**THE GAZETTE OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**Part II of July 02, 2021**

**SUPPLEMENT**

*(Issued on 05.07.2021)*



**MILCO MILK PRODUCERS’ FOUNDATION**

**(INCORPORATION)**

*(Private Members’ Bill)*

**A**

**BILL**

**to incorporate the Milco Milk Producers’ Foundation**

*To be presented in Parliament by Hon. Samanpriya Herath, M.P.*

*for Kurunegala District*

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| *Milco Milk Producers’ Foundation* | 1 |

*(Incorporation)*

AN ACTTOINCORPORATETHE MILCO MILK PRODUCERS’  
FOUNDATION

WHEREAS a Foundation called and known as the “Milco Preamble Milk Producers’ Foundation” has heretofore been established   
 in Sri Lanka for the purpose of effectually carrying out its   
 objects and transacting all matters connected with the said   
5 Foundation according to the rules agreed to by its members :

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for public advantage to grant 10 the said application :

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

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| 15 | **1.** | This Act may be cited as the Milco Milk Producers’ | Short title |
| Foundation (Incorporation) Act, No. of 2021. | | Incorporation |
| **2.** | (1) From and after the date of commencement of this |
| 20 | Act, such and so many persons now are members of the Milco | | of the Milco |
| Milk |
| Milk Producers’ Foundation (hereinafter referred to as the | |
| Producers’ |
| “Foundation”) and shall hereafter be admitted as members of | |
| Foundation |
| the body corporate hereby constituted shall have perpetual | |
| succession under the name and style of the Milco Milk | |

Producers’ Foundation (hereafter referred to as the “body corporate”) and by that name may sue and be sued with full power and authority to have, and use a common seal and alter the same at its pleasure.

25 (2) The body corporate shall be deemed to be a voluntary social service organization within the meaning and for the purpose of the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the 30 management of the affairs of the body corporate.

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| 5 | **3.** | The general objects for which the body corporate is | General |
| constituted are hereby declared to be— | | objects of the |
| body |
| (*a*) to develop milk production as a successful economic | | corporate |
| venture and thereby to uplift the living standards of | |
| members of the Foundation and promote economic | |

development;

(*b*) to collaborate with the Milco Private Limited for the benefit of the members of the Foundation;

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| 10 | (*c*) to formulate the necessary structure for the membership to receive benefits through its |

participation in the promotion of local milk industry;

(*d*) to take all necessary measures to produce pure and high quality milk;

(*e*) to provide necessary advice and assistance to the

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| 15 | members to ensure and economically successful and effective milk production; and |

(*f*) to provide necessary facilities for the sale of milk   
 through Milco Private Limited.

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| 20 | **4.** | The objects of the body corporate shall be carried out | Body |
| in such manner so as not to create any conflict between the | | corporate to |
| work of the body corporate and any work being carried out | | ensure no |
| conflict with |
| simultaneously by any Ministry or Department of the | |
| work of |
| Government or of any Provincial Council. | |
| Ministry or |

Department   
of the   
Government   
or Provincial   
Council

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| 25 | **5.** | (1) Subject to the provisions of this Act and the rules | Management |
| made under section 7, the management and administration | | of the affairs |
| of the body |
| of the affairs of the body corporate shall be carried out by a | |
| Corporate |
| Council consisting of such number of office bearers including | |

the Chairperson and the Secretary, elected or appointed in accordance with the rules made under section 7.

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| 5  10 | (2) (*a*) The Council of the Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (*b*) function as an Interim Council of the body corporate until the first Council is appointed or elected in the manner provided for by rules made under section 7.  (*b*) Subject to the provisions of section 7, the Interim Council shall have the power to make rules for the interim administration of the body corporate and for election or appointment of the members of the first Council not inconsistent with the provisions of this Act or any other written law. |

(*c*) Any decision of the Interim Council shall be taken by the majority of its members present at such meeting.

