

# PARLIAMENT OF CEYLON

1st Session 1970-71



## Paddy Marketing Board Act, No. 14 of 1971

*Date of Assent : March 16, 1971*

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*Paddy Marketing Board Act, No. 14 of 1971*

L. D.—O. 34/70.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A BOARD TO CARRY ON THE BUSINESS AS PURCHASER, SELLER, SUPPLIER, DISTRIBUTOR, HULLER, MILLER OR PROCESSOR OF PADDY AND RICE, AND TO PROVIDE FOR SERVICES IN CONNECTION THEREWITH AND FOR THE COMPULSORY ACQUISITION OR REQUISITION FOR SUCH BOARD OF ANY IMMOVABLE OR MOVABLE PROPERTY, TO PROVIDE THE MODE AND MANNER OF PAYMENT OF COMPENSATION, AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[Date of Assent: March 16, 1971]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Paddy Marketing Board Act, No. 14 of 1971. Short title.

## PART I

### CONSTITUTION, OBJECTS, POWERS AND FUNCTIONS OF THE PADDY MARKETING BOARD

2. (1) There shall be established a Board which shall be called the Paddy Marketing Board (hereinafter referred to as "the Board") and which shall consist of the persons who are for the time being members of the Board under section 14.

Establishment  
of the Paddy  
Marketing  
Board.

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

3. The general objects of the Board shall be—

General  
objects of the  
Board.

- (a) to carry on the business of purchasing, selling, supplying and distributing paddy and rice;
- (b) to carry on the business of milling, hulling and processing of paddy and rice;
- (c) to carry on any such other business as may be incidental or conducive to the attainment of the objects referred to in paragraphs (a) and (b); and
- (d) to do all other things which in the opinion of the Board are necessary to facilitate the proper carrying on of its business.

Exclusive right to purchase, sell, supply or transport or to carry on the business of hulling, milling or processing of paddy and rice vested in the Board.

**4.** (1) The Minister, after consultation with the Board, may, by Order published in the *Gazette*, declare that with effect from such date as shall be specified in that Order the right—

- (a) to purchase, sell, supply, transport or distribute paddy and rice;
- (b) to carry on the business of hulling, milling or processing of paddy and rice,

shall, save as otherwise expressly provided by or under this Act, vest exclusively in the Board within such area as may be specified in such Order. Any such Order may be amended, varied or revoked by the Minister by a like Order.

(2) Any Order made under sub-section (1) may be made in respect of any or all the matters referred to in paragraph (a) or paragraph (b) or in both such paragraphs and may be made applicable to the whole or any part of Ceylon and the term “area” in sub-section (1) shall be read and construed accordingly.

(3) So long as an Order made by the Minister under sub-section (1) is in force, no person, other than the Board, shall, save as otherwise expressly provided by or under this Act purchase, sell, supply, transport or distribute or carry on the business of hulling, milling or processing of paddy and rice within the area specified in that Order.

(4) No person shall be entitled to compensation for any loss incurred by him whether directly or indirectly or by loss of business or otherwise by reason of the coming into operation of an Order under sub-section (1).

(5) The purchase, sale, supply, transport, distribution, hulling, milling or processing of paddy and rice by any person shall be deemed not to be—

- (a) an interference with or in violation of the exclusive right vested in the Board by sub-section (1), or
- (b) a contravention of the provisions of sub-section (3),

if, but only if, it is done under the written authority of the Board under sub-section (6) or in the exercise or performance of any power or function or the discharge of any duty under the Food Control Act.

(6) (a) (i) The Board may authorize any society registered under the Co-operative Societies Ordinance or a Cultivation Committee constituted under the Paddy Lands Act, No. 1 of 1958, or any officer of the Government who is not an officer of the Department of Agrarian Services or a person or body of persons (corporate or unincorporate) to purchase paddy.

Cap. 124.

(ii) The Board may authorize the Commissioner of Agrarian Services or any officer of the Department of Agrarian Services authorized by such Commissioner to purchase paddy on behalf of the Board.

(iii) The Commissioner, an officer of the Department of Agrarian Services or the society or the Cultivation Committee or the Government officer other than the officer of the Department of Agrarian Services or the person or body of persons referred to in the preceding sub-paragraphs (i) and (ii) shall hereinafter be called the "authorized purchaser".

(b) The Board may authorize any authorized purchaser to sell, supply, transport, distribute or carry on the business of hulling, milling or processing of paddy and rice.

(7) Where any authority has been granted under section 5 of the Agricultural Products (Guaranteed Prices and Control of Hulling and Milling) Act, No. 33 of 1961, to the Commissioner or any officers of the Department of Agrarian Services or to a society registered under the Co-operative Societies Ordinance or to any officer of Government, for the purchase of any scheduled agricultural product, then, so far as and so far only as that authority relates to the purchase of paddy within any area specified in an Order under sub-section (1), such authority shall be deemed to be authority granted by the Board under the provisions of this Act.

Cap. 124.

5. Notwithstanding the provisions of the Agricultural Products (Guaranteed Prices and Control of Hulling and Milling) Act, No. 33 of 1961, the Board may after consultation with the Commissioner of Agrarian Services and the Guaranteed Prices Advisory Committee and with the approval of the Minister given after consultation with the Minister of Finance fix a guaranteed price in respect of any variety of paddy or any grade of any variety of paddy.

The Board may fix guaranteed price for a variety of paddy or different grades of such variety.

**Termination  
of licences for  
hulling or  
milling paddy  
issued under  
Act, No. 33 of  
1961.**

**Authorized  
purchaser to pay  
the guaranteed  
price for  
purchase of  
paddy.**

**From whom  
the Board or  
authorized  
purchaser may  
purchase paddy.**

**Recovery of  
moneys due to  
Government or  
to co-operative  
societies.**

**Cap. 124.**

**6.** On the dates specified by the Minister by Order made and published in the *Gazette* under sub-section (1) of section 4 in respect of hulling and milling of paddy, all licences to carry on the business of hulling or milling of paddy in force on the day immediately preceding that date shall cease to be in force notwithstanding anything to the contrary in the Agricultural Products (Guaranteed Prices and Control of Hulling and Milling) Act, No. 33 of 1961.

**7.** Where there is a guaranteed price fixed under the Agricultural Products (Guaranteed Prices and Control of Hulling and Milling) Act, No. 33 of 1961, for paddy or for any grade of paddy, or under this Act for any variety of paddy or any grade of any variety of paddy, the Board or the authorized purchaser shall not pay for the purchase of such paddy or such grade of paddy or such variety of paddy or any grade of any such variety of paddy a price other than such guaranteed price.

**8.** (1) The Board shall not purchase paddy from any person other than from an authorized purchaser or a producer of such paddy.

(2) An authorized purchaser under paragraph (a) of sub-section (6) of section 4, shall not purchase paddy from any person other than the producer of such paddy or purchase paddy and rice from any person other than the authorized purchaser under paragraph (b) of sub-section (6) of section 4.

**9.** (1) Where any paddy is sold under this Act by a producer it shall be lawful for the Board or any authorized purchaser to deduct from the amount payable to such producer for the paddy so sold, such sums as may be due from such producer—

(a) to the Government; or

(b) to any society registered under the Co-operative Societies Ordinance,

in respect of any loan or advance of moneys obtained by such producer for any purpose connected with the cultivation of such paddy.

