



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

**PRAGNABANDU SCHOLARSHIP TRUST FUND
(INCORPORATION)**

A

BILL

to incorporate the Pragnabandu Scholarship Trust Fund

*Presented by the Hon. (Major) Pradeep Undugoda, M.P.
for Colombo District on 12th of December, 2023*

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Pragnabandu Scholarship Trust Fund
(Incorporation)

AN ACT TO INCORPORATE THE PRAGNABANDU SCHOLARSHIP
TRUST FUND

WHEREAS a Fund called and known as the Preamble
“Pragnabandu Scholarship Trust Fund” has heretofore been
established for the purpose of the advancement of the cause
of education in Sri Lanka, by Deed of Trust No. 78
5 (hereinafter referred to as the “Deed”), attested by Kamini
Dissanayake of Colombo, Notary Public, and set out in the
Schedule hereto:

AND WHEREAS sufficient funds have been successfully
collected by means of public and private endowments for
10 the carrying out of the aims and objects of the said Trust
Fund and the Trustees have made an application for the said
Trust Fund to be incorporated in accordance with the
provisions hereinafter set out, and it will be for the public
advantage to grant the application:

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

1. This Act may be cited as the Pragnabandu Short title
Scholarship Trust Fund (Incorporation) Act, No. of 2023

2. From and after the date of commencement of this Incorporation
20 Act, the Pragnabandu Scholarship Trust Fund shall be a of the
body corporate with perpetual succession under the name Pragnabandu
and style of “The Pragnabandu Scholarship Trust Fund” Scholarship
(hereinafter referred to as the “Fund”) and by that name Trust Fund
may sue and be sued in all courts, with full power and
25 authority to have and to use a common seal.

3.(1) The administration, management and control of the Board of
Fund shall be vested in a Board of Trustees constituted as Trustees of
hereinafter provided. the Fund

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The board, beneficiaries and all persons entitled thereto shall be parties respectively, to grants and such deeds that is duly executed including any supplemental or amended instrument that is incorporated or executed thereof.

5 (2) The Board of Trustees of the Fund (hereinafter referred to as “the Board”) shall consist of the following members:-

 (a) the founder;

 (b) chairman;

10 (c) the persons for the time being holding office as-

 (i) the Secretary to the Ministry of Higher Education

 (ii) the Secretary to the Ministry of the Minister in charge of the subject of Education; and

15 (d) Five persons appointed by the founder (here in after referred to as, appointed members), for a period of five years:

20 Provided, however, that the two present Trustees other than those referred to in paragraph 11 of the Deed shall be deemed to be the first appointed members under this Act.

After the demise of the Founder the Trustees shall appoint the Trustees as referred to in "(d)"above.

25 The founder or his Nominee or the Nominee of the Nominee shall be the Chairman of the Fund.

(3) The members present at the first meeting of the Board shall elect one from them to be the Chairman of the Board.

(4) An appointed member of the Board may at any time resign his office by written communication addressed to the
5 Chairman.

(5) A person shall be disqualified from being appointed or continuing in office as a member of the Board if he is:-

(a) a person who, having been declared an insolvent or bankrupt under any law in force in Sri Lanka or in
10 any other country, is an undischarged insolvent or bankrupt; or

(b) convicted of an offence involving moral turpitude and punishable with imprisonment for a term not less than six months; or

(c) under any law in force in Sri Lanka, found or declared to be of unsound mind or mentally deficient.
15

(6) Where an appointed member of the Board vacates his office by death, resignation or otherwise before the expiry of his term of office, his successor shall hold office for the
20 unexpired portion of the term of office of his predecessor.

The members of the board shall unless otherwise decide, continue to remain to be in office until the Trust is discontinued.

(7) The Chairman of the Board shall preside at all meetings of the Board. In the absence of the Chairman
25 from any meeting, the members present at such meeting shall elect from among themselves a Chairman for that meeting.

(8) In the event of any difference of opinion between the members of the Board, the decision of the majority
30 shall be binding and effectual.

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(9) No act or proceeding of the Board shall be deemed to be invalid by reason only of the existence of any vacancy amongst its members.

5 (10) The quorum for any meeting of the Board shall be four members.

(11) Subject to the provisions of subsection(10), the Board may make rules to regulate the procedure in regard to its meetings and the transaction of business at such meetings.

4. The seal of the Fund

The seal of
the Fund

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

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

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

5. The aims and objects of the Fund shall be-

Aims and
objects of the
Fund

20 (a) to provide scholarships to deserving youth who have completed their primary education satisfactorily, so as to enable them to complete their higher education to develop their industrial and/or technical and/or vocational skills and competence
25 at a technical and/ or higher educational institute, as the case may be;

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- 5 (b) to set up and/or assist in the setting up and/or other educational areas and/or establishments and/or management of technical and/or higher educational institutes schools, foundations and similar institutions engaged in the furtherance of education and/or any other higher education;
- 10 (c) to provide assistance for the development and Improvement of the skills and competence of lecturers, teachers, and such persons engaged in the furtherance of the technical education;
- (d) to do all and/ or other things necessary or expedient to carry out the aims and objects of the Fund.