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| 15  20  25 | (*d*) The first Council shall be appointed or elected within one year of the date of commencement of this Act.  (3) (*a*) Every office bearer of the Council including the patrons and advisers, if any, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be elegible for re-appointment or re-election after lapse of the said period of three years.  (*b*) In the event of a vacancy occurring due to the death, resignation incapacity or removal from office of an office bearer, the Council shall, having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy. |

(c*)* The person elected or appointed under paragraph *(b)* shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

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| 30 | **6.** | Subject to the provisions of this Act, and any other | Powers of the |
| written law, the body corporate shall have the power to do, | | body |
| perform and execute the following acts for the achievement | | corporate |
| of the objects of the body corporate:— | |
| (*a*) | subject to the consent of the Chairperson of Milco, |
| to purchase, construct, renovate, rent and otherwise | |

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obtain lands or building which may be required for the purposes of the body corporate and to deal with or dispose of the same as may be deemed expedient with a view to promoting the objects of the body 5 corporate;

(*b*) enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment 10 of the objects or the exercise of the powers of the body corporate;

(*c*) to borrow or raise funds with or without securities   
and to receive grants, gifts or donations in cash or   
kind:

15 Porvided that, the council shall obtain the prior written approval of the Department of External Resources of the Ministry of the Minister assigned the subject of Finance, in respect of all foreign grants, gifts or donations made to the body 20 corporate;

(*d*) to establish and maintain working committees and   
farmer societies in areas as may be determined by   
the Council for the purposes of this Act;

(*e*) to make, draw, accept, discount, endorse, negotiate, 25 buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accouts in any bank as may be determined by the Council;

(*f*) to invest any funds that are not immediately required

30 for the purposes of the body corporate, in such manner as may be determined by the Council;

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(*g*) to undertake, accept, execute, perform and   
 administer any lawful trust or any real or personal   
 property with a view to promoting the objects of the   
 body corporate;

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| 5 | (*h*) | to appoint, employ, dismiss or terminate the services |

of officers and servants of the body corporate and   
exercise disciplinary control over them and to pay   
them such salaries and allowances and gratuities as   
may be determined by the body corporate;

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| 10 | (*i*) | to liaise and co-ordinate with other local or foreign |

institutions having similar objects to that of the body   
corporate;

(*j*) to train officers and servants for the purposes of the   
 body corporate; and

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| 15 | (*k*) | to do all such lawful things as are necessary or |

expedient for the attainment of the objects of the   
body corporate.

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| 20 | **7.** | (1) It shall be lawful for the body corporate, from time | Rules of the |
| to time, at any annual general meeting of the body corporate | | body |
| corporate |
| and by a majority of not less than two - thirds of the members | |

present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters :—

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| 25 | (*a*) | the classification of membership, admission, |
| withdrawal, expulsion or resignation of members |

and fees payable by such members;

(*b*) the election of office bearers of the Council or vacation of or removal from office of office bearers and the powers, duties and functions and 30 remuneration of the office bearers;

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(*c*) the terms and conditions of appointment, powers,   
functions, duties and remuneration of various   
officers and servants of the body corporate;

(*d*) the procedure to be followed in the summoning and 5 holding of meetings of the body corporate and of the Council, or notices and agenda of such meetings, the quorum and the conduct of business thereat;

(*e*) the qualifications and disqualifications to be a 10 member of the Council and the body corporate;

(*f*) the administration and management of the property   
 of the corporate;

(*g*) the powers, functions, duties and any matter relating to the working committees and farmer societies 15 established by the Council; and

(*h*) generally, the management of the affairs of the body   
corporate and the accomplishment of its’ objects   
and dissolution of the body corporate.

(2) Any rule made by the body corporate may be 20 amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1).

(3) The rules made under this section shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

25 (4) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.**  The Council shall maintain a register of members in Register of which the name, address and other essential details of the members

members shall be inscribed.

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| **9.** | (1) The body corporate shal have its own Fund. | Fund of the  body  corporate |
| (2) All moneys received by way of gifts, bequests, | |

donations, subscriptions, fees or grants for and on account of

|  |  |
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| 5 | the body corporate shall be deposited in one or more banks approved by the council to the credit of the body corporte |

subject to the provisions of section 6(*c*).