(2) Any sum recovered under sub-section (1) shall—

(a) where such money is due to the Government, be paid to the Commissioner of Agrarian Services and such Commissioner shall credit such sum to the Consolidated Fund; and

(b) where such sum is due to any society, be paid to that society.

**10.** (1) Save as otherwise provided by sub-section (6) of section 4, after the coming into force of an Order made under sub-section (1) of that section, no person shall carry on the business of hulling, milling or processing of paddy and rice, except under the authority of a licence issued under sub-section (2):

Control of  
hulling, milling  
or processing of  
paddy and rice.

Provided, however, that it shall not be a contravention of the preceding provisions, if a person who has commenced to carry on the business of hulling or milling of paddy prior to the date of operation of an Order under section 4, and who is entitled to make an application under sub-section (3) of this section, and who has applied for a licence under that sub-section, continues to carry on such business until the determination of his application.

(2) The Board may issue a licence in respect of a huller or mill of a specified capacity to any person to carry on the business of hulling, milling or processing of paddy and rice, subject to such terms and conditions as may be specified in the licence.

(3) (a) Every application for a licence to carry on any business as is specified in sub-section (1) shall be in the prescribed form. Every person carrying on the business of hulling or milling of paddy on the date of the coming into operation of this Act may apply to the Board for a licence within one month after that date.

(b) The Board may in its discretion issue or refuse to issue a licence to an applicant thereof.

(c) Where the Board refuses to issue a licence to an applicant thereof the Board shall cause notice of the refusal to be given to the applicant.

(d) Every licence authorizing the carrying on of any such business as is specified in sub-section (1) shall be in the prescribed form.

(e) A licence issued under sub-section (1) shall be subject to such conditions as may be specified in that licence.

(f) The Board may cancel the licence issued under sub-section (1) if the licensee contravenes or fails to comply with any condition to which the licence is subject.

(g) Where the Board cancels the licence under paragraph (f) the Board shall cause notice of the cancellation to be given to the licensee.

(h) An applicant for a licence who is aggrieved by the decision of the Board refusing to issue a licence, or the licensee who is aggrieved by the decision of the Board cancelling his licence may within one month after the date of such decision appeal in writing from such decision to the Minister.

(i) The Minister's decision on any appeal under paragraph (h) shall be final and conclusive and shall not be questioned in any Court.

(4) Except under the written authority of the Board no person shall—

- (a) instal or cause to be installed in any place; or
- (b) transfer or cause to be transferred from one location to another,

a huller, or mill or plant, machinery or equipment for hulling, milling or processing of paddy and rice.

**Control of the disposal of equipment and facilities intended to be used for the sale, supply, distribution, transport, storage, hulling, milling or processing of paddy and rice.**

11. On and after the coming into operation of this Act and save as otherwise expressly provided by or thereunder, no person who was carrying on the business of purchasing, selling, supplying, transporting, distributing or carrying on the business of hulling, milling, or processing of paddy and rice, shall sell, lease, transfer, hypothecate or alienate or dispose in any other manner or convert to some other use any huller, mill, plant, machinery, equipment or facilities which had been or is or are being used or is or are or was or were intended to be used by him for the purpose or in connection with his business.

**Control of the establishment and maintenance of equipment and facilities for sale, supply, transport or distribution, hulling, milling, or processing of paddy and rice.**

12. On and after the date of coming into operation of this Act, no person, other than the Board or any authorized purchaser, shall establish, instal or maintain any plant, machinery or equipment or facilities for the sale, supply, transport or distribution, hulling, milling or processing of paddy and rice, except with the written authority of the Board, or under the authority of a permit or licence for the time being in force issued under any written law prior to the date of the coming into operation of this Act and in accordance with the terms and conditions subject to which such authority, permit or licence is granted.

**Powers of the Board.**

13. (1) The Board may exercise all or any of the following powers:—

- (a) to acquire, hold, take on lease or hire, mortgage, sell or otherwise dispose of any movable or immovable property;

- (b) to exercise the exclusive right of purchase, sale, supply, distribution, hulling, milling or processing of paddy and rice;
- (c) to enter into joint schemes with any Government Department or any body approved by the Minister for the purchase, sale, supply, distribution, transport, hulling, milling or processing of paddy and rice;
- (d) to grant loans and advances to authorized purchasers and agents;
- (e) to import plant, machinery and equipment required for the business of the Board;
- (f) to instal, operate and establish plant, machinery and equipment for hulling, milling or processing of paddy and rice;
- (g) to establish and maintain purchasing stations and storage facilities for paddy and rice;
- (h) to maintain shops for the display, sale, supply and distribution of rice and paddy and by-products;
- (i) to enter and inspect any stores or other premises of an authorized purchaser, or licensee or any place where a person is carrying on the business of hulling, milling or processing of paddy or rice and any stores of such person maintained for the purpose of business;
- (j) to fix a guaranteed price for any variety of paddy or any grade of any variety of paddy;
- (k) to carry out investigations and record data concerning production, sale, supply, storage, purchase, distribution, hulling, milling or processing of paddy and rice;
- (l) to conduct, assist and encourage research into all aspects of the rice processing industry, and use of by-products;
- (m) to make charges for any service rendered by the Board in carrying on its business;
- (n) to enter into and perform, either directly or through any officer or agent authorized in that behalf, all such contracts as may be necessary for the performance of its duties and the exercise of its powers;

- (o) to do anything for the purpose of advancing the skill of persons employed by the Board or the efficiency of the equipment of the Board, or the manner in which that equipment is operated including the provisions by the Board and the assistance of the provision by others of facilities for training persons required to carry out the work of the Board;
- (p) to establish a provident fund and provide welfare and recreational facilities, houses, hostels and other like accommodation for persons employed by the Board;
- (q) to delegate to any member or officer of the Board or to any public officer such functions as the Board may consider necessary so to delegate for the efficient transaction of its business;
- (r) to make rules in relation to its officers and servants including the appointment, promotion, remuneration, disciplinary control, conduct and grant of leave;
- (s) to make rules in respect of the administration of the affairs of the Board;
- (t) to do all other things which in the opinion of the Board are necessary to facilitate the proper carrying on of its business.

(2) The Minister may by Order authorize the Board, subject to such conditions as may be specified in the Order, to carry on any undertaking or business or to do any act or thing not mentioned in the preceding provisions of this section, if he is satisfied that it is expedient so to do for purposes connected with the efficient discharge and performance of the powers and duties conferred or imposed on the Board by such preceding provisions.

(3) Every Order made under sub-section (2) shall be published in the *Gazette* and shall come into force on the date of such publication.

(4) Every Order made under sub-section (2) shall as soon as convenient after publication in the *Gazette* be brought before the Senate and the House of Representatives for approval. Any Order which is not so approved shall be deemed to be revoked as from the date of disapproval, but without prejudice to anything previously done thereunder. Every Order which is not so revoked shall be as valid and effectual as though it were herein enacted.

(5) Nothing in the preceding provisions of this section shall be construed as authorizing the disregard by the Board of any law for the time being in force.

**14.** (1) The Board shall consist of the following members:—

Constitution  
of the  
Board.

- (a) a Chairman appointed by the Minister;
- (b) two members appointed by the Minister from among persons who have had wide experience or shown capacity in agricultural, commercial or financial matters or in administration;
- (c) one member nominated by the Minister of Finance; and
- (d) three *ex officio* members, being—
  - (i) the Commissioner of Food,
  - (ii) the Commissioner of Co-operative Development, and
  - (iii) the Commissioner of Agrarian Services.

