accommodation for the officers and servants of the Fund ;
- (i) to open, operate and close, bank accounts and to borrow or raise money with the property of the Fund as security or without such security, for the carrying out the objects of the Fund ;
- (j) to levy fees or other charges for services performed, or facilities or equipment provided, by the Fund ;
- (k) to provide assistance, including financial assistance by way of loans, or grants, to any registered Society or any person or body of persons engaged in the cultivation of tea in small holdings ;
- (l) to manage or participate in the management of, or assist in, or supervise the management of, tea lands, tea factories, tea bagging or tea packing plants, disposal units and any other venture related to the tea industry ;
- (m) to make rules in respect of the administration and financial procedures of the Fund ;
- (n) to invest such moneys of the Fund as are not immediately required for its purposes, in such securities as the Board may consider fit and to transfer or sell such securities ;
- (o) to issue shares of the Fund to persons entitled to be shareholders and to pay dividends to such shareholders out of the profits of the Fund.

Payments to the Fund.

9. There shall be paid into the Fund—

- (a) all such sums of money as may be voted from time to time by the Parliament, for the use of the Fund ;
- (b) all such sums of money as may be received by way of contributions from the members of registered societies and from officers and servants of the Authority and the Fund ;
- (c) all such sums of money as are on the day preceding the date of commencement of this Act, lying to the credit of the Account at Bank of Ceylon Pelawatta bearing No. 0001 153-7, and maintained by the Authority ;
- (d) all such sums of money as may be received by the Fund in the exercise and performance of its powers and duties.

Payments out of the Fund.

10. There shall be paid out of the Fund—

- (a) all such expenditure as are incurred by the Board in the working, establishment, maintenance of the Fund ; and
- (b) all such payments as are approved by the Board as being necessary for the purpose of carrying out the objects of the Fund, or as are required by this Act, to be paid out of the Fund.

Officers and servants of the Fund.

11. The Board shall have power subject to the direction of the Minister—

- (a) to appoint such officers and servants of the Fund as may be necessary for the administration and management of the affairs of the Fund ;
- (b) to determine the remuneration payable to the officers and servants so appointed ; and

- (c) to pay such remuneration and other expenses incurred in the administration of the affairs of the Fund out of the income of the Fund.

12. The seal of the Fund—

Seal of the Fund.

- (a) shall be in the custody of such person as the Board may from time to time determine ;
- (b) may be affixed in such manner as may be determined by the Board ;
- (c) shall not be affixed to any instrument whatsoever except with the authority of the Board, and in the presence of two members of the Board who shall sign their names on the instrument in token of their presence, such signing shall be independent of the signing of any person as a witness.

13. (1) The Board shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and other transactions of the Fund .

Accounts and audit.

(2) The provisions of Article **154** of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of the accounts of the Fund.

(3) The income and expenditure account and the balance sheet shall be signed by two members of the Board authorized to do so by a resolution passed by the Board.

(4) The financial year of the Fund shall be the calendar year.

14. The Fund shall be deemed to be a scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

The Fund deemed to be a scheduled institution within the meaning of the Bribery Act.

15. All members and officers of the Fund shall be deemed to be public servants within the meaning and for the purposes of the Penal Code.

Members of the Fund deemed to be public servants.

Transitional Provisions.

16. (1) All officers and servants of the Tea Shakthi main Project and Tea Shakthi Investment Project on the day immediately preceding the date of commencement of this Act, shall where such officers or servants consent to be employees of the Fund be deemed to be officers and servants of such Fund with effect from the date of commencement of this Act.

(2) All movable and immovable properties of, the Tea Shakthi Main Project and Tea Shakthi Investment Project shall vest in the Fund, with effect from the date of commencement of this Act.

(3) All contracts and agreements entered into by or with or on behalf of the Tea Shakthi Main Project or Tea Shakthi Investment Project and subsisting or having effect on the day immediately preceding the date of commencement of this Act, shall be deemed with effect from the date of commencement of this Act, to be contracts and agreements entered into by the Fund as fully and effectively as if, the Fund had been a party thereto, and may be enforced accordingly.

(4) All suits, actions, appeals and other legal proceedings instituted by or against the Tea Shakthi Main Project or Tea Shakthi Investment Project or any person as representing the Tea Shakthi Main Project or the Tea Shakthi Investment Project and pending on the day immediately preceding the date of commencement of this Act, shall be deemed with effect from the date of commencement of this Act, to be suits, actions, appeals or other legal proceedings instituted by or against the Fund and may be continued accordingly.

(5) All judgments and orders made in favour of, or against the Tea Shakthi main Project or Tea Shakthi Investment Project or any person as representing the Tea Shakthi Main Project or the Tea Shakthi Investment Project and remaining unsatisfied on the day immediately preceding the date of commencement of this Act, shall be deemed with effect from the date of commencement of this Act, to be judgements and orders made in favour of, or against, the Fund and may be enforced accordingly.

(6) All other rights, liabilities and obligations of the Tea Shakthi Main project and Tea Shakthi Investment Project other than the rights, liabilities and obligations referred to in subsection (3) on the day immediately preceding the date of commencement of this Act, shall be deemed with effect from the date of commencement of this Act, to be the rights, liabilities and obligations of the Fund.

17. In the event of any inconsistency between Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency.

18. In this Act unless the context otherwise require—

Interpretation.

“registered Society” means a Tea Small Holdings Development Society registered by the Tea Small Holding Development Authority under section 17A (4) of the Tea Small Holdings Development Law, No. 35 of 1975 as amended by Act No. 36 of 1991 and Act No. 21 of 1997 ;

“Small Holding” in relation to tea, means an area of land which is less than fifty acres in extent and on which tea plants are grown, and the expression “Smallholder” shall be construed accordingly.