



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

GRAMODAYA MANDALA FUND

ACT, No. 28 OF 1982

[Certified on 11th August, 1982]

Printed on the Orders of Government

**Published as a Supplement to Part II of the Gazette of the Democratic
Socialist Republic of Sri Lanka of August 13, 1982**

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA

TO BE PURCHASED AT THE PUBLICATIONS BUREAU, COLOMBO

Price : 65 cents

Postage 50 cents

[Certified on 11th August, 1982]

L.D.—O. 19/82

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A FUND CALLED THE GRAMODAYA MANDALA 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 Gramodaya Mandala Fund Act, No. 28 of 1982.

Short title.

2. (1) There shall be established a Fund to be called "the Gramodaya Mandala Fund" (hereinafter referred to as "the Fund").

Establishment of the Gramodaya Mandala 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 Governors constituted as hereinafter provided.

Board of Governors of the Fund.

(2) The Board of Governors of the Fund (hereinafter referred to as "the Board") shall consist of—

(a) the Minister who shall be the Chairman of the Board;

(b) the Minister in charge of the subject of Finance;

(c) the Minister in charge of the subject of Cultural Affairs;

(d) the Minister in charge of the subject of Agriculture;

(e) the Minister in charge of subject of Education;

(f) the Minister in charge of the subject of Social Services;

(g) the Minister in charge of the subject of Rural Development;

(h) the Minister in charge of the subject of Rural Industrial Development;

(i) the Leader of the Opposition in Parliament;

(j) the Secretary to the Prime Minister;

(k) the Secretary to the Ministry of the Minister; and

(l) three other persons appointed by the Minister (hereinafter referred to as "appointed members") who shall hold office for a period of three years from the date of appointment and shall be eligible for re-appointment.

(3) The Minister shall appoint a suitable person to act as the Secretary to the Board.

(4) The Minister may, if he considers it expedient so to do, remove any appointed member of the Board without assigning a reason therefor.

(5) An appointed member of the Board may at any time resign his office by letter addressed to the Minister.

(6) The quorum for a meeting of the Board shall be four members.

(7) Subject to the provisions of subsection (6), the Board may regulate the procedure in regard to its meetings and the transaction of business at such meetings.

(8) The Board may act notwithstanding a vacancy among its members.

Seal
of the
Fund.

4. The seal of the Fund—

(a) shall be in the custody of such persons as the Board may from time to time determine; and

(b) may be altered in such manner as may be determined by the Board; and

(c) shall not be affixed to any instrument or document except with the sanction of the Board and in the presence of two members of the Board who shall sign the instrument or document in token of their presence.

Powers of
a Gramodaya
Mandalaya.

5. Every Gramodaya Mandalaya shall, in addition to any power conferred on it by any other law, and in relation to the area for which it has been established, have the following powers:—

(a) to undertake works which would contribute to strengthen the village economy;

(b) to undertake works which would contribute to village social welfare, cultural and community development; and

(c) to undertake any work pertaining to the subjects assigned to Development Councils under the Development Councils Act, No. 35 of 1980, and specified in the Schedule hereto,

so however, that such powers shall be in addition to, and not in derogation of, the powers conferred on the Government and Development Councils by the Development Councils Act, No. 35 of 1980, or any other law.

6. The object of the Fund shall be to grant financial and other assistance to Gramodaya Mandala to carry out any work or project commenced by any such Gramodaya Mandala in the exercise of any power conferred on it by section 5.

Object of the Fund.

7. (1) The Board shall, in the name of the Fund, have, subject to the provisions of this Act and any other law, the power to do all such acts as are necessary for, or conducive or incidental to, the carrying out of the objects of the Fund.