(2) The Minister may appoint one of the members of the Board, other than the Chairman, to be the Vice-Chairman of the Board.

(3) A person shall be disqualified from being appointed or being a member of the Board, if he is a Senator or Member of Parliament.

(4) Before appointing a person to be a member of the Board, the Minister shall satisfy himself that such person will have no financial or other interest as is likely to affect prejudicially the discharge by such person of his functioning as a member of the Board; and the Minister shall also satisfy himself from time to time, with respect to every member of the Board appointed by the Minister that he has no such interest.

Any person who is appointed by the Minister, or whom the Minister proposes to appoint, as a member of the Board shall, whenever requested by the Minister to do so, furnish to the Minister such information as the Minister considers necessary for the performance of his duties under this sub-section.

(5) A member of the Board who is in any way directly or indirectly interested in a contract made or proposed to be made by the Board shall disclose the nature of his interest at a meeting of the Board and

such disclosure shall be recorded in the minutes of the Board and the member shall not take part in the deliberation or decision of the Board with respect to that contract.

(6) Subject to the provisions of sub-section (7) every member of the Board, other than an *ex officio* member, shall—

- (a) hold office for a period of three years; and
- (b) be eligible for reappointment:

Provided that a member appointed by the Minister to fill a vacancy in the office of a member of the Board, shall hold office for the unexpired portion of the term of office of the member whom he succeeds.

(7) The Minister may in the interest and efficient performance of the functions or the discharge of the duties of the Board remove from office any appointed member.

(8) The removal of any member of the Board from office under sub-section (7) shall not be called in question in any Court.

(9) A member of the Board, other than an *ex officio* member, may resign from the Board by letter addressed to the Minister.

(10) Where any member of the Board becomes by reason of illness or other infirmity or absence from Ceylon, temporarily unable to perform the duties of his office the Minister may having regard to the provisions of sub-section (1) appoint a fit person to act in his place.

(11) If the Chairman or Vice-Chairman of the Board becomes by reason of illness or other infirmity or absence from Ceylon, temporarily unable to perform the duties of his office the Minister may appoint a fit person to act in his place.

(12) The Chairman, Vice-Chairman and members of the Board shall be remunerated in such manner and at such rates and shall be subject to the conditions of service as may be determined by the Minister with the concurrence of the Minister of Finance.

(13) The Minister may without assigning any reason terminate the appointment of the Chairman or the Vice-Chairman of the Board. The termination of appointment of the Chairman or the Vice-Chairman of the Board shall not be called in question in any Court.

(14) The Chairman or Vice-Chairman of the Board may resign the office of such Chairman or Vice-Chairman by letter addressed to the Minister.

(15) The quorum for a meeting of the Board shall be three members of the Board and subject as aforesaid the Board may regulate its own procedure.

(16) The Board may act notwithstanding its vacancies amongst its members.

(17) Subject to the provisions of sub-section (13), the term of office of the Chairman and the Vice-Chairman of the Board shall be the period of their membership of the Board.

**15.** (1) The general supervision, control and administration of the affairs and the business of the Board shall be vested in the members of the Board.

General control  
of the Board.

(2) The Board may delegate to any member or employee of the Board or any public officer any of its powers, functions or duties.

(3) Every person to whom any power, function or duty is delegated under sub-section (2) shall exercise or perform such power, function or duty delegated to him subject to the general and special directions of the Board.

**16.** (1) The seal of the Board shall be in the custody of the Board.

Seal of the  
Board.

(2) The seal of the Board may be altered in such manner as may be determined by the Board.

(3) The seal of the Board shall not be affixed to any instrument or document except in the presence of two members of the Board both of whom shall sign the instrument in token of their presence.

**17.** (1) The Minister may give such general or special directions in writing as to the performance of the duties and the exercise of the powers of the Board, and such Board shall give effect to such directions.

Powers of the  
Minister in  
relation to the  
Board.

(2) The Minister may, from time to time, direct the Board in writing to furnish to him in such form as he may require, returns, accounts and other information with respect to the property and business of the Board, and the Board shall carry out every such direction.

(3) The Minister may order all or any of the activities of the Board to be investigated and reported upon by such person or persons as he may specify and upon such order being made, the Board shall afford all such facilities and furnish all such information as may be necessary to carry out such order.

Officers and  
servants of  
Board deemed  
to be public  
officers.  
Cap. 19.

Board deemed  
to be a  
scheduled  
institution  
within the  
meaning of the  
Bribery Act.  
Cap. 26.

Regional  
Consultative  
Committees.

Appointment of  
staff of the  
Board.

Powers of the  
Board in regard  
to the staff of  
the Board.

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

**19.** The Board 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.

**20.** (1) The Minister may appoint one or more Regional Consultative Committees to advise the Minister and the Board on matters pertaining to the business of the Board.

(2) The Regional Consultative Committee or Regional Consultative Committees shall consist of such number of persons as the Minister may determine.

## PART II EMPLOYEES OF THE BOARD

**21.** The Board may appoint to the staff of the Board such officers and servants as may be necessary for the efficient discharge of its functions.

**22.** (1) The Board may make rules in respect of all or any of the following matters:—

- (a) the appointment, promotion, dismissal and disciplinary control over the staff of the Board;
- (b) the fixing of the wages or salary or other remuneration of such staff;
- (c) the terms and conditions of the service of such staff; and
- (d) the establishment and regulation of provident funds and schemes for the benefit of such staff.

(2) No rule made under sub-section (1) shall have effect until it has been approved by the Minister.

(3) At the request of the Board, any officer in the public service may, with the consent of that officer and the Permanent Secretary to the Ministry in charge of the Minister to whom the subject of public administration has been assigned, be temporarily appointed to the staff of the Board for such period as may be determined by the Board with like consent or be permanently appointed to such staff.

(4) Where any officer in the public service is temporarily appointed to the staff of the Board, sub-section (2) of section 9 of the Motor Transport Act, No. 48 of 1957, shall *mutatis mutandis* apply to and in relation to him.

(5) Where any officer in the public service is permanently appointed to the staff of the Board, sub-section (3) of section 9 of the Motor Transport Act, No. 48 of 1957, shall *mutatis mutandis* apply to and in relation to him.

### PART III

#### FINANCE

23. (1) The initial capital of the Board shall be ten million rupees and such capital shall consist of grants or loans given or made available by the Government on such terms and conditions as may be determined by the Minister of Finance.

Capital of the Board.

(2) The amount of the initial capital of the Board shall be paid to the Board out of the Consolidated Fund in such instalments as the Minister of Finance may in consultation with the Minister determine.

(3) The capital of the Board may be increased from time to time by such amount as may be authorized by any Appropriation Act or by resolution of the House of Representatives and that amount shall be paid or made available to the Board by the Government by way of grant or loan on such terms and conditions as may be determined by the Minister of Finance.

24. (1) The Board shall have its own Fund.

The Fund of the Board

(2) There shall be paid into the Fund of the Board—

(a) all such sums of money as may be voted from time to time by Parliament for the use of the Board;

- (b) all such sums of money as may be advanced from time to time by the Minister to the Board; and
- (c) all such sums of money received by the Board in the exercise, discharge and performance of its powers and duties.