15 6. (1) The Board shall, in the name of the Fund, have the power to do all things necessary for, or conducive or incidental to, the carrying out of the objects of the Fund. Powers and functions of the Board

(2) Without prejudice to the generality of the powers conferred by Subsection (1), the Board shall have the following powers and functions:

- 20 (a) to raise funds and to receive grants, gifts, or donations, in cash or kind, whether from local or foreign sources;
- 25 (b) to take or hold any property, movable or immovable, which may become vested in it by this Act or by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and to sell, mortgage, lease, grant, convey, devise, assign, exchange or otherwise dispose of, any property to which the Fund may become entitled;

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- (c) to give grant, endowments or scholarship locally and; abroad, for the furtherance of the objects of the Fund;
- 5 (d) to enter into and 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, performance and discharge of the powers, duties and functions, and for carrying out the objects, of
10 the Fund;
- 15 (e) 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;
- 20 (f) to erect or cause to be erected any building or structure on any land belonging to or held by the Fund;
- 25 (g) to invest moneys belonging to the Fund at the discretion of the Board in any such investment as are authorized by law for the investment of money including trust money and to recall, re-invest and vary such investment. It is at the discretion of the Board and to collect income
25 accruing from such investments;
- (h) to open, operate and close bank accounts and to borrow or raise money with the property of the Fund as security, or without such security, for the Purposes of the Fund;

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- 5 (i) The Board may on behalf of the Trust, reasonably seek advice from any company, person, business entity or a business on Banking, Financial or Investment advice, Legal advice or any related services and all consultation fees will be borne by the Trust,

10 The Board may if needed, appoint a Legal Advisor, he shall participate in meetings as an invitee although he may not be a member of the Board' The said Advisor shall only possess power to make decisions relating to the advice and not anything relating to the Trust; and

- 15 (j) to do all such other acts and things as are incidental or conducive to the carrying out of the objects of the Fund.

7. There shall be Paid into the Fund -

Payments
into the Fund

- (a) any funds raised or grants, gifts or donations received locally or from abroad or moneys realized or collected;
- 20 (b) any grant received from the Government from time to time for the purpose of carrying out the aims and objects of the Fund; and
- (c) Any income from investments or other receipts due to the Fund.

25 **8.** There shall be Paid out of the Fund -

Payments out
of the Fund

- (a) Expenses necessary for the working, establishment and maintenance of the Fund;

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(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 purpose of carrying out the objects of the Fund.

9. All contracts, agreements, debts and liabilities of the said Trust Fund existing at the time of coming into operation of this Act shall be deemed to be the contracts, agreements, debts and liabilities of the Corporation hereby constituted.

Contracts of the Trust Fund deemed to be those of Corporation

10 10. (1) The Board shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transaction of the fund.

Accounts and auditing

(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 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.

11. The financial year of the Fund shall be the Calendar Year.

Financial year of the Fund

12. (1) The Fund shall be exempt from the payment of customs and import duty on any goods imported for the purposes of achieving the aims and objects of the Fund.

Exemption of Fund from certain duties and taxes

(2) The Fund shall be exempt from any income tax or wealth tax payable under the Inland Revenue Act No.10 of 2021.

(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.10, of 2021, to the extent of the total value of the gift.

5 (4) Where any person makes a donation to the Fund during any year of assessment, such donation shall be deemed to be an approved expenditure for the purposes of the Inland Revenue Act No.10 of 2021, and the donor shall be entitled to relief under that Act in respect of the total value of such donation.

10 **13.** (1) No suit or prosecution shall be instituted against any member of the Board or 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 member, officer, Servant or agent under this Act, or on the direction of
15 the Board.

Protection of members of the Board and officers of the Fund for action under this

(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,
20 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 all court in respect of any act which is done or is purported to be done by him under this Act or on the
25 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.

14. No writ against person or property shall be issued against any member of the board or any officer, servant and
30 agent of the Fund in any action brought against the Fund.

No writ to issue against person or property of a member of the Board or officer c. of the Fund Act

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15. 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.
16. The Fund shall be deemed to be scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall accordingly apply.
17. The provisions of this Act shall have effect notwithstanding anything contained in the Deed, and accordingly in the event of any conflict between the provisions of this Act and the provisions of the Deed, the provisions of this Act shall prevail.
18. Nothing in this Act contained shall prejudice or affect the rights of the Republic, or of any body politic or corporate, or of any other persons, except such as are mentioned in this Act, and those claiming by, from or under them.
19. In this Act, "founder" means the person referred to as such in the third paragraph of the Preamble to the Deed who will be a board member for life, and upon his death or retirement shall mean an assignee nominated by him shall substitute him.

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

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

Provision of this Act to prevail over provisions of the Deed

Saving of the rights of the Republic and others

Interpretation

"Authorised Investments" includes any fixed Deposits, Government Treasury Bills, Treasury Bonds or other Government-backed investments.

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"Bank" means any State-Owned Bank or Savings Bank established under the Government of Sri Lanka.

5 "Trust Deed" means, deeds that is duly executed including any supplemental or amended instrument that is incorporated or executed thereof.

"Trustee" includes original trustees, substitute or additional during the period of Trust

10 "Trust Fund" includes initial fund, subsequent funds and all other income and expenses generated by the Trustees including any interests of the initial fund, subsequent funds by the Trustees.....
The initial trust fund of this Trust is 10 million.

15 "Person" means any individual in any given place in Sri Lanka, it also includes a Board Member or a Legal Entity.

20 "Beneficiaries" include, deserving youth who have completed their primary education satisfactorily, so as to enable them to complete their higher education and lecturers, teachers, and such persons engaged in the furtherance for the development and improvement of the skills and competence.

"Year" means as mentioned in the Preamble of the Deed is one Calendar Year.

25 **20.** In the event of any inconsistency between the Sinhala and tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text
to
prevail in
case of
inconsistency