Powers, duties and functions of the Board.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Board may exercise and discharge the following powers and functions:—

(a) to raise funds or receive grants, gifts or donations in cash or kind, whether from local or foreign sources;

(b) to acquire, hold, take or give on lease or mortgage, pledge, sell or otherwise dispose of, movable or immovable property;

(c) to conduct lotteries with the approval of the Government to collect moneys for the furtherance of the objects of the Fund;

(d) to hold competitions and to award prizes, certificates and other forms of recognition to any Gramodaya Mandalaya, any member thereof or any other person, who takes part in any such competition;

(e) to enter into or perform either directly or through officers and servants or agents authorized in writing in that behalf by the Board, all such contracts and agreements as may be necessary for the exercise, discharge and performance of the powers, functions and duties and for carrying out the objects of the Fund;

(f) to invest funds belonging to the Fund in any such investments as are authorized by law and to recall, reinvest and vary such investments and to collect income accruing from such investments;

(g) to make rules in relation to all matters connected with the working of the Fund, the financial control of, and accounting procedures relating to, any moneys disbursed to any Gramodaya Mandala, the procedure for application by Gramodaya Mandala for financial or any other assistance from the Fund, and the conditions to be imposed for ensuring the proper application of any financial or other assistance granted to Gramodaya Mandala by the Fund;

(h) subject to the provisions of this Act, to appoint, employ and remunerate officers and servants of the Fund and to make rules regarding the appointment, promotion, remuneration and disciplinary control of its employees and the grant of leave and other benefits to them; and

(i) to do such other acts and things as the Board may consider necessary or conducive for the attainment of the objects of the Fund.

Grants by the Government.

8. (1) As soon as convenient after the date of commencement of this Act, the Government shall make a payment of one million rupees as an initial grant to the Fund.

(2) The Government may, in addition to the initial grant referred to in subsection (1), donate to the Fund from time to time grants for the purpose of carrying out the aims and objects of the Fund.

Transfer of certain moneys to the Fund.

9. With effect from the date of commencement of this Act, the moneys lying to the credit of the account called the "Gramodaya Mandala Fund" in the Bank of Ceylon comprising—

(a) fifty thousand rupees donated by the Hon. R. Premadasa, Prime Minister; and

(b) four million five hundred thousand rupees donated by the Sevana Fund of the National Housing Development Authority, shall be transferred to the Fund.

- 10.** There shall be paid into the Fund—
- (a) any fund raised, or grants, gifts or donations received or moneys realised or collected under section 7 (2);
 - (b) the initial grant made by, and any such other grant as may be received from, the Government under section 8;
 - (c) the moneys transferred to the Fund by virtue of the provisions of section 9; and
 - (d) any income from investments or other receipts due to the Fund.

Payments
into the Fund.

- 11.** There shall be paid out of the Fund—
- (a) expenses necessary for the working, establishment and maintenance of the Fund;

Payments out
of the Fund.

- (b) the payment of salaries to officers, servants and other employees; and
- (c) all such other payments as are approved by the Board as being necessary for the purposes of carrying out the objects of the Fund, and exercising and performing its powers and duties under this Act.

12. (1) The Board shall cause proper books of accounts to be kept of the income and expenditure and all other transactions of the Fund.

Accounts and
audit.

(2) The Board shall cause its books to be balanced as on the thirty-first day of December in each year and shall, before the thirty-first day of March next, cause to be prepared, an income and expenditure account and a balance sheet containing a summary of the assets and liabilities of the Fund made up to the first-mentioned date.

(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 Auditor-General shall audit the accounts of the Fund every year in accordance with Article 154 of the Constitution.

13. The financial year of the Fund shall be the calendar year.

Financial
year of the
Fund.

Exemption
of the
Fund from
payment of
certain
duties and
taxes.

14. (1) The Minister in charge of the subject of Finance may exempt the Fund from payment of any customs duty on any goods imported by the Fund if the import of such goods is considered to be conducive for the advancement of the aims and objects of the Fund.

(2) The Fund shall be exempt from any income tax or wealth tax payable under the Inland Revenue Act, No. 28 of 1979.