(3) There shall be paid out of the Fund of the Board all sums of money required to defray the expenditure incurred by the Board in the exercise, discharge and performance of its functions, powers and duties under this Act or any other written law and all such sums of money as are required to be paid out of such Fund by or under this Act.

**Borrowing powers of the Board.**

**25.** (1) The Board may, with the concurrence of both the Minister and the Minister of Finance, or in accordance with the terms of any general authority given with like concurrence, borrow, by way of overdraft or otherwise, or negotiate and obtain on credit terms, such sums as the Board may require for meeting the obligations of the Board or carrying out its objects:

Provided that the aggregate of the amounts outstanding in respect of any loans raised by the Board under this sub-section shall not at any time exceed such sum as may be determined by the Minister with the concurrence of the Minister of Finance.

(2) The Board may, with the consent of the Minister given with the concurrence of the Minister of Finance, borrow money otherwise than by way of temporary loan under sub-section (1) for all or any of the following purposes:—

- (a) the provision of money for any expenses incurred with any work involving the initial establishment, operation and maintenance of any apparatus or equipment required for the Board;
- (b) the requisition or acquisition of any movable or immovable property required for the business of the Board;
- (c) the repayment of any money temporarily borrowed under sub-section (1).

**Investment of funds of the Board.**

**26.** Any funds of the Board which are not immediately required for the purposes of the business of the Board may be invested by the Board in such

manner as the Board may determine with the approval of the Minister, given after consultation with the Minister of Finance.

27. The revenue of the Board in any year shall be applied in defraying the following charges in the order of priority set out hereunder:—

- (a) the working and establishment expenses (including allocations to the insurance reserve and depreciation reserve), in connection with the exercise and performance of the powers and duties of the Board, properly chargeable to revenue account;
- (b) the interest on any temporary loan raised by the Board;
- (c) any sum required to be transferred to any sinking fund or redemption fund; and
- (d) the interest on, and the repayment of, the principal of any Government loan to the Board.

Application of  
the revenue of  
the Board.

28. (1) The Board—

Reserves.

(a) may establish and maintain an insurance reserve to cover the insurance of the movable and immovable property of the Board and to meet third-party risks and liabilities arising under the Workmen's Compensation Ordinance; and

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(b) shall establish and maintain—

(i) a depreciation reserve to cover the depreciation of the movable and immovable property of the Board, and

(ii) a general reserve not exceeding such amount as may from time to time be determined by the Minister with the concurrence of the Minister of Finance.

(2) Such amount out of the surplus revenue of the Board in any year remaining after the charges mentioned in section 27 have been satisfied and providing for the payment of any tax shall be applied for

the following purposes in the order of priority set out hereunder:—

- (a) firstly, for the payment to the Consolidated Fund of such sum as may be determined annually by the Minister of Finance acting with the concurrence of the Minister;
- (b) secondly, for such other purposes including the payment of a bonus to the members of the staff of the Board as may be determined by the Board, with the approval of the Minister;

and the balance of such surplus revenue shall be applied for payment to the general and special reserves.

**Accounts and audit of accounts.**

29. (1) The Board shall cause proper accounts of the income and expenditure of the Board and of all its other transactions to be kept and shall prepare an annual statement of accounts and statistics relating to the business of the Board in such form and containing such particulars as the Minister with the concurrence of the Minister of Finance may from time to time specify.

(2) The accounts of the Board shall be audited annually by a qualified auditor (hereinafter referred to as "the auditor") appointed by the Minister on the advice of the Auditor-General. The auditor so appointed shall be—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Ceylon, possesses a certificate to practise as an Accountant issued by the Council of that Institute; or
- (b) a firm of Chartered Accountants each of the partners of which, being a member of that Institute, possesses a certificate to practise as an Accountant issued by the Council of that Institute.

The auditor shall receive such remuneration from the funds of the Board as the Minister may, with the concurrence of the Minister of Finance, determine.

(3) The Auditor-General shall have power—

- (a) to direct the manner in which the accounts of the Board shall be audited by the auditor and to give the auditor instructions in regard to any matter relating to the performance of his functions as auditor, and

(b) to conduct a supplementary or test audit of the accounts of the Board by such person or persons as the Auditor-General may authorize in that behalf and, for the purposes of such audit, to require information or additional information to be furnished to any person or persons so authorized on such matters, by such person or persons, and in such form, as the Auditor-General may, by general or special order, direct.

(4) The auditor shall examine the accounts of the Board and furnish a report stating—

(a) whether he has or has not obtained all the information and explanations required by him, and

(b) whether in his opinion the accounts have been drawn up so as to exhibit a true and fair view of the affairs of the Board.

(5) The auditor shall submit a copy of his audit report to the Auditor-General who shall have the right to comment upon, or supplement, the auditor's report in such manner as the Auditor-General may think fit.

(6) The Auditor-General shall transmit the auditor's report together with his comments upon, or his supplement to, such report to the Board.

30. The Auditor-General and the auditor appointed under section 29, and any person authorized by either of them, shall have access to all such books, deeds, contracts, vouchers and other documents of the Board as the Auditor-General or such auditor considers necessary for the purposes of the audit, and shall be furnished by the Board and the officers of the Board with such information within their knowledge as may be required for such purposes.

Powers of the Auditor-General and the auditor appointed by the Minister.

31. (1) The Board shall, as soon as possible after the end of each financial year of the Board, make to the Minister a report on the exercise and performance by such Board of its powers and duties during that year and on its policy and programme. Such report for any year shall set out any direction given by the Minister to the Board during that year.

Report of the Board and copies of the auditor's report, the Auditor-General's comments and supplement and statement of accounts and statistics to be sent to the Minister and laid before the Senate and the House of Representatives.

(2) The Board shall, on receipt of the auditor's report and the Auditor-General's comments thereon and supplement thereto, if any, in each year, transmit to the Minister—

- (a) a copy of such report and such comments or supplement; and
- (b) a copy of the statement of accounts and statistics prepared under sub-section (1) of section 29.

(3) The Minister shall lay copies of the report and statement referred to in sub-sections (1) and (2) before the Senate and the House of Representatives.

Financial  
year.

32. The financial year of the Board shall be the calendar year.

#### PART IV

##### ACQUISITION, REQUISITION, AND USE OF PROPERTY FOR OR BY THE BOARD

Notice of  
claim or  
disclaimer  
in respect  
of property  
required for  
the purposes  
of the Board.

33. (1) Any officer of the Board or any public officer authorized by the Minister may, by notice (hereafter in this Act referred to as a "notice of claim") published in the *Gazette* declare that any movable or immovable property, other than money, which had been, or is being or is or was intended to be, used for—

- (a) the purchase, sale, supply or distribution, hulling, milling or processing of paddy and rice;
- (b) the carrying on of such other business as may be incidental or conducive to the purposes referred to in paragraph (a),

is required for the purposes of the Board. Such property is hereafter in this Act referred to as "notified property".

(2) When a notice of claim is published under sub-section (1) any property contained in or found on such notified property shall be deemed to have been included in the notice of claim.

(3) The publication of a notice of claim made under sub-section (1) in respect of any property shall be conclusive proof that such property is required for the purposes of the Board and shall not be questioned in any Court.

(4) Where a notice of claim is published under sub-section (1), any officer of the Board authorized by the Minister may from time to time, by notice (hereafter in this Act referred to as a "notice of disclaimer") published in the *Gazette*, disclaim the need, for the purposes of the Board, of the whole or any part of the property included in the notice of claim and specified in the notice of disclaimer.

