



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

SHRAMA VASANA FUND ACT, No. 12 OF 1998

[Certified on 31st March, 1998]

Printed on the Order of Government

Published as a Supplement to Part II of the **Gazette of the Democratic Socialist
Republic of Sri Lanka** of April 03, 1998

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA

TO BE PURCHASED AT THE GOVERNMENT PUBLICATIONS BUREAU, COLOMBO 1

Price : Rs. 8.00

Postage : Rs. 2.50

Shrama Vasana Fund Act, No. 12 of 1998

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L. D.—O. 38/96.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A FUND CALLED AND KNOWN AS "SHRAMA VASANA FUND" FOR THE PROVISION OF MONEYS FOR THE WELFARE OF EMPLOYEES ; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

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

1. This Act may be cited as the Shrama Vasana Fund Act, No. 12 of 1998.

Short Title.

2. (1) There shall be established a Fund which shall be called the Shrama Vasana Fund (hereinafter referred to as "the Fund").

Establishment of Shrama Vasana Fund.

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

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

Board of Trustees of the Fund.

(2) The Board shall, for the purposes of administering the affairs of the Fund, exercise, discharge and perform, the powers, and functions conferred on or assigned to the Fund by this Act.

(3) Subject to the provisions of the Act, the Board shall have the power to make rules to regulate the procedure relating to its meetings and the transaction of business at such meetings.

4. (1) The Board shall consist of the following :—

Constitution of the Board.

(a) Secretary to the Ministry of the Minister in charge of the subject of Labour who shall be the Chairman of the Board (hereinafter referred to as the "Chairman") ;

- (b) a representative of the Ministry of the Minister in charge of the subject of Finance, nominated by the Minister, in consultation with the Minister in charge of the subject of Finance ; and
- (c) four persons appointed by the Minister, (hereinafter referred to as "appointed members").

(2) (a) every appointed member shall unless he vacates office earlier by death, resignation or removal, hold office for a period of three years from the date of his appointment to such office.

(b) every appointed member may resign his office by a letter in that behalf addressed to the Minister and such resignation shall take effect upon it being accepted by the Minister.

(c) the Minister may, without assigning any reason therefor, remove any appointed member from office.

(d) where any appointed member is, by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint another person to act in his place.

(e) where any appointed member dies or resigns or is removed from office, the Minister shall appoint another person in his place and the person so appointed shall hold office for the unexpired period of the term of office of the member whom he succeeds.

(f) an appointed member vacating office by effluxion of time shall be eligible for reappointment.

(3) (a) the Chairman shall preside at every meeting of the Board. In the absence of the Chairman from any meeting of the Board, a member chosen by the majority of the members present at such meeting shall preside at such meeting.

(b) the quorum for any meeting of the Board shall be three members.

(c) the Board shall have the power to act notwithstanding any vacancy in its membership. Any act or proceeding of the Board shall not be deemed to be invalid by reason only of such vacancy or any defect in the appointment of member.

(4) A person shall be disqualified from being appointed or from continuing, in office as a member of the Board if he—

(a) is or becomes a member of Parliament or a member of Provincial Council or a local authority ; or

(b) is under any law in force in Sri Lanka or in any other country found or declared to be of unsound mind ; or

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

(d) is serving or has served, a sentence of imprisonment imposed by any court in Sri Lanka or any other country.

5. (1) The seal of the Fund (hereinafter referred to as the "seal") shall be in the custody of such persons as the Board may from time to time determine.

Seal of the Fund.

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

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

(4) The Board shall maintain a register of the instruments or documents to which the seal has been affixed.

Objects of the Fund.

6. The objects of the Fund shall be—

- (a) to promote the welfare of employees ;
- (b) to provide financial and other assistance to employees when the institutions they were working in, are closed down without prior notice ;
- (c) to provide medical and other facilities to employees in times of emergency ;
- (d) to provide temporary assistance to employees when inquiries are instituted against them ;
- (e) to provide financial and other benefits to employees or their dependants, in times of distress ;
- (f) to give awards to persons who have rendered outstanding service to employee welfare.

Powers and functions of the Board.

7. (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 the objects of the Fund.

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

- (a) to arrange for the conduct of a Lottery called and known as "Shrama Vasana" by the National Lotteries Board, to raise moneys for the purpose of carrying out the objects of the Fund ;
- (b) to receive grants, gifts or donations in cash or kind, whether from local or foreign sources ;
- (c) to acquire and hold any property, movable or immovable, by way of purchase, grant, gift, donation, bequest, or otherwise ;

- (d) to sell, mortgage, lease, grant, convey, devise, assign, exchange or otherwise dispose of, any such property ;
- (e) to enter into and perform, any such contracts as may be necessary for the proper exercise of its powers and the discharge of its functions or for carrying out the objects of the Fund ;
- (f) to appoint, terminate the appointment of, remunerate, and exercise disciplinary control over, and its officers and servants ;
- (g) to erect, or cause to be erected, any building or structure on any land belonging to or held by the Fund ;
- (h) to invest money belonging to the Fund at the discretion of the Board and to collect the income accruing from such investment ;
- (i) to open, operate and close bank accounts and to borrow or raise money, with or without security, for the purposes of the Fund ;
- (j) to do all such other acts and things as are incidental or conducive to the carrying out of the objects of the Fund.