(3) Where any person makes a gift to the Fund, he shall be exempt from the payment of gifts tax under the Inland Revenue Act, No. 28 of 1979, to the extent of the total value of the gift.

(4) Where any person makes a donation to the Fund such donation shall be deemed to be an approved expenditure for the purposes of the Inland Revenue Act, No. 28 of 1979, and the donor shall be entitled to relief under that Act in respect of the total value of such donation.

(5) The provisions of this section shall have effect notwithstanding anything to the contrary in the Customs Ordinance or the Inland Revenue Act, No. 28 of 1979, as the case may be.

Appointment
of public
officers and
members of
the Local
Government
Service to
to Fund.

15. (1) At the request of the Board, any officer in the public service may, with the consent of that officer and the Secretary to the Ministry of the Minister in charge of the subject of Public Administration, be temporarily appointed to the staff of the Fund for such period as may be determined by the Board with like consent, or with like consent be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Fund, the provisions of subsection (2) of section 13 of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(3) Where any officer in the public service is permanently appointed to the staff of the Fund, the provisions of subsection (3) of section 13 of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(4) Where the Board employs any person who has entered into a contract with the Government to serve the Government for a specified period, any period of service to the Fund by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

(5) At the request of the Board, any member of the Local Government Service or any other officer or servant of any local authority may, with the consent of such member, officer or servant and the Local Government Service Advisory Board or that authority, as the case may be, be temporarily appointed to the staff of the Fund for such period as may be determined by the Board with like consent, or with like consent be permanently appointed to such staff on such terms and conditions, including those relating to pension or provident fund rights, as may be agreed upon by the Board and the Local Government Service Advisory Board or that authority, as the case may be.

(6) Where any person is temporarily appointed to the staff of the Fund in pursuance of the provisions of subsection (5) he shall be subject to the same disciplinary control as any other member of such staff.

16. (1) No suit or prosecution shall be instituted against any member of the Board or against any officer, servant or agent of the Fund appointed for the purposes of this Act for any act which is in good faith done or purported to be done by such person under this Act or on the direction of the Board.

Protection of members of the Board and officers &c., of the Fund for action under this Act.

(2) Any expense incurred by the Fund in any suit or prosecution brought by or against the Fund before any court shall be paid out of the Fund, and any costs paid to, or recovered by, the Fund in any such suit or prosecution shall be credited to the Fund.

(3) Any expense incurred by any such person as is referred to in subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or purported to be done by him under this Act or on the direction of the Board shall, if the court holds that such act was done in good faith, be paid out of the Fund unless such expense is recovered by him in such suit or prosecution.

17. No writ against person or property shall be issued against any member of the Board or any officer or servant of the Fund in any action brought against the Fund.

No writ to issue against person or property of a member of the Fund.

Officers and servants of the Fund deemed to be public servants under the Penal Code.

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

Interpretation.

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

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

20. In this Act, unless the context otherwise requires—

“Bank of Ceylon” means the Bank of Ceylon established by the Bank of Ceylon Ordinance;

“Development Council” means a Development Council constituted under the Development Councils Act, No. 35 of 1980;

“Gramodaya Mandala” means any Gramodaya Mandala established under section 17A of the Development Councils Act, No. 35 of 1980, as amended by Act No. 45 of 1981;

“Minister” means the Minister in charge of the subject of Local Government;

“National Housing Development Authority” means the National Housing Development Authority established by the National Housing Development Authority Act, No. 17 of 1979.

SCHEDULE

[Section 5]

Subjects

- (i) Agrarian Services
- (ii) Agriculture
- (iii) Animal Husbandry
- (iv) Co-operative Development
- (v) Cultural Affairs
- (vi) Education
- (vii) Employment
- (viii) Fisheries
- (ix) Food
- (x) Health Services
- (xi) Housing
- (xii) Irrigation works (which are not of an inter-district character)
- (xiii) Land use and Land settlement
- (xiv) Rural Development
- (xv) Small and medium scale industries