(5) No person shall lease, hypothecate, alienate, transfer or dispose of in any manner whatsoever to any person other than the Board the whole or any part of—

- (a) any property which is included in a notice of claim and is not disclaimed by a notice of disclaimer; or
- (b) any right or interest in respect of or incidental to the property specified in paragraph (a).

(6) Any lease, hypothecation, alienation, transfer or disposal made or effected in contravention of the provisions of sub-section (5) shall be null and void.

(7) Any person shall, if requested by any officer authorized by the Minister, furnish to such person as shall be specified in the request information with regard to any movable or immovable property included in a notice of claim as shall be so specified.

(8) Any person who—

- (a) leases, hypothecates, transfers or disposes of any notified property in contravention of sub-section (5); or
- (b) wilfully fails to furnish the information referred to in sub-section (7), or who wilfully withholds all or any part of such information, or who furnishes information knowing such information to be false; or
- (c) wilfully or negligently destroys or damages or causes to be destroyed or damaged any notified property; or
- (d) removes, changes the situation, or alters the character or causes such removal, change or alteration of any notified property,

shall be guilty of an offence under this Act.

- (9) Regulations may be made under this Act—
- (a) empowering any person authorized in that behalf by the Board to inspect any notified property, and requiring the persons in whose possession or custody such property is to allow and assist the inspection thereof;
  - (b) providing that a report as to the condition of any notified property may be made, and may be subsequently amended, by or under the authority of the Board;
  - (c) providing for the service of copies of such report or any amendment thereof on persons having an interest in the property to which the report relates;
  - (d) requiring persons on whom copies of the report or any amendment thereof have been served to notify the Board whether or not they are in agreement with such report or amendment, and, if they are not in agreement, to specify any objections they may have and the grounds of such objections and to produce all documents relied on by them in support of such objections;
  - (e) prohibiting the making of any improvements or alterations to any notified property without the prior approval of the Board; and
  - (f) providing for all matters connected with or incidental to the matters aforesaid.

**Compulsory  
transfer to the  
Board of  
certain  
property.**

**34.** (1) The Minister may, by Order (hereafter in this Act referred to as a "vesting Order") published in the *Gazette*, vest in the Board, with effect from such date as shall be specified in the Order, any such notified property as has not been disclaimed by a notice of disclaimer or any right, interest or benefit in such notified property derived under the terms of any arrangement, agreement (formal or informal), lease or notarially executed instrument subsisting on the date of publication of the notice of claim.

(2) Before a vesting Order takes effect, the Minister may from time to time alter, by Order published in the *Gazette*, the date on which such vesting Order takes effect.

(3) A vesting Order shall have the effect of giving the Board absolute title to any property specified in the Order with effect from the date specified therein and free from all encumbrances:

Provided, however, where any right, interest or benefit in any notified property is vested in the Board a vesting Order shall have the effect of giving the Board such right, interest or benefit with effect from the date specified in the Order.

35. (1) The Minister may, by Order (hereafter in this Act referred to as a "requisitioning Order") published in the *Gazette*, requisition, with effect from such date as shall be specified in the Order, any notified property as is immovable property, in order that it may be temporarily used by the Board for the purposes of its business.

Requisition  
of notified  
property and  
compulsory  
acquisition of  
requisitioned  
property.

(2) Before a requisitioning Order takes effect, the Minister may from time to time alter, by Order published in the *Gazette*, the date on which such requisitioning Order takes effect.

(3) A requisitioning Order shall have the effect of authorizing the Board, with effect from the date specified in the Order, to take possession of the property specified in the Order and to use such property temporarily for the purpose of the business of the Board in any manner whatsoever.

(4) Where any property is requisitioned by a requisitioning Order, the Minister may, by Order (hereafter in this Act referred to as "derequisitioning Order") published in the *Gazette*, derequisition such property with effect from such date as shall be specified in the derequisitioning Order.

(5) Before a derequisitioning Order takes effect, the Minister may from time to time alter, by Order published in the *Gazette*, the date on which such derequisitioning Order takes effect.

(6) Where, immediately before the date on which any property is requisitioned under this Act, a person, other than the owner of such property, was entitled to possession of or to any other right, title or interest in such property under the terms of any arrangement, agreement (formal or informal), lease or notarially executed instrument, that arrangement, agreement (formal or informal), lease or notarially executed instrument shall be deemed for all purposes to have expired on that date.

(7) Where any property is derequisitioned by a derequisitioning Order, such Order shall be deemed to have the effect of reviving any arrangement, agreement

(formal or informal), lease or notarially executed instrument subsisting on the date on which the property was requisitioned, and any question which may arise as to any right, title or interest, in or over that property shall be determined accordingly.

(8) Notwithstanding anything to the contrary in this Act or in other law the provisions of sub-section (7) shall not apply to any arrangement, agreement (formal or informal), lease or notarially executed instrument affecting any movable or immovable property of the Crown subsisting on the date on which the property was requisitioned.

(9) Where any property requisitioned for the Board is permanently required for the purpose of the business of the Board, such property may be vested in the Board by a vesting Order.

**Revocation of  
vesting Order.**

**36.** (1) Notwithstanding that any movable or immovable property has vested in the Board by virtue of a vesting Order, the Minister may, at any time before an award as to compensation is made in respect of that property under section 52, by subsequent Order published in the *Gazette* (hereinafter in this section referred to as a "divesting Order") revoke that vesting Order.

(2) The following provisions shall apply in any case where a vesting Order in respect of any movable or immovable property is revoked by a divesting Order:—

- (a) that property shall be deemed never to have vested in the Board by virtue of that vesting Order, and any question which may arise as to any right, title or interest, in or over that property shall be determined accordingly;
- (b) that property shall be deemed to have been and to be property which was requisitioned by a requisitioning Order with effect from the date on which that vesting Order took effect and was derequisitioned by a derequisitioning Order with effect from the date of the revocation of that vesting Order;
- (c) all claims made under this Act to the compensation payable in respect of that property and all proceedings taken under this Act in regard to such claims before that vesting Order was revoked shall be deemed to be null and void, and fresh claims to compensation in respect of that property may be made

under this Act and fresh proceedings in regard to such fresh claims may be taken under this Act.

(3) The preceding provisions of this section shall have effect notwithstanding anything in any other provision of this Act or in any other written law.

37. (1) Any person specially or generally authorized in that behalf by the Minister or the Chairman of the Board may take possession of any property vested in or requisitioned for the Board.

(2) Any officer of the Board authorized in that behalf by the Chairman of the Board shall, by notice given to the person in occupation or in possession of any property vested in or requisitioned for the Board or exhibited in some conspicuous place on or in the vicinity of such property—

(a) inform such person that such authorized officer intends to take possession of such property for and on behalf of the Board on such date and at such time and place as shall be specified in the notice, and

(b) require any person interested or his authorized agent to be present on the date and at the time and place so specified, and to allow and assist such authorized officer to take possession of such property for and on behalf of the Board.

Where such property is a motor vehicle, the notice aforesaid may be given to the registered owner of that vehicle within the meaning of the Motor Traffic Act instead of being given to the person in possession of that motor vehicle.

Taking possession of property vested in, or requisitioned for, the Board.

Cap. 201.