8. The Minister may give such general directions in writing to the Board as to the exercise of powers and the discharge of the functions of the Board and the Board shall give effect to every such direction.

Directions of the Minister to the Board.

9. The Minister may from time to time order in writing all or any of the activities of the Fund to be investigated or inquired into and reported upon by such person or persons as he may specify within such time specified in such order and upon such order being made, the Board shall afford all such facilities and furnish all such information as such person or persons may require to give effect to such direction.

Power of the Minister to investigate in to activities of the Fund.

Payment to
the Fund.

10. There shall be paid into the Fund—

- (a) all such sums of money as may be voted from time to time by Parliament for the purpose of carrying out the objects of the Fund ;
- (b) all sums of money received as grants, gifts or donations, from local or foreign sources ;
- (c) all sums of money received as income from investments made by the Fund ; and
- (d) all sums of money derived by the Fund in the exercise of its powers, and the discharge of its functions, under this Act, including the proceeds of the lotteries referred to in section 13.

Payments out of
the Fund.

11. There shall be paid out of the Fund—

- (a) all such sums as are necessary for meeting expenses, incurred in the working, establishment and maintenance of the Fund ;
- (b) all such sums as are necessary for the payment of salaries to officers and servants of the Fund ;
- (c) all such sums as are necessary for meeting such payments as are approved by the Board as being necessary for the purpose of carrying out the objects, of the Fund.

Accounts and
Audit.

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

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

(3) The financial year of the Board shall be the calendar year.

(4) The provisions of Article 154 of the Constitution shall apply to the audit of the accounts of the Fund.

13. (1) The National Lotteries Board established by the Finance Act, No. 11 of 1963 (hereinafter referred to as "the Lotteries Board") shall conduct for the Fund such number of and any type of lotteries in each year as may be agreed between the Fund and the Lotteries Board.

Lotteries to be conducted for the Fund by the Lotteries Board.

(2) Every such lottery shall be called a Shrama Vasana and shall be conducted in such manner as may be agreed between the Fund and the Lotteries Board. The agreement between the Fund and the Lotteries Board shall include provision, *inter alia*, as regards the prizes to be awarded in the lotteries so conducted and the manner in which unclaimed prizes at such lotteries are to be dealt with.

(3) The proceeds of every lottery conducted by the Lotteries Board for the Fund shall be paid by the Lotteries Board to the Consolidated Fund, after deducting therefrom, such sums as may be agreed between the Lotteries Board and the Fund in consultation with the Minister in Charge of the subject of Finance as expenses for conducting such lottery, including the value of the prizes to be awarded at such lottery.

(4) The Fund shall be exempt from the payment of any tax under the Inland Revenue Act, No. 28 of 1979 on any income or profit received by it from any lottery conducted by the Lotteries Board for the Fund.

(5) The Lotteries Ordinance shall not apply to any lottery conducted by the Lotteries Board for the Fund.

14. The Board may make such rules as it may consider necessary in relation to any matter affecting or connected with or incidental to, the exercise, discharge and performances of its powers, duties and functions.

Power of the Board to make rules.

Exemption of the Fund from certain taxes.

15. (1) A donation made in money or otherwise by any person to the Fund shall be deemed, for the purposes of paragraph (b) of subsections 2 of section 31 of the Inland Revenue Act, No. 28 of 1979, to be a donation made in money or otherwise to a Fund established by the Government.

(2) From and after the inclusion of the Fund under section 8 of the Inland Revenue Act, No. 28 of 1979, the profits and income of the Fund shall be exempt from income tax payable under Inland Revenue Act, No. 28 of 1979.

(3) The provisions of this section shall have effect notwithstanding anything to the contrary in the Inland Revenue Act, No. 28 of 1978.

Protection of members of the Board for action under the Act.

16. (1) No suit or prosecution shall be instituted against any member of the Board or officer or servant of the Fund 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 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 received by, the Fund in any such suit or prosecution shall be credited to the Fund.

(3) Any expense incurred by any such person as is referred to in subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or purported to be, done, by him under this Act, or on the direction of the Board shall, if the court hold 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.

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

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

18. The Fund shall be deemed to be a Scheduled Institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

Fund deemed to be a Scheduled Institution within the meaning of the Bribery Act.

19. 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.

Officers and servants of the Fund deemed to be public servants.

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.

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

Interpretation.

“employee” means any person who has entered into or works under a contract with an employer in any capacity, whether the contract is in writing or otherwise or whether it is a contract of service or of apprenticeship or a contract personally to execute any work of labour and includes any person employed under any such contract whether such person is or is not in employment at any particular time ;

“Local Authority” means any Municipal Council, Urban Council or Pradeshiya Sabha and includes any Authority created or established by or under any law to exercise, perform, or discharge, powers, duties and functions corresponding to or similar to the powers, duties and functions exercised, performed and discharged by any such Council or Sabha ;

“Provincial Council” means a Provincial Council established by Chapter XVIIIA of the Constitution.

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