(3) All sums of money lying to the credit of the Milco Milk Farmers’ Community Protection Fund (hereinafter

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| 10 | referred to as the “Fund”) shall from the date of coming into operation of this Act, be credited to the Fund of the body |

corporate.

(4) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by

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| 15 | the body corporate in the exercise, performance and | | Accounts and |
| discharge of its powers, duties and functions under this Act. | |
| **10.** | (1) The financial year of the body Corporate shall be |
| the calendar year. | | auditing |

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and 20 all other transactions of such body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor-General or a qualified auditor appointed by the Auditor-General in terms of the provisions

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| 25 | of Article 154 of the Constitution and be certified by the Auditor-General or such qualified auditor. |

(4) For the purpose of this section “qualified auditor”means-

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| 30 | (*a*) | an individual who, being a member of the |
| Institute of Chartered Accountants of Sri Lanka |
| or of any other Institute establishment by law, |

possesses a certificate to practice as an   
Accountant, issued by the Council of such

Institute; or

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(*b*) a firm of Accountants, each of the resident   
 partners of which, being a member of the Institute   
 of Chartered Accountants of Sri Lanka or of any

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| 5 | other Institute established by law, possesses a certificate to practice as an Accountant, issued |

by the Council of such Institute.

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| **11.** (1) The Council shall prepare a report of the activities of the boby corporate for each financial year and submit such | Annual  report |

report together with the audited statement of accounts certified 10 by the Auditor-General or qualified auditor referred to in section 10 to the Secretary of the Ministry of the Minister assigned the subject of Social Services and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organizations (Registration

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| 15 | and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such |

report relates.

(2) A separate statement of Account relating to the foreign and local Funds received by the body corporate during the

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| --- | --- | --- |
| 20 | financial year shall be attached to the report referred to in | Debts due by |
| subsection (1). |
| **12**. All debts and liabilities of the Foundation existing |
| 25 | on the day immediately preceding the date of commencement | and payable |
| to the |
| of this Act, shall be paid by the body corporate hereby |
| Foundation |
| constituted and all debts due to and subscriptions and |
| contributions payable to the Foundation on that day shall be |

paid to the body corporate for the purpose of this Act.

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| 30 | **13.** Subject to the provisions of this Act, the body | Body |
| corporate shall be able and capable in law to take and hold | corporate |
| may hold |
| any property, movable and immovable, which may become |
| property |
| vested in it by virture of any purchase, grant, gift, testamentary |
| movable and |
| disposition or otherwise, and all such property shall be held | immovable |

by the body corporate for the purpose of this Act and subject to the rules made under section 7, with power to sell, mortgage, 35 lease, exchange, or otherwise dispose of the same.

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| **14.** | The moneys and property of the body corporate shall | Application  of moneys  and property |
| be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or | |

transferred directly or indirectly by way of dividend, bonus

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | or profit or otherwise to the members of the body corporate. | | Seal of the |
| **15.** | (1) The Seal of the body corporate shall be affixed |
| to any instrument except in the presence of the Chairperson | | body |
| corporate |
| and the Secretary who shall sign their names to the instrument | |

in token of their presence and such signing shall be 10 independent of the signing of any person as a witness.

(2) The seal of the body corporate shall be in the custody of an officer bearer of the Council as may be decided by the Council.

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| 15 | **16.** | (1) If upon the dissolution of the body corporate | Property |
| there remains after the satisfaction of all its debts and | | remaining on |
| dissolution |
| liabilities any preperty whatsoever, such property shall not | |

be distributed among the members of the body corporate but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is 20 by the rules thereof, prohibited from distributing any income or property among their members.

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general

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| --- | --- | --- | --- |
| 25 | meeting by the majority of votes of the members present. | | Saving of the |
| **17.** | Nothing in this Act contained shall prejudice or |
| 30 | affect the rights of the Republic or any body politic or | | rights of the |
| Republic |
| corporate. | |
| **18.** | In the event of any inconsistency between the | Sinhala text |
| Sinhala and Tamil texts of this Act, the Sinhala text shall | | to prevail in |
| case of |
| prevail. | |
| inconsistency |

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| 10 | *Milco Milk Producers’ Foundation* |

*(Incorporation)*

Department of Government Printing