(3) Any notice required to be given to any person under the preceding provisions of this section shall be deemed to be given to him if such notice is sent to him by registered letter through the post.

(4) Any person who contravenes any requirement of any notice given to him under this section shall be guilty of an offence under this Act.

38. (1) Every person who—

(a) prevents, obstructs or resists, or

(b) directly or indirectly causes anyone to prevent, obstruct or resist,

Prevention of or obstruction to taking possession of property for and on behalf of the Board.

any person from or in taking possession, under section 37, of any property for and on behalf of the Board shall be guilty of an offence under this Act.

(2) Where an officer authorized by the Minister or the Chairman of the Board under section 37 to take possession of any property for and on behalf of the Board is unable or apprehends that he will be unable to take possession of such property because of any obstruction or resistance that has been or is likely to be offered, on his making an application in that behalf to the Magistrate's Court having jurisdiction over the place where that property is kept or situated, the Magistrate shall issue an order of the Court directing the Fiscal to deliver possession of that property to him for and on behalf of the Board.

(3) Where an order under sub-section (2) is issued to the Fiscal by a Magistrate's Court, he shall forthwith execute that order and shall in writing report to the Court the manner in which that order was executed.

(4) Where an order under sub-section (2) is issued to the Fiscal by a Magistrate's Court, the execution of such order shall not be stayed in any manner by reason of any step taken or proposed to be commenced in any Court with a view to questioning, varying or setting aside such order.

(5) For the purpose of executing an order issued by a Magistrate's Court under sub-section (2), the Fiscal or any person acting under his direction may use such force as may be necessary to enter any place where any movable property to which that order relates is kept and seize such movable property, or to enter any land, building, structure or other immovable property to which that order relates and to eject any person in occupation thereof, and to deliver possession of such movable property, land, building, structure or other immovable property to the person who is authorized to take possession thereof for and on behalf of the Board.

**Acquisition of  
immovable  
property under  
the Land  
Acquisition  
Act for the  
Board.**

**Cap. 460.**

39. (1) Where any immovable property, other than any notified property, is required to be acquired for the purpose of the business of the Board and the Minister, by Order published in the *Gazette*, approves of the proposed acquisition, that property shall be deemed to be required for a public purpose and may accordingly be acquired compulsorily under the Land Acquisition Act and be transferred to the Board.

(2) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act, for the Board, shall be paid by the Board.

Cap. 460.

**40.** (1) Where any immovable property of the Crown is required for the purpose of the business of the Board, such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made under section 6 of the Crown Lands Ordinance, and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Board.

Crown property both immovable and movable, to be made available to the Board.

Cap. 454.

(2) Where any movable property of the Crown is required for the purpose of the business of the Board, the Minister may by Order published in the *Gazette* transfer to and vest in the Board the possession and use of such movable property.

**41.** (1) The Chairman of the Board or any person authorized in that behalf by such Chairman may—

Power to require information and to inspect.

- (a) inspect any movable or immovable property which had been, or is being or is or was intended to be, used for the purchase, sale, supply or distribution of paddy and rice or hulling, milling or processing of paddy and rice;
- (b) inspect any movable or immovable property which had been, or is being or is or was intended to be, used for the carrying on of such other business as may be incidental or conducive to the purposes referred to in paragraph (a);
- (c) request any person to furnish information with regard to any matter within his knowledge relating to any movable or immovable property referred to in paragraph (a) or paragraph (b); and
- (d) request any person to furnish information with regard to any matter within his knowledge relating to the business of purchase, sale, supply or distribution of paddy and rice or hulling, milling or processing of paddy and rice, whether carried on by himself or any other person, and the persons employed for the purposes of such business, including details of their salaries, gratuities, compensation, or other benefits accruing to them.

(2) Any person who fails, without reasonable cause, to comply with the provisions of sub-section (1) (c) or sub-section (1) (d) or who furnishes information knowing such information to be false or obstructs any person in the exercise of the powers conferred on him by sub-section (1) (a) or sub-section (1) (b) shall be guilty of an offence under this Act.

**Power of Board  
to make use of  
equipment and  
facilities of  
other persons.**

42. (1) Any person who carries on the business of purchase, sale, supply, transport or distribution, hulling, milling or processing of paddy and rice shall, if a written request in that behalf is made to him by the Board, make available for use by the Board any equipment or facilities maintained by him for the purpose of that business subject to such terms and conditions (including terms as to the charges to be made for such use) as may be determined by agreement between that person and the Board or, in the absence of such agreement, by arbitration as hereinafter provided.

(2) Where the terms and conditions subject to which any equipment or facilities of any person referred to in sub-section (1) is or are to be used by the Board have to be determined by arbitration, the arbitration shall be conducted—

- (a) by a single arbitrator nominated by agreement between that person and the Board; or
- (b) in default of such agreement, by two arbitrators nominated respectively by that person and the Board.

(3) Where in any case referred to in paragraph (b) of sub-section (2) there is a difference of opinion among the two arbitrators in respect of any matter, the matter shall be referred for decision by an umpire chosen by them, and, if they are unable to agree, by an umpire appointed for the purpose by the District Court of Colombo on application made by any party to the arbitration proceedings.

No stamp duty shall be payable in respect of any application under this sub-section.

Each party shall be liable to pay in equal shares the amount of the fee payable to an umpire chosen or appointed under this sub-section.

(4) The decision of a single arbitrator or where there are two arbitrators their agreed decision, or in any case referred to in sub-section (3) the decision of

an umpire, shall be final and conclusive for the purposes of this section and shall be binding on the Board and on the person whose equipment or facilities is or are to be used by the Board.

(5) Regulations may be made in respect of all matters relating to or connected with the conduct of proceedings upon arbitration under this section.

**43.** No person shall be entitled to compensation for any loss incurred by him whether directly or indirectly or by way of business or otherwise by reason of the vesting in the Board or requisition for the Board under this Act of any mill, huller, plant, machinery or equipment or facility used by such person or intended to be used by such person for his business.

Compensation  
for loss  
incurred by  
reason of  
vesting or  
requisition  
for the Board  
of any mill,  
huller, plant,  
machinery, &c.

## PART V COMPENSATION

**44.** Where any property is vested in or requisitioned for the Board, the Chairman of the Board shall, by notice published in the *Gazette* and in such other manner as may be determined by him, direct every person who was interested in such property immediately before the date on which such property was so vested or requisitioned to make, within a period of one month reckoned from the date specified in the notice, a written claim to the whole or any part of the compensation payable under this Act in respect of such property, and to specify in the claim—

Notices to  
persons  
entitled to  
make claims  
to the com-  
pensation  
payable under  
this Act in  
respect of any  
property  
vested in or  
requisitioned  
for the Board.

- (a) his name and address;
- (b) the nature of his interest in such property;
- (c) the particulars of his claim; and
- (d) how much of such compensation is claimed by him.

**45.** (1) The Chairman of the Board or such other officer as may be authorized by him in that behalf shall, as soon as possible after the receipt of a claim for compensation made by any person under section 44, determine such claim.

Power of the  
Chairman of  
the Board or  
officer  
authorized by  
him to deter-  
mine compen-  
sation payable  
to claimants.

(2) Where there is any dispute as to the persons entitled to compensation in respect of any property vested in or requisitioned for the Board, the Chairman

of the Board or such other officer as may be authorized by him in that behalf shall defer making any determination as to the compensation payable in respect of such property and shall refer the dispute for decision to the District Court within whose jurisdiction such property, being immovable property, is situate, or being movable property, was kept at the time it was so vested or requisitioned, and shall, after such Court make its decision on such dispute, make an award in accordance with such decision.

**Power to hold inquiries into claims for compensation.**

**46.** (1) For the purpose of making a determination under section 45, the Chairman of the Board or such other officer as may be authorized by him in that behalf may, if such Chairman or other officer considers it necessary so to do, hold an inquiry, and such Chairman or other officer shall by notice in writing direct every claimant for compensation to be present on such date, and at such time and place, as may be specified in the notice.

(2) The Chairman of the Board, or such other officer as may be authorized by him in that behalf, conducting an inquiry under sub-section (1) may adjourn the inquiry from time to time and on every occasion on which such Chairman or other officer adjourns the inquiry, such Chairman or other officer shall notify to every claimant for compensation the date on which, and the time and place at which, such inquiry will be resumed.

(3) The Chairman of the Board, or such other officer as may be authorized by him in that behalf, conducting an inquiry under sub-section (1) may by summons under the hand of such Chairman or other officer require—

(a) any person whose evidence is, in the opinion of such Chairman or other officer, likely to be material for the determination of the amount of compensation, to attend and to give evidence at the inquiry on such date and at such time and place as may be mentioned in the summons; and

(b) any person to produce at the inquiry on such date and at such time and place as may be mentioned in the summons for examination by such Chairman or other officer any such document or book of account in the possession of such person as is in the opinion of

such Chairman or other officer likely to contain such information as may be necessary to determine the amount of compensation.

(4) A summons to any person under sub-section (3) shall be served on him in the same manner as is provided by the Civil Procedure Code for the service of summons in a civil suit.

Cap. 101.

(5) The examination of witnesses at any inquiry under sub-section (1) shall be on oath or affirmation administered by the Chairman of the Board or other officer conducting the inquiry.

**47.** (1) The amount of compensation payable in respect of any property, being immovable property vested in the Board, shall be a sum equal to the value which that property would have realized if sold in the open market on the date on which that property was so vested.

Assessment and payment of compensation under this Act in respect of property as is immovable vested in the Board.

(2) In determining the compensation payable under sub-section (1) in respect of such property vested in the Board any sum which had been paid in advance to the owner of such property as rent for such period after the date on which the property was so vested shall be deducted from the amount of compensation.

**48.** (1) The amount of compensation to be paid in respect of any property, being immovable property requisitioned for the Board, shall be a sum equal to the rent which might reasonably be expected to be payable by a tenant in occupation of such property, during the period of requisition, under a lease granted immediately before the beginning of that period whereby the tenant undertakes to pay all usual rates and taxes and to bear the cost of the repairs and insurance and other expenses, if any, necessary to maintain such property in a state to command that rent.

Compensation in respect of property as is immovable requisitioned for the Board.

(2) The amount of any rent paid in advance to the owners of any property as is immovable for any period after the date on which such property was requisitioned shall be deducted from the compensation payable under sub-section (1).

**49.** The amount of compensation payable in respect of any property, being movable property vested in the Board, shall be the actual price paid by the owners for the purchase of such property and an additional

Assessment of compensation payable for property as is movable.

sum which is equal to the reasonable value of any additions and improvements made to such property less a reasonable amount for depreciation.

Proportionate payment of compensation, and interest on compensation, until date of payment.

**50.** (1) The amount of compensation to be paid to any person in respect of any property requisitioned for or vested in the Board shall be proportionate to the interest such person had in such property on the date on which the property was requisitioned for or vested in the Board:

Provided, however, where property requisitioned is subsequently vested in the Board, the apportionment of the compensation in respect of such property shall be proportionate to the interest any person had in such property on the date on which such property was requisitioned for the Board.

(2) Any compensation payable under this Act shall carry interest, as from the date on which it accrues due until payment, at such rate as may be determined by the Minister with the concurrence of the Minister of Finance.

When compensation in respect of vested property accrues due.

**51.** The compensation payable in respect of any property vested in the Board shall be considered as accruing due from the date on which that property was so vested.

Duty of Chairman of the Board or other officer to make an award of the compensation and to give notice of such award.

**52.** The Chairman of the Board or other such officer as may be authorized by him in that behalf shall, upon the determination of the amount of compensation payable to any person in respect of any property vested in or requisitioned for the Board, make an award under his hand of the amount of such compensation and give written notice of such award to the person or persons entitled to such compensation.

Person dissatisfied with the amount of compensation awarded may appeal therefrom to the Board of Review constituted under the Land Acquisition Act.

Cap. 460.

**53.** (1) Where any person is dissatisfied with the amount of the compensation awarded to him under section 52, such person may appeal against the award to the Board of Review constituted under the Land Acquisition Act (hereinafter referred to as "the Board of Review").

(2) Every appeal under sub-section (1) shall be in writing and be addressed to the Chairman of the Board of Review and be transmitted to, or delivered at, the office of that Board.

- (3) Every appeal under sub-section (1) shall—  
(a) state the name and address of the appellant;  
(b) mention as the respondent the Chairman of the Board or other officer who made the award against which the appeal is preferred;  
(c) contain a concise statement of the description of the property in respect of which the award was made; and  
(d) state the amount of compensation claimed by the appellant and the reasons why he considers the amount awarded by the respondent to be insufficient.

(4) No appeal under sub-section (1) shall be entertained by the Board of Review unless it is preferred within twenty-one days after the date on which notice of the award of the compensation under section 52 of this Act was received by the appellant.

**54.** (1) The provisions of section 24 of the Land Acquisition Act shall apply to proceedings before the Board of Review on any appeal to that Board under this Act.

(2) The provisions of section 25 of the Land Acquisition Act shall apply in relation to the decision of the Board of Review on any appeal to that Board under this Act subject to the following modifications:—

- (a) sub-section (3) of that section shall have effect as though the words “or reduce” were omitted;  
(b) sub-section (4) of that section shall have effect as though the proviso thereto were omitted; and  
(c) sub-sections (3) and (4) of that section shall have effect as though for the expression “section 17” occurring in those sub-sections, there were substituted the expression “section 52”.

**55.** An award under this Act of the Chairman of the Board, or any other officer authorized by him in that behalf, or if instead of that award, a new award has on appeal to the Board of Review been made by that Board, such new award shall be final and not called in question in any Court.

Application of certain sections of the Land Acquisition Act in relation to appeals to the Board of Review under this Act.

Finality of an award made under this Act.

Tender and payment of compensation.

**56.** Where an award is made under section 52, the Chairman of the Board shall tender to the person who is entitled to compensation according to that award the amount of compensation allowed to him by the award or, if in lieu of that amount a new amount has been allowed as compensation by a decision of the Board of Review on an appeal by him to that Board, tender that new amount to him, and shall pay the tendered amount to him if he consents to receive it.

Power of the Chairman of the Board to pay advances on account of compensation.

**57.** The Chairman of the Board may before the determination of a claim for compensation under this Act pay to a person whom he considers entitled to such compensation an advance, and any sum so paid shall be deducted from the amount of the compensation awarded to him under section 52.

Mode of payment of compensation.

**58.** The mode and manner of payment of compensation under this Act shall be determined by the Minister in consultation with the Minister of Finance.

Provision for cases where compensation is not accepted, &c.

**59.** Where any compensation payable to any person under this Act is not accepted by him when it is tendered to him or where such person is dead or not in existence or not known, it shall be paid to any District Court or Court of Requests, according as the amount of the compensation exceeds or does not exceed seven hundred and fifty rupees, to be drawn by the person or persons entitled thereto.

## PART VI

### GENERAL

Power of Minister to modify the effect of certain written laws.

Cap. 379.

**60.** (1) For the purpose of enabling the Board to exercise, perform or discharge any affair, duty or function under any written law for the time being specified in the Schedule hereto, regulations may be made under this Act with the concurrence of the Minister to whom the subject or function or written law has been assigned by the Prime Minister under section 46 (4) of the Ceylon (Constitution) Order in Council, 1946, declaring that any such written law shall in its application have effect subject to such modifications as may be specified in those regulations.

(2) Notwithstanding the provisions of sub-section (3) of section 62 of this Act, no regulation made in pursuance of the provisions of this section shall come into force unless and until it has been approved by resolution of the Senate and the House of Representatives.

**61.** (1) For the purpose of enabling the Board to effectively exercise or discharge or perform its powers, functions or duties under this Act or any other enactment the Minister may by Order published in the *Gazette* issue all such directions as may be necessary with a view to provide for unforeseen special circumstances or to determine or adjust any question or matter for the determination or adjustment of which no provision or no effective provision is made by this Act or such other enactment.

Power of  
Minister to  
make Orders.

(2) Within a period of fifty days after the publication in the *Gazette* of any Order made by the Minister under sub-section (1) the House of Representatives may by resolution revoke such Order, and in the computation of such period no account shall be taken of any period during which Parliament is prorogued or dissolved. Such revocation shall be without prejudice to anything previously done thereunder.

**62.** (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act.

Regulations.

(2) In particular and without prejudice to the generality of the powers conferred by sub-section (1), the Minister may make regulations in respect of the following matters:—

- (a) any matter required by this Act to be prescribed or in respect of which regulations are authorized by this Act to be made;
- (b) the amendment, revocation, or replacement of the provisions of the Schedule;
- (c) the furnishing of returns and statistics relating to the purchase, sale, distribution, supply, hulling, milling or processing of paddy and rice;
- (d) the entry and inspection by authorized officers of the Board of any stores or other premises of an authorized purchaser or licensee or any place where a person is carrying on the business of hulling, milling or processing of paddy and rice and of any stores of such person mentioned for the purposes of such business;
- (e) the appointment of Regional Consultative Committees and the terms and conditions of such appointment;

(f) prescribing the fee for the issue of any licence under this Act;

(g) all matters incidental or connected with the foregoing provisions of this sub-section.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(4) Every regulation made by the Minister shall as soon as convenient after its publication in the *Gazette* be brought before the Senate and the House of Representatives for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval but without prejudice to anything previously done thereunder. Notification of the date on which a regulation is deemed to be rescinded shall be published in the *Gazette*.

Protection for action taken under this Act or on the direction of the Board.

**63.** (1) No suit or prosecution shall lie—

(a) against the Board for any act which in good faith is done or purported to be done by the Board under this Act; or

(b) against any member, officer, servant or agent or any authorized purchaser of the Board for any act which in good faith is done or purported to be done by him under this Act or on the direction of the Board.

(2) Any expenses incurred by such person as is referred to in sub-section (1) in any suit or prosecution brought against him before any Court in respect of any act which is done by him under this Act or on the direction of the Board shall, if the Court holds that the act was done in good faith, be paid out of the Fund of the Board.

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

**64.** No writ against person or property shall be issued against a member of the Board in any action brought against the Board.

Offences.

**65.** (1) Every person who—

(a) contravenes or fails to comply with any section or provision of this Act or any regulation made thereunder or any order or direction lawfully given under this Act shall be guilty of an offence under this Act;

- (b) aids or abets any person or persons in the commission of an offence under this Act shall be guilty of an offence under this Act;
- (c) contravenes or fails to comply with the provisions of any Order made by the Minister under this Act shall be guilty of an offence under this Act; and
- (d) attempts to commit an offence under this Act shall be guilty of an offence under this Act.

(2) Every person who commits an offence under this Act shall on conviction after summary trial before a Magistrate be liable to imprisonment of either description for a period not exceeding one year or to a fine not exceeding one thousand rupees or to both such fine and imprisonment, and the Magistrate may order the forfeiture of any property in respect of which the offence was committed.

(3) Notwithstanding anything to the contrary in the First Schedule to the Criminal Procedure Code, every offence under this Act shall be a cognizable offence within the meaning of that Code.

Cap. 20.

**66.** Where any offence under this Act is committed by a body corporate every person who at the time of the commission of the offence was a member, general manager, secretary or other similar officer of the body corporate shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of that offence as he ought to have exercised in the circumstances having regard to the nature of the offence.

Liability of  
directors and  
certain officers  
of a body  
corporate for  
offences  
committed by  
that body.

**67.** (1) For the purpose of the exercise, discharge or performance of its powers, functions and duties, the Board may enter into and perform all such contracts as may be necessary for that purpose.

Power of the  
Board to enter  
into con-  
tracts, &c.

(2) The Board shall have the power to establish its own branches or agencies for the purpose of its business or make contracts or other arrangements for such purpose with any person or body of persons (whether corporate or unincorporate) or with Government departments.

**Power of  
Companies,  
to enter into  
contracts  
with the Board.**

**This Act to  
prevail over  
other  
written law.**

**Interpretation.**

**Cap. 201.**

**68.** Any company or body of persons (whether corporate or unincorporate) may, notwithstanding anything to the contrary in any other written law or instrument relating to its functions, enter and perform all such contracts with the Board as may be necessary for the exercise, discharge or performance of the powers, functions or duties of the Board.

**69.** The provisions of this Act shall have effect notwithstanding anything contrary in any other written law, and accordingly in the event of any conflict or inconsistency between the provisions of this Act and such other law, the provisions of this Act shall prevail.

**70.** In this Act unless the context otherwise requires—

“immovable property” means land and includes any interest in, or any benefit to arise out of any land, and any leasehold or other interest held by any person in any Crown land, and also things attached to the earth or permanently fastened to anything attached to the earth;

“motor vehicle” has the same meaning as in the Motor Traffic Act;

“person who was interested”—

(a) in relation to any immovable property vested in or requisitioned for the Board, means a person who, immediately before the date on which such property was so vested or requisitioned, had an interest in such property as owner, co-owner, mortgagee, lessee or otherwise, whether absolutely for himself or in trust for any other person; and

(b) in relation to any movable property vested in the Board, means any person who, immediately before the date on which such property was so vested, had an interest in such property as owner, co-owner, mortgagee, pledgee, hirer or otherwise, whether absolutely for himself or in trust for any other person;

“producer” means any cultivator, landlord or owner cultivator within the meaning of the Paddy Lands Act, No. 1 of 1958;

"property requisitioned for the Board" means property requisitioned for the Board by virtue of a requisitioning Order, and any cognate expression shall be construed accordingly; and

"property vested in the Board" means property vested in the Board by virtue of a vesting Order, and any cognate expression shall be construed accordingly.

#### SCHEDULE

Food Control Act.

Control of the Possession of Food Act.

Agricultural Products (Guaranteed Prices and Control of Hulling and Milling) Act, No. 33 of 